TRENDS AND TENDENCIES OF PRO-POOR GROWTH

IN PAKISTAN: POLICY ANALYSIS

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by

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DEDICATION

I dedicate this work to my father **Dr. Mumraiz Akhtar (Late)** and my mother and brothers. Their constant love, support, and assistance have been my true source of strength.

Abbreviations

PPG	Pro-Poor Growth
IMF	International Monetary Fund
GDP	Gross Domestic Product
SDGs	Sustainable Development Goals
HIES	Household Integrated Economic Survey
BISP	Benazir Income Support Program
KP/KPK	Khyber Pakhtunkhwa
PEGR	Poverty Equivalent Growth Rate
UN	United Nations
OECD	Organization for Economic Co-operation and Development
UNDP	United Nations Development Program
PPGI	Pro-Poor Growth Index
ARMA	Autoregressive Moving Average
PGI	Poverty Gap Index

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"May God, in His big understanding, continue to bless and guide us all"

HIRA MUMRAIZ

ABSTRACT

This research delves into the dynamics of pro-poor growth in Pakistan, with a particular emphasis on regional disparities and the efficacy of various policies aimed at fostering inclusive economic development. By integrating qualitative insights from a detailed review of pro-poor growth policies globally and in Pakistan, along with quantitative data derived from statistical analyses of per capita income, poverty rates, and income inequality across different provinces, the study paints a detailed picture of the current landscape in the realm of pro-poor growth. Key findings indicate pronounced regional inequalities, with urban areas generally exhibiting higher per capita incomes compared to their rural counterparts. The research reveals that while economic growth has indeed led to poverty reduction in certain regions, these benefits have not been evenly distributed across regions. Specifically, Punjab and Khyber Pakhtunkhwa have demonstrated pro-poor growth with significant poverty reduction, whereas Sindh and Balochistan have experienced anti-poor growth, favoring higher-income groups. The synthesis highlights the considerable challenge of achieving pro-poor growth in Pakistan. While some regions show progress, others lag due to persistent disparities and governance issues. To address these challenges, the study underscores the necessity for policy-based interventions supported by sustainable funding for social sectors and improved governance. Policymakers are encouraged to draw on both national and international experiences to formulate and implement policies that promote growth beneficial to the most disadvantaged groups, thereby fostering inclusive and sustainable development.

Keywords: pro-poor growth, regional disparities, poverty reduction, Inclusivity, Policy analysis, Pakistan.

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF PRO-POOR GROWTH

The world is confronting the challenge of trickle down of the benefits of economic growth among masses from upper-income stratum to lower-income stratum. Economic Growth in developing countries faces turbulences due to internal and external shocks. Pakistan is not an exception, The country is facing the policy challenge of how to address the hurdles that come across the transmission of growth benefits from the rich to the poor.

Through pro-poor growth policies, economic development aimed at poverty reduction is achieved by targeted interventions designed to guarantee a disproportionate share of benefits going to those who are the very poor. This is seen as a key approach which has been a very significant focus of many policymakers and researchers in the recent past due to its capability to tackle poverty from the basis by achieving equitable growth rather than just increasing the overall economic output. Causing the basis for these kinds of policies, papers, like the one by (Ravallion & Chen, 2003), are of critical importance for demonstration of the mechanisms through which growth becomes inclusive, and outline various IMF policies that can drive this kind of progress.

With the increase in interest of the pro-poor growth, a group of literature phenomenon has developed, and these works are all about ways to measure and evaluate pro-poor growth. Son and Kakwani (2008) have been involved in constructing indices which are used in monitoring the pro-poorness of economic growth and on how it may affect income distribution among the people in response to economic growth. These indices help disclose to specialists and researchers whether the development is bringing the poor closer to the rich or not, therefore policymakers can use this in making better decisions and policies. An in-depth literature review is required to address the challenging questions.

Subsequently, the Anti-Poverty as a catalyst of having an effect alongside other vital social issues such as gender inequality and regional disparities has come under greater scrutiny. Klasen et al. (2016) called for gender disparity to be included in pro-poor strategies' list, and additionally he claims that genuine inclusive growth doesn't come true without the improvement of the economic status of females and girls who very often live in the poorest conditions among other groups. In some countries like South Asia implementation of gender-sensitive pro-poor economic strategies has been very effective in impacting positively women empowerment and in longer perspective of economic development.

It has been observed that pro-poor growth, reaches beyond the mere economic dimensions, to have an appreciable positive effect on the various fronts of human development including health, education, and resource availability. Several countries have already developed research that has found that even with the implementation of these components, the economic strategy will fail in obtaining ambitious nation-wide poverty reduction goals. However, research in countries such as India and Indonesia which have been explored by (Datt & Ravallion, 2011) and Suharto (2018) respectively, highlights the importance of educational and health improvements for socioeconomic reforms.

Over the last few years, global context that has been, witnessed has influenced the policies that have been adopted by us and other economies towards pro-poor growth. The most RDCs face double challenges of earning the highest rate of growth economic and the benefits gotten from such growth are taking into account the poor populations. This thesis therefore scrutinizes the local situation in Pakistan, looking into the global fashions of pro-poor growth and the consequences of those in terms of policy formulation. The study also showed the extent at which such policies have been successful in attaining their objective of equitable and inclusive development in the country.

1.2 IMPORTANCE OF PRO-POOR GROWTH

Pro-poor growth has a significant place in the global struggle with poverty, laying a foundation of sustainable development in which the social welfare would be improved eventually and the standing among the population would be equal. In

her theory, she promulgates that the economy shouldn't be just blooming well, but the growth should be equally spread to all sections of society, especially to the deprived ones.

The initial illustration of the seminal work by (Ravallion & Chen, 2003) detailed how economic growth, if effortlessly done, can be extremely powerful for eliminating poverty, what follows is a detailed outline of how to ensure that economic growth is effectively harnessed. Yet, growth should be in no doubt about its journey to inclusiveness but it should provide prosperity in the form of proportionally more benefit for the poor than the rich. It thus moves beyond the measuring of the economic growth of GDP to determine the distribution of the same among the most disadvantaged and vulnerable of our societies.

The fact that pro-poor growth is a multi-dimensional matter affecting among others health, education and access to economic opportunities possibly explains why this concept has been increased in popularity. Stimulating an atmosphere through which economic activities healing benefits goes to all people and for wealth redistribution is the essence of pro-poor development. Eventually, land causes the elimination of poverty cycle such as low educational levels, poor health outcomes, and little market access. Pradhan et al. (2023) indicated that changes in these poor countries result in their long-term recovery through the life improvement sustaining spiral, which in turn enhances the overall livelihoods of such communities. This inclusive character of pro-poor growth shifts it from its initial level of merely economic importance to a higher level of moral justice, which fights against social injustice.

Also, pro-poor growth implicates social order and cohesion. For societies having a big economic division, the probability of a social unrest or a conflict is always more. These policies narrow the differences between those that are rich and those that are poor; thus, it is possible to build a society that is more cohesive and all members feel as part of the growth of their country. Those who have love for their country are often motivated to work hard for the social stability which creates a feeling of belonging and eliminates a sense of exclusion and disenfranchisement among disadvantaged groups.

In economics, the pro-poor growth became a successful tool that led to the elimination of inefficiency and an additional productivity as well. From the beliefs that say that when the poor are being focused on, it would divert from the economy's growth might some people be thinking of, you will later find out that when the poor are given things like health care, credit, and education, they can significantly help in the growth of the economy. Further Khandker and Koolwal (2007) underscores, such policies can provide wider market access for the poor, encourage innovative small-scale businesses, and increase the share of poor consumers in the economy, ultimately leading to a more favorable business climate.

Finally, pro-poor growth should be adopted in order to reach democratic governance and functional institutions. When talking about humankind, we must talk about their emotions, and empathy is not an exception. It therefore ensures that the whole thread of Democracy is safe by stipulating that the economic policies have bottoms up and integrative nature. Fostering policies that in the first place take into account the issues of the poor will result respectively in increasing trust in public institutions, reduction of corruption and of the authority in government in general. As a result, pro-poor growth is neither only about economic policies but about also building an efficient political and social system where each and every one can effectively contribute to and have their benefits of national progress.

1.2.1 OVERVIEW OF PRO-POOR GROWTH STRATEGIES AND POLICIES

Though pro-poor strategies lie at the basis of the path to inclusive development, they still aim at increasing the income of the poor, decreasing the level of poverty and decreasing the inter-poverty gap. These measures are to ensure the economic outcome is not trapped in the hands of affluent members but rather reduces the rich-poor gaps, which in turn results in an even economy. All machinations that are used to achieve the pro-poor development are within the parameters of this analysis. The theoretical basics, as well as other practical applications, are included, the main problems and prospects are also examined, and the special considerations for the poor and the need for their prioritization are outlined. All such aspects needs to be explored holistically.

1.2.1.1 PRO-POOR GROWTH STRATEGIES

1. Progressive Taxation

Transferring the excess income to the neediest is one of the ways progressive taxation does that. In this way, the governments can get substantial revenue by mobilizing the wealthier individuals and bigger corporations through higher taxes. This tax amount can further be invested in social welfare endeavours for the poor section. Figuring out the intellectual labour of economists like Thomas (Piketty et al., 2013), a progressive tax system kills two birds with one stone, i.e. Lowering income inequality and also providing funding for programs that positively affect economically deprived people's lives. This fiscal route means that wealth and money affect not only the people in high positions of society but throughout the spectrum of the economy, starting from low to high-income groups. If low income group people remained sufferers in the whole growth process, what are the underlying factors?

2. Social Protection Programs

Social programs aiming at helping the poor on a financial level and securing a decent standard of living for them are crucial. These programs which include health insurance and safety nets among other things, give fundamental support to crucial services like healthcare, support in incomes and utilities. The study by these researchers (Marschke & Berkes, 2006) revealed that the programs have the potential of developing people's capacity through the provision of an economic safeguard thus significantly buffering them from other economic stressors for improved livelihoods. As they advance, these programs make sure that the most vulnerable segments of society, the one that experience deterioration in the times of economic recession or difficulties, are well protected and can be lifted up from poverty. The real time and rational application of such social protection programs should be explored.

3. Access to Financial Services

One may claim that financial inclusion is a major strategy for pro-poor growth that generates chances for the poor to take part in smaller yet productive economic activities. Institutions such as microfinance banks and cooperative credit societies allowed, among other things, the introduction of savings accounts, credit at a low interest rate, and investment possibilities. Fatukasi (2005) showed that Jonathan Murdoch explicates one important contribution of financial tools to the poor majority. Firstly, economic independence for which they have opted sheds off the curse of the economic dependence that characterized them before a community.

4. Human Capital Investment

Human Capital Investment in the running debate of pro-poor growth cannot be ignored. Indexing into human capital is indispensable for facilitating environmentally sustainable economic growth which is pro-poor. Education and healthcare are critical sectors in which the investments can help specifically in poverty reduction and creating good economic outcomes. Education systems that are improved lead to individuals earning higher salaries and to economic growth, since educated workers are apt to make creative changes and keep up with market demands. Psacharopoulos and Patrinos (2004) claimed that an increase in education leads to higher earnings and consequently, income inequality in communities is reduced. Not only will education boost civic participation and understanding but also it will allow people to have rational decision-making abilities that can become useful in good governance and societal development.

Concerning healthcare, financed and accessible medical services are necessary because then the population becomes healthier, thus more able to escape diseases that can cause economic hardships. Healthier individuals perform their tasks more efficiently, and they have fewer health expenses which has a direct positive result on the output of the economy. On the other side of the coin, a healthy child can benefit from education; nutrition-starved or sick children are usually absent from school or cannot perform as well as they are supposed to in class. Perhaps, health facilities are not only for medical purposes but also for overall human capital so that a nation with a high level of production can be developed. An integrated framework may be developed to snap the pig picture so that viable policy options could be designed.

5. Infrastructure Development

Infrastructure development acts as a pivotal factor in fostering pro-poor growth through transit enhancement, which results in lowering of the costs associated with economic activities. Good roads, steady electricity, clean water, and good waste disposal are the basic necessities of living. These are public utilities required to have a good living conditions in poor communities and also to be productive. Calderón and Servén (2010) confirmed that infrastructure investments, which importantly enhance access to markets, reduce transaction costs and smooth mobility, are one of a few key elements of economic growth. As an example, better road connections enable farmers to carry off their produce to markets faster, making food waste less common and sales more lucrative. Also like that, having electricity and water increases the sphere of industrial activities and permits the livelihood to be improved in rural areas, thus, less isolates the life of the peasants from the economic world. Infrastructure related connections to pro-poor growth need to be explored through trend and tendency analysis.

However, amongst the key priorities as well, is the thoughtful positioning of projects to avoid great inequality gaps in countries. Through the acquisition of the under-served regions, governments can generate economic boost and create employment in construction, maintenance and so forth. Moreover, governments can monitor the progress of social causes through the use of technology. In addition to providing an immediate source of employment, it also promotes long-term economic stability through its investment in economic diversification that enables destitute regions to proffer new economic activities. Consequently, the infrastructure sector does not only materially focus on the assets but it also targets the enabling environment which supports the growth and development of the economy and the society. Diversified policy imperatives need to be explored.

1.2.1.2 PRO-POOR GROWTH POLICIES

1. Progressive Fiscal Policies

Equitable distribution of a county's wealth is of paramount importance, and progressive fiscal policies are key for that Through the action of progressive taxation systems that impose higher charges on the rich as compared to the ones who earn an average income, governments can, therefore, successfully generate sufficient revenue for funding public services that directly benefit the poor, such as education, healthcare and social security for the impoverished. Fischer (2018) regarded them as essential in the social justice promotion by its provision to the basic needs of the poor through poverty eradication. Moreover, targeted public spending allocates the resources used in these programs to those that do the most good for the poorest communities since it is used to prop up policies which are effective at addressing poverty. . Ensuring pro-poor Innovation is an essential condition for the success of such policies.

Furthermore, progressive fiscal policies can help to support economic growth by boosting the purchasing power of the segments of the community with low income, and such constituencies are more likely to use these new dollar bills to buy products whenever cash comes in. The increasing demand can, in turn, provide more job openings and promote further economic prosperity, bringing about a positive cycle for everyone and alleviating poverty. Policies that are aimed at this can also reduce economic inequities on the top, where an excessive part of the wealth is generated, thus bringing the economic disparities to an acceptable level and favouring an amicable society. Pro-poor policies in the monetary and fiscal domains are highly imperatives for getting sustainable solution.

2. Inclusive Governance and Institutions

Inclusive governance and institutions form a basis of sustainable and equitable economic growth, where the benefits are extended to each of the society structures. These governance systems need to be open, honest, and involving the poor to be able to manage the deprivation adequately. According to (Demirguc-Kunt et al., 2018), these qualities do matter because trust of the leaders by the citizens is vital in alcoholism of democracy in a country which is discharged effectively and are stable. Moreover, institutions with solidarity within them have favourable impacts on equitable resource distribution, and education opportunities extensively that poverty can be alleviated.

It is highly important that these form of governance mechanism should constitute the poor people in taking the decisions, especially on things that directly concern their lives. This can be done through the setting up of councils at the grassroots level, consultations in public areas, and channels for the community to engage. However, in this process, it is imperative to ensure the poor's voices are heard and heeded, rather than just being the object involved in policy implementation, which in turn makes the policies more effective and helps the individuals participating in them empower themselves, thus building a stronger community and greater strength to face the socio-economic shocks. In Pakistan, very little attention has been given in the removing the hurdles coming in the way of public policies. We need to understand how it is important to focus on the Implementation plan and strategy. In Pakistan, very little attention has been given in the removing the hurdles coming in the way of public policies. We need to understand how it is important to focus on the Implementation plan and strategy.

3. Equitable Trade and Market Access

It has been noted that trade policies with equity and enough access to the markets for the people at the lowest scale play a pivotal role in their involvement in the global economy. Elimination of trade barriers and designing an inclusive support system for developing countries to do business internationally are actions with a promise to grow income and thus reduce poverty levels. It focuses on increasing the exposure of low-income producers' goods, highlighting their value in economic and social development. Additionally, fair trade is one of the tools that can be employed to make the local economy bloom through foreign investment and indigenous technology transfer, which results in the creation of better job opportunities and the increase of the quality of wages.

This is an established fact that the policies focused on greater market access with these elements of training programs, grants, and technical infrastructure completion must be followed to make the poor able to take new chances. That is why these supports ensure that the benefits of the increased trade are not limited to those who have already consolidated their positions but also available to those industry players, who would be opposed to this progress without that helping hand.

4. Investment in Skilled Labor and Infrastructure

Human capital development through investing in skilled labor is instrumental in promoting an economy having high potential for growth and low level of poverty. Through improvement education and vocational training, the governments will be equipping their citizens with essential skills to participate in global competition. It not only helps individual workers to command higher wages but also serves as the core of attraction for businesses that require skilled workers, which in turn propels economic development. On the other hand, investments in education particularly at higher level and training stimulate innovation and productivity growth, too, which is very important for establishing long lasting economic stability.

In another important study, Thacker et al. (2019) explained that this investment infrastructure provision acts as creating a physical environment for other economic activities. In other words, the determination of infrastructure projects is that not only do they optimize route efficiency as well as reduce operation expenses but also link remote areas with the private sector, consequently, many more people can join the workforce and lift themselves out of poverty. Accordingly, such initiatives must be aimed not only at the urban areas where bad infrastructure is a factor that holds back economic development but also at the rural parts that are affected much on account of poor infrastructure. Instances of infrastructure that can include good roads, consistent energy sources as well as internet connectivity are examples of what can fully transform productivity and quality of life creating an avenue for all the regions of a country to participate in economic activities.

5. Sustainable Development

Sustaining development is an important tool of making the pro-poor growth initiatives with impacts not only to the economy but also to the environment, if not properly utilized and conserved. Von Hauff et al. (2017) emphasized that communities where natural resources are the primary source of livelihood should be the focus areas for policy integration of sustainability in their development

activities. Efforts in the domain of socially responsible management of resources, adoption of renewable energy, and conservation approach must be undertaken purposefully to avoid the impoverishment of the ecosystem, which disproportionately affects the disadvantaged communities. Such activities not only provide us the assurance to sustain ecological balance but also allow us to keep our economic activities going uninterruptedly without making use of the resources that later generations might need to survive.

These practices may also create new economic avenues for the underprivileged through new job opportunities, increased exports, or improved living conditions. An example of this is that the expansion of green sectors with renewable energy contributes new employment generation expanding income creating sources which are as important as poverty alleviation. Efforts such as sustainable agriculture, eco-tourism, and community-based conservation projects are bound to become local community providers, helping them obtain the necessary know-how and tools to govern the natural resources they own in a way that increases value at the economic level while safeguarding the surroundings. Consequently, such initiatives help address climate change impact since the most vulnerable and low-income regions are more prone to these risks. In this case, they help to support and coordinate the implementation of pro-poor sustainable development. Very little work has been done on these lines in Pakistan(Imran et al., 2021).

6. Investment in Skilled Labor and Infrastructure

A skilled workforce becomes one of the major concerns if we have to look into the growing process of economies as well as poverty reduction. Education and training serve to supply people with the qualifications that are normally required for them to enter the workforce, garnering better job prospects and, consequentially, better pay. Governments can attend to the urgent needs of the jobless and underemployed by way of fostering skills development, especially in poor districts where limited poverty is minimized through restricted access to quality education and employment training potential. Such investments help fight poverty not only by providing individuals with better platforms for employment but

also through the build-up of the workforce skills base which in turn can get more high-value activities attracted to the area. Infrastructure development cannot stand alone and in fact builds on the investments in human capital by making these economies more physically and logistically viable. Such development may be made pro-poor through other attributes like that of subsidized transportation.

Infrastructure projects like roads, bridge, public transit, utilities and communication technology are the bedrock upon which all economic activities stand. They enable company's lower operational costs and improve effectiveness that cuts across all sectors. Additionally, the designed infrastructural development paves way for increased access to markets, healthcare, and education factors that eventually help in increasing the living standards of the poor. As another instance, big cities have better transport systems which make it easier for people to move from work to school, whereas access to reliable internet has increased digital services and e-commerce perspectives that reach even remote places thereby offering the rural areas with economic opportunities. Through the trenching infrastructure onto locations that lack such a necessity, governments are able to reduce the inequalities in the area by letting more people get a taste of the gains from the growth of economy.

7. Environmental Protection and Inclusive Governance

Developing environmentally friendly pro-poor economic policies, which avoid unsustainable economic development that is not socially inclusive, is one of the ways to ensure the prosperity of society as a whole. Practice of the environment and ecology often impacts badly on the poor, who may be more of the direct users of the environmental resources to feed their families and generate their livelihoods. Likewise, the people's source of living may be lost upon deforestation, and water may get polluted, and Indigenous communities thereby may become insecure as they lack their subsistence means. There is a way for the governments to stop these hazards by enacting environmental policies that lead to the prevention of such effects that could negatively affect the livelihoods of the vulnerable communities. Among the benefits, sustainable practices can be catalysts to new jobs in the form of green technologies and businesses, which is a growth base for the economy.

Inclusive governance must not be omitted where it is necessary to guarantee that the views of all local residents, especially the vulnerable ones and the poor, are taken into account as a government policy. Establishing institutions that are transparent, accountable, and inclusive and are designed to give citizens a say in the policies that affect them is important in it. Inclusive governments as the society's building block can help to achieve the principle of justness of resource distribution, better public service delivery, and social cohesion. According to Bank (2017), such inclusive institutions evoke a feeling of belonging and trust in the habitants, which is indeed a critical aspect for the healthy development and prosperity of a country. Such a framework should be reshaped and revisited periodically so as to ensure that it responds to the changing demands and desires of the general public, while steering the pro-poor growth strategies that are best suited to the twin goals.

1.3 GLOBAL PRO-POOR GROWTH TRENDS

The change in global history towards pro-poor growth generally is powerfully acted by the internationally recognized UN Sustainable Development Goals (SDGs), which recommend the multidimensional approach to reduction in poverty and for the achievement of human development. The SDGs follow this with an even more buoyant wave of international efforts and policies that try to combine the creation of societal, financial, and environmental aspects of sustainable development. The SDGs help nations prioritize goals like no poverty, quality education, and affordable and clean energy, providing a structure for countries to adopt pro-poor growth that can catalyze a lasting positive change in communities (Khan et al., 2019).

However, different regional patterns in pro-poor growth from the overall viewpoint of the international community demonstrate different levels of commitment to these goals as well as allocated resources. One such notion is that Southeast Asian countries have ordered an effective economic performance by implementing inclusive anti-poverty policies among their national development strategies, leading to notable declines in poverty rates (Alamgir, 2024). Such achievements are mostly the outcome of specific investments in the development of

rural areas, education, and health paid off directly to realize some of the SDG objectives. Such a pattern would show the best way to continue the application of the policies and activities as well as possibly help to develop the pro-poor growth approach that suits best to Pakistan. We also need to see best practices of the world for designing sustainable solutions.

Knowing how things work from different parts of the world is crucial for determining anti-poor growth strategies' efficacy. It is usually countries with the ability to put in place integral governance frameworks, implement coherent policies in various sectors as well as include the civil societies and private bodies in their programs that perform best (Bank, 2017). It would be beneficial for Pakistan to look at these examples, and evaluate which strategies might be the most effective taking into consideration its own socio-economic realities, and then to use this knowledge to inform national and regional policy-making. This empirical analysis helps not only in finding out the best of what has already been implemented but also in bypassing the same notorious mistakes others have gone through during the trial phases.

1.3.1 Underdeveloped Countries and Poverty

The quest to eliminate widespread poverty and entrenched social inequality has no end except closing the gap between the poor and the better-off, which is dependent on socio-economic growth in developing and underdeveloped countries. Among these, the high income disparity, inadequate access to healthcare and education and fewer chances for the poor to succeed economically are the specific impediments which these nations have to handle (Ayoo, 2022). Despite the regional differences, the senior officials should adopt strategies particularly designed for the situation in the country. Often, agriculture is the only source of income in huge sectors of people of many Asian countries. Pakistan is also falling in the same domain because of agrarian economy.

Policies can impact farming production, food security, and subsistence of the poor. Smallholder farmers and other poor vested interests in the agricultural sector can all experience positive impacts through policies. To facilitate the works

of the farmers hence making capital for investment and the application of the inputs readily available and create an environment to stimulate the sustainability of agriculture, the countries of Bangladesh and Thailand, for instance, made farm-related laws in response (Rahman et al., 2024). Besides emphasizing pro-poor policies, social protection programmers will also work in a pro-poor policy framework. They are the people in the society behind these programmers who serve those who need them the most, such as the old, the disabled, and children, either by giving them money or by buying them food. Social protection programs have emerged in countries like Indonesia, Philippine Archipelago and Thailand with the objective of reducing the level of poverty and thereby boosting engagement with the community into the mainstream of society. Governance and corruption will have to be addressed to promote pro-poor policies (Fritzen, 2006). Another aspect of this is involving the masses in the decision-making process. Services' availability, companies' accountability and transparency, and that fair, non-discriminatory domain for industrials are some things that these changes would support. Politics is the framework of governance that is emphasized the curbing of corruption and the promotion of widespread economic growth. Multiple countries, namely Indonesia, the Philippines, and Vietnam, adopted this approach.

One can note down that the contribution of the pre-poor policies has been in almost all respects poverty reduction and the steady growth of Asian countries like this has been appreciable. To spread economic gain more equally the economic growth among different sections of the human community, mainly the poor and the worst-off, the governments should provide welfare for health and education, concentrate on developing agriculture, give social aid programs, and improve governance. The major driver in their low competitiveness is the growing attention to the social development of these nations, which are either underdeveloped or developing. Some experts look at educational investment, health services, as well as social security provision as pivotal for building a strong poor and ultimately ending the poverty circle (Grusky et al., 2006). As a result, governments started to implement wide-ranging programs that include assisting vulnerable people to receive healthcare and education services and translating this into social safety programs for people whose living standards may be affected by elements they cannot control.

1.4 PRO-POOR GROWTH IN PAKISTAN

The history of pro-poor growth and anti-poor growth in Pakistan is very disappointing particularly in terms of policy perspectives. At some occasions, policies are inherently anti-poor though unintentionally. Part of the problem lies in ignoring standard empirical work while making growth focused policies. Study of fiscal policy initiatives for poverty alleviation and economic empowerment in Pakistan's financial sector acknowledges the country's stand against reducing poverty and making everyone a contributor to the economic growth. There has been a considerable enhancement to curb poverty on the basis of the growth-led approach in Pakistan, but these gains have not been enjoyed equally by regions and sectors (Abdulsamad et al., 2015). The idea that the economy should grow but bring good to the poor has become an issue that is much discussed. The decrease in poverty experienced by families with low income aim with a sharper income growth curve than the national average.

It has been observed that experts and policymakers have more than one concept of improvement that will benefit the poor (Anthony & Arslan, 2020). Such expectation is supportive of the anti-slogan between the 'poverty-focused and equality-focused' notion. Equality approaches or equality-based growth strategies. . This not only encompasses the usual economic measures but also looks at factors not related to income such as education, health as well and empowerment, which leads to a wholesome understanding of the poverty state (Bourguignon, 2004). Together with enormous economic development, the palm of bounty from these fruits is not evenly shared, which resulted in very wide socioeconomic gaps. Relative poverty is relative to the income of an average individual in a country. World Bank estimated that about 24% of Pakistan's population will be poor in 2020 (Adeosun & Tabash, 2022).

Pakistan's poverty has different faces, not limited merely to income below a set threshold but also poor health, education, and living standards. This is more likely to be in the forgotten corners of the world, such as rural communities where services like clean water, sanitation, healthcare, and good education are usually non-functional or difficult to reach. The Pandemic of COVID19 not only challenged women but also strongly affected women's unemployment, food

insecurity, and economic insecurity (Goldin, 2022). New forms of differences are being constructed both within and across areas. On the other hand, Balochistan and Sindh, two provinces, are already more impoverished than Punjab and Khyber Pakhtunkhwa, two other provinces(A. Asongu & Nwachukwu, 2018). As well, subject of gender gap that affects women and girls in receiving the right to education and profession and being more inclined to violence should be recognized as a serious problem.

Alleviating poverty in Pakistan will start from the multidimensional approach that will consist of both economic policies that will create an environment pro-poor growth and social dimension to increase access to basic services and strengthen social protection mechanisms(Saddique et al., 2023). Poverty not only deeply influences the socio-economic development of Pakistan but it is also severely reflected on the human life. Poverty has many devastating effects, such as lower educational accomplishments, unfavorable medical results, and shortening the duration of life (Young, 2019). Depth and severity of poverty has not been accounted for in policy dossier.

Education, the key to developing sustainable solutions and eradicating poverty, is among the biggest sufferers. Given the situation when students' parents are not able to pay schooling costs and children have to work to support their families, rates of poverty nearly always lead to a reduction in the number of students being enrolled in schools and high dropout rates. This gradually hinders the very economic growth itself and creates a vicious circle of perpetual underdevelopment and stagnant human resources (Lammi, 2018). Poverty may be a root cause of individuals' inability to afford medical assistance as well as inadequate health nourishment, which in turn leads to vast health problems in the public. Providing us with the World Health Organization in mind, there are many diseases prevalent in Pakistan that are related to poverty, including tuberculosis, malaria, and diarrheal diseases (Saayman & Giampiccoli, 2016). Special policy package is required for addressing health poverty particularly in deprived regions of Pakistan.

Poor and unequal inequality harms consumer's power of consumption, which leads, in turn, to a slowdown. Because poor markets are somehow perceived as dangerous, low poverty rates can frustrate larger investments or entrepreneurs so that economic development can get delayed. The suppressors of long-term poverty and inequalities can have the consequences of diminishing social relationships and political stability. The results may be in the form of civil disturbance, an exacerbation of conflict, the weakening of government institutions and all of which lead to a decline in socioeconomic development. It will lead to under-development, and hence, the removal of poverty will not be possible. Pro-poor growth, which gives more emphasis to the welfare of the poor through economic growth that results in the reduction of income inequality, remains the solution to the problem of poverty and inequality.

We can note that this kind of growth allows the poor to have some improvements in their "living standard" overtime. It takes a wider view than the classical economic growth indicators and concentrates on inclusive development to enable restructuring of social problems in the poorest communities that are not well off. What a pro-poor growth means and its significance for various dimensions of life can be seen from the different angles (Harris & Posner, 2022).

Decreasing the rate of poverty is the major target of the pro-poor growth program. In many cases, a strong link between economic growth and poverty decline has been proven works of Ravallion and Chen (2003) for this case. Pro-poor growth, otherwise, makes the causality between poverty reduction and economic growth work by ensuring that the fruits of growth trickle down and eventually go to those who need it most.

It has been identified that pro-poor growth policies aim at designing channels away from the trap of poverty through resources and policy allocation at targeted groups, such that they manage to eradicate the vicious circle of deprivation. Social programs and social insurance plans, such as food security, health care, and pensions, for example, play a key role in reducing poverty and protecting vulnerable groups of society. Those programs grant the poor the ability to earn money to obtain medical care, as well as many other essential support

services, thereby ensuring the minimum level of indifference. As indicated by Niño-Zarazúa et al. (2012), social protection programs are useful means of expressing poverty reduction in developing economies.

Pro-poor growth, which is the main component of poverty reduction, provides opportunities to spend money on different critical sectors like health, education, and skill development by diverting working resources towards poor people. These create opportunities, increase human capital, and strengthen the economy as a whole with a view to decreasing of poverty in long-term. The poor have the higher chances of improving their life scenarios by means of the knowledge and skills they receive through an empowerment process of this kind: better jobs, higher wages, and overall wellbeing. Contrary to the deeply held belief, it is noteworthy that pro-poor growth not only goes a long way in fostering economic growth but also serves as the driving force for the same. It has been shown by the Bank (2017) that pro-poor growth enlarges the markets for businesses to engage while increasing the number of poor who venture into the business sector. Pro-poor growth is a stepping stone that helps the poor actively join the economy in contributing to gross productivity levels by availing them with facilities, for example, credit, health, and education. This creates a scenario of depending on local production and consumption and automatic market demand and sets the scene for long-term economic growth (Gallouj et al., 2015). The growth that strengthens the poor base leads to many positive implications inclusive of strengthening the political stability and good governance. It prohibits the increase in social and political conflicts which often arise inside societies with a high level of unevenness (Phan, 2016).

Pro-poor growth brings a positive impact on building the democratic institutions and the governance structure involved through the reduction of inequalities, enhancement of social cohesion, and high citizens' trust in the government. PPG cannot be achieved without a vegetation which directly taxes. It comprises introducing tax regimes that make the rich individuals and corporations bear the bulk of tax burden so that the governments have the money to address the issue of poverty and healthcare or pension programs. As stated by Birner and Von Braun (2015), progressive taxation is a process of diminishing income inequality

by using this tax to fund social ability programs for the poor. The poor's bankable population has become accessible to the resource allocation process, which is a key scheme to pro-poor growth. Microfinance, as a financial tool, as well as banking systems and other financial services, allows the poor to get loans, save money, invest it, and even start their own business. Pakistan has made significant strides in the last four decades to do away with the problem of poverty. When the Bank was established in 1987, the poverty rate in the country was sat at 64. 3 percent, but in 2015, it came down to twenty-four percent.

Economic growth services are a key instrument in the anti-poverty fight through the provision of higher income levels and the creation of more jobs for the population. Despite these, Pakistan is still categorized as among the third-world's poorest countries. The HDI ranking of Mauritius so far at 154 out of the total of 189 countries shows that the country is the least developed on the earth, in the words of the UNDP. In primary, 20% of all individuals contribute much more to the average income, and this disparity persists. The principal determinant of slow progress in the pro-poor growth of Pakistan is the dramatic rise in its population. The availability of the resources is at its lowest, which has been depleted by the ever-swelling population, leading to the provision of the basic needs to far fewer people. Some adverse effects might be observed, as people living in the area (or close by) also might have gained more than others. Moreover, political instability, poor governance and rampant corruption represented the main hurdles on the country's path in the direction of the policy and programs that would benefit poor people. Clash with other neighboring countries and climate change are among the two stressors which just a glance suggests the troubles the nation has suffered from. It means that the trend is now running towards those things these governments actively pursue, like the poverty level drop and or universal access to the basic necessities.

Among many destitute families in Pakistan, the monetary aids from Income Assistance Program (BISP) has to be a huge relief and consolation. The Ehsaas Program is, however, only one illustration of the variety of schemes implemented to tackle poverty and inequality. The development of micro-finance sector in Pakistan is, however, one more thing that makes it possible. Microcredit

institutions give out small loans in fact, which are at relatively small interest rate, to strata of the population that, as a rule, are under looked by the traditional financial institutions.

Micro-financing is a vehicle of loan that empowers low-income communities to establish enterprises and gradually climb up the social ladder to a better standard of living. Other than this, education is portrayed to be a sign post to Pakistan's pro-poor development. The government has done the right thing on the education sector by allocating more resources towards the same to level the playing field for students and improve quality of teaching and learning. This potential occurs by wide financial prospects through which poverty reduction is enhanced. Women's equity across development, which pro-poor scholars also recognized, is important (Haq et al., 2006). Female workers tend to be economically disadvantaged and face difficult time to join the labor force as compared to men. Advancement of women's access to sources such as education, finance, and labor can speed up pro-poor development and accelerate really the gender equality. The significance of pro-poor growth has now been rightly acknowledged by the government as manifested in these concepts. Keeping in view a large population of its people below the poverty line, the government of Pakistan has been focusing on pro-poor growth, which forms a compulsory part of Pakistani policy agenda.

The Government of Pakistan is very quick to respond in alleviating the condition of poverty and inequality and has already adopted specific polices which promote the welfare of the poor (Kemal, 2006). Through various governmental programs such as BISP and currency allocations and other kinds of assistance offered for the poor are the part of these social safety net programs (Iqbal & Nawaz, 2021).The sustainability of the regional poverty gap is one of the main glitches in Pakistan's unique pro-poor growth model. However, the imbalance is not visible in all places with a high poverty rate just everywhere. Economic initiatives for the less privileged in Pakistan will continue to rank tackling these regional disparities as one key factor in ensuring that the positive outcomes of development reach every corner of the country.

1.5 PRO-POOR GROWTH AT THE PROVINCIAL LEVEL

Punjab is a province of Pakistan with the greatest population, which is also an agricultural powerhouse. The growth strategies, emphasizing small scale industries and agricultural advancement, have typically been pro-poor. The Green Tractor Scheme, which was set up to help farmers use tractors more productively, is a perfect example of how the government was able to provide this 'crop-friendly' tool to a significant number of small-scale farmers, thus increasing their yields and incomes. In addition, the Punjab economy has certainly boomed, but there is still a huge gap in income, which favors the rich and not the poor so much. Some agricultural pockets still have problems with poverty and under-employment (both factors are part of poverty), but education and health care. The authorities are trying to resolve the problems of poor education and health by different means, for example, through the Punjab Education Sector Reform Program that was aimed at upgrading school infrastructure and educational enrollment, especially among the girls living in villages (Chaudhury & Parajuli, 2010).

Sindh's economic growth is primarily driven by the financial central district of Pakistan, Karachi, which is the most significant economic contributor to Sindh. However, beyond Karachi, not only rural poverty but particularly in Tharparkar, which is a location that is frequently affected by drought, there is the poor state of affairs. The impoverished poor of Sindh have been taken care of through the launch of initiatives like clean water accessibility, health care provision, and supplying emergency food during the drought crisis. Subsequently, Sindh introduced the targeted social protection programs through a cash transfer to the poorest earnings households under BISP (Warsi & Malik, 2023). The main objective of the endeavors to fight urban poverty is to transform the living conditions of slum-dwellers, as well as provide workers employed in the informal sector with greater legality and social.

Khyber Pakhtunkhwa (KP) is special in the way that its security situation arises from both geographical disadvantage and the prevalence of conflict. The province has been struggling with the instabilities; the economic activities have been disrupted, and poverty levels have waxed. An epitome of how pro-poor strategies are employed in KP is the extensive investment in security as well as

infrastructures aimed at stabilizing the area. Furthermore, much attention has been paid on growing the regional economy by attracting tourists and boosting SMEs. The KP government has introduced welfare schemes of health insurance covering all the aspects of free health treatment to give protection against the financial burdens of health-related issues, specifically in the rural and the conflict-affected regions of KP (Muhammad, 2017).

Balochistan, considered as with the largest area of the country, still has a leftover in term of the development of the country because of the high level of poverty and limited economic opportunities. The minerals are abundant within the province yet security issues snatch away the opportunities while the infrastructure is unusual to develop. Pro-poor growth in Balochistan has mainly been worked on for improving infrastructures of the peripheral areas to connect these areas with central cities and on the other side, good use of natural resources has been encouraged to create jobs. The Water Scarcity and Access to Education Are Perennial Issues Hence the Birth It Integrated Water Resources Management And Development Project Which is the Main Aim to Better Management of the Water Resources Needs to Support the Agriculture Which Is the Backbone of the Local Economy (Suleri & Savage, 2006).

Pro-poor growth in provinces of Pakistan requires tailored approaches that consider each district's specific socio-economic contexts and priorities. By decentralizing power, engaging local stakeholders, and implementing participatory approaches, districts can drive inclusive development and reduce poverty effectively. Understanding the diverse dynamics within districts and addressing regional disparities will contribute to the overall goal of pro-poor growth and sustainable development in Pakistan.

1.6 PROBLEM STATEMENT

The main purpose of this research thesis is to construct a thorough study of the dynamics of pro-poor growth across different parts of Pakistan. This includes the diversified examination not only of general trend of this growth but also of the driving forces and particular mechanisms that work in these levels geographically.

The project explored the implementation of the pro-poor growth policies under varying conditions, i.e. Technologically advanced down forts, areas under conflict, as well as resource-rich and under-purposed regions.

The goal of this research is to find and discover characteristic and distinctive patterns of pro-poor growth in Pakistan that can be seen and analyzed according to important factors that play role in the formation of those patterns. This requires tearing down the economic policy, local authority structures, cultural contexts, and international support, such as aids, to unravel the relationship between them. By learning from experience that is helpful and by making clear what things in growth-oriented programs fail and succeed to do, this analysis will clarify the factors. The role of institutional effectiveness, the presence of natural sources, the creation of a good infrastructure, and the creation of human capital examined in their efforts.

In this respect, the research relies on real data from the said recommendations so as to produce achievable policy prescriptions to improve the quality of pro-poor growth policies in Pakistan. These recommendations will be particular to the various factors that might affect decision making while also being universally applicable to all cases irrespective of contexts and regions. These policy suggestions propose focus on domains like fixing social protection programs, ensure education and health access and stimulate economic prosperity through infrastructural development, and promote ecologically sustainable resources utilization.

This research scope of the thesis is intended to be the source of new information on pro-poor growth and its patterns regarding the disparities in the outcomes of different regions as well as the alternative ways of crafting effective policies. Through this study, the level of experience in relation to the influence of variables including the quality of governance, policy coherence and community organization upon the achievements of pro-poor projects will be enhanced. The study also investigated the bases of pro-poor growth policies so as to reconcile them with the broader strategic development goals that are meant to be implemented during process of inclusive and sustainable economic growth.

Eventually, the conversation may zoom into the various routes to policy formulation that through involvement of a variety of stakeholders which include the policymakers, community leaders and international development agencies. Here the mission is to narrow the distance between the context of inquiry and the practical space for policy-making, so that these might be possible to be implemented with ease and bring authentic good. The engagement, therefore, examines and also generates much-needed knowledge on subject of pro-poor growth among citizens to instill feelings of collaboration among them in tackling the complex issues of poverty and inequality in Pakistan.

1.7   RESEARCH QUESTIONS

There are a variety of questions that may swing in the mind of researcher from the angle of policy makers. Firstly, to understand pro-poor growth trends across Pakistan's regions: What patterns of the pro poor growth can be seen in various provinces? Secondly, to uncover factors influencing pro-poor growth: What specific determinants lead to these disproportions across different areas? Lastly, for practical policy insights: What can we discern about the growth patterns and the factors that influence the pro-poor development from the examined data? The inquiries are like driving force that lead the research to answers such as what specific growth dynamics can help the poor and what factors affect the regional differences, and what is the best policy to enhance the situation.

1.8   OBJECTIVES

The present study tries to accomplish the following objectives:

I.   To identify the trends and tendencies of pro-poor growth in Pakistan across the regions.

II.   To trace the factors influencing pro-poor growth in different provinces of Pakistan.

III.   To arrive at workable policy lessons for ensuring pro-poor growth in Pakistan.

CHAPTER 2

REVIEW OF LITERATURE

In this section, we debate existing studies and research related to this research. By examining these studies, we pinpoint where there's a gap in the research and explain how previous findings support the reasoning behind the results of this study.

2.1 UNDERSTANDING PRO-POOR GROWTH

"Pro-poor growth" (PPG) is generally defined as economic growth that principally benefits the poorest members of society. Various international organizations have embraced this concept, such as the UN and the OECD. Despite its widespread usage, the definition of PPG raises several pertinent questions: How significant must the benefit to the poor be for growth to qualify as pro-poor? What degree of poverty reduction is required for growth to be considered truly pro-poor?

The dynamics of poverty reduction are influenced by two primary factors: the rate of economic growth and how its benefits are spread among different socio-economic groups. A prevalent definition, claimed by Ravallion and Chen (2003), posits that any economic progress resulting in a decrease in poverty can be classified as PPG, irrespective of how growth's dividends are allocated between the rich and the poor. This broad interpretation, however, contrasts with more stringent criteria, which advocate for economic advancements that specifically and disproportionately favor the poorest sectors of society, thereby effectuating a significant reduction in poverty (McCulloch & Baulch, 2000).

In the context of Pakistan, the application of these criteria can yield different assessments of economic growth. For instance, an economic scenario in which poverty decreases overall might still be perceived as pro-poor, even if the wealthy experience substantially greater increases in income compared to minimal gains for the poor. Nevertheless, a stricter interpretation of PPG would contend that such a scenario does not qualify as pro-poor due to the disproportionate benefits accruing to the wealthier divisions of society. Thus, it is crucial to analyze PPG not

only by assessing the overall reduction in poverty but also by examining how economic gains are distributed across all segments of society, with a particular focus on the poorest.

2.2 REFLECTIONS ON PRO-POOR GROWTH IN THE FRAME OF GLOBAL STRATEGIES

Pakistan, like many developing countries, has been struggling with issues of poverty and inequality for decades. Pro-poor growth is an approach that aims to promote economic growth while also reducing poverty and inequality. In recent years, there have been some notable trends and tendencies in PPG in Pakistan (Batool et al., 2022). On the one hand, throughout the last four decades, Pakistan has achieved great progress in reducing poverty levels. According to the World Bank, the country's poverty rate declined from 64.3% in 1987 to 24.3% in 2015. This decrease in poverty has been connected to the economy growing more. It helped create new jobs and increase the pay of many people. Even though Pakistan has made a lot of progress, it is still one of the world's low-income countries (Biancini et al., 2024). A score of 154 out of 189 from UNDP shows a country is not very developed. The top 20% of people who earn money still make about six times more than the bottom 20% (Plagemann & Destradi, 2019)

The large growth of people in Pakistan is one main reason why the country isn't moving forward with PPG. More and more people are using up the country's resources. This makes it more difficult for everyone living there to receive quality services and opportunities. Some areas and groups got more than their share of the country's limited resources. To make rules that help poor people, Pakistan had to handle issues with politics not being steady and bad leadership as well (Batool et al., 2022). The country has also dealt with many worldwide problems, such as fights over borders and the impact of shifting weather. BISP gives money to families who don't have much. It demonstrates how the government is focusing more on systems to keep people safe from poverty and help those with less money. The Ehsaas program is just one of many projects made to deal with poverty and unfairness.

Obiero and Topuz (2023) also examined another well-known thought. In 2022, the small loans business in Pakistan grew. Microfinance firms give out small loans to people who usually can't get money from regular banks. Microfinance assists poor people by offering them loans. This can help launch businesses and improve their economic conditions. In Pakistan, education is seen as a big factor for progress and improvement. To improve schools and encourage more learning, the government has raised spending on education. This can help lessen poverty by creating more job opportunities and making extra money. People are becoming more aware that it's essential to have fair treatment between men and women when making wealth for those who do not have much.

According to Ul mustafa and Nishat (2017), women faced more barriers in participating economically and are likely to live poor. Making it easier for women to get education, loans and jobs can both help improve conditions for people as well make things fairer between boys and girls. This shows that Pakistan is starting to understand the importance of PPG. Pakistan can lessen poverty and make things more equal while also growing the economy for a long time by paying attention to support systems, small loans, education and treating men and women fairly. Kharisma and Abe (2020) found that Pakistan, a country where many people are poor, has made getting good nutrition high on its list of things to do.

The leaders of Pakistan know that they need to fight against poverty and unfairness. So, they started special plans to make things better for the poor. Many help programs, like BISP, have been set up to give money and support to families that are not doing well (Ijaz, 2021). One of the main issues in Pakistan's PPG journey is that regional imbalances keep going on. The amount of people living in poverty is different from one place to another. In some places, more societies are poor than others (Chen & Ravallion, 2013).Fixing problems in different parts of the country and making sure good things from progress reach everywhere is a big goal for Pakistan's plans to help poor people. Sajid and Ali (2018) say that microfinance helps many poor people start and grow businesses which makes them less likely to be poor, more financially stable.

PPG needs to improve infrastructure, especially in the countryside. Getting basic things like roads, power supply, water and toilets helps with work output. It makes it easier to join markets or sell goods in them. Also, these basics make life better for us all. Biancini et al. (2024) found that spending money on infrastructure helps to reduce poverty. They believe this shows how careful investments in buildings and roads can help people who do not have enough money. Batool et al. (2022) found out that putting funds into people's skills, especially in areas like schooling and health care, is very important for PPG. Good education gives people the skills and facts they need to escape poverty. It also shows how important schooling is in reducing bad money issues, helping families earn more, and improving their lives overall.

In an important study, Dogar and Butt (2017) determined that Making money fairly with taxes and buying what is needed helps countries grow. Progressive taxation ensures that rich people give more money to public funds according to how much they have. Instead, special government spending helps those who need it the most by directing resources to them. This blend helps to solve income differences and also provides vital public services and constructions for poor people (Bank, 2017). It is crucial to have everyone involved in leadership and backing equal systems. This helps the poor get better conditions. Good and accountable groups that involve people who are not part of making choices help make sure the thoughts and needs of poorer folks get heard. This assists in distributing resources fairly, prevents individuals from being poor and provides excellent services.

Obiero and Topuz (2022) claimed that it's vital for PPG to get poorer countries better trade plans, so they can sell more in markets. Leaders can assist those with little means to join in trade and earn cash from growth by making it more convenient for goods to be exchanged across borders. They should also back the addition of new countries into global markets, so more people can get benefits as well. This can lead to more cash and less poor people. Getting rid of long-term poverty needs us to look after nature, build up strength against bad weather and stop harming the environment. It's crucial to thrive in a healthy environment for our planet and all life forms. This aids in safeguarding people with little cash from

losing their jobs or means to make money. Especially the groups that might easily get into trouble need this help.

As per Yousfani et al. (2019), thinking about ways to help the poor includes fair taxes. It also involves creating programs that protect people from becoming too poor. This further enables them access banking services and investing in education for everyone is a key part of ensuring growth without leaving anyone behind (Falk & Hermle, 2018).Then there is making of roads and buildings. Rules that concentrate on equal money changes, good government for everyone, business deals and a clean environment assist the PPG plan better. Leaders can support PPG goals and help make a more equal, green society by putting into action plans or rules that have strong evidence for them.

For boosting small businesses and lowering poverty, Pakistan's financial system has many hardships and chances. The country has made big progress in stabilizing the economy and putting changes into place to support growth for everyone. According to the World Bank's information (2021), Pakistan is making rules for better control of money matters. They also want to grow social programs that look after people and collect more taxes. Their work has helped lower the poverty rate and make other social measures better. But, there are still problems in getting rid of poverty and making economic growth shared by many.

In Pakistan, it's important to put money into education and help programs for people. Also focusing on making rural areas better will aid the country in overcoming these problems creates more good things for poorer individuals too. To make a good economy where everyone can join, we need to fix things like business conditions, rules and unfairness. If Pakistan tackles these worries, it may be able to make its economy stronger. This would also help the neediest people in society get some benefit from development (Shahab et al.). Pakistan faces big problems in trying to lessen poverty and get PPG. Even though we're trying to cut down on poor people, the country still has a lot of poverty - especially in farm areas. Mahmood et al. (2019) say that poverty in Pakistan is very complex. It comes from low income, not having the important things we need and discrimination against social groups.

Rank (2004) said that poverty hits marginalized people like women, kids, and minorities more. This makes inequality worse goes against making growth friendly to everyone. We need special help to deal with these unique weaknesses and stop the poverty cycle for better PPG growth. HASSAN et al. (2020) supported creating good job chances by using long-term farming, helping small towns to grow better. They also want more people to get education and medical care so they can be smarter. To make life easier for those who do not have much money, they say we should start Social Protection Programs that will help them if things go wrong Also, making the government better, cutting down on bad acts like corruption and giving people fair chances for things they need are important to help Pakistan get out of poverty in a way that includes everyone (Mahmood et al., 2019).

Pakistan might want to get rid of poverty, make people's lives better, and create a more equal society by handling poor levels using the PPG method. Pellini et al. (2018) studied how PPG programs are not only needed at the big country level but also in smaller areas across Pakistan. When looking for money to help the needy, places in Pakistan have special issues and chances. It's really important to understand how stuff functions in regions. This helps us make great plans and projects that combat poverty and unfairness locally where people reside. Pakistan has worked a lot in the last ten years to help PPG at a smaller level. The government has taken some actions to reduce poverty and share the good things from economic growth across the country.

Khan et al. (2019) concluded that one good way is making growth plans at state level, which look for places to grow and put money smartly. These plans want to make growth more equal by targeting jobs and locations that can pay well for those with bad luck. . Social safety plans at native have been created as an important way to protect people too. These plans provide financial assistance, food help and other forms of aid to needy groups such as the elderly, disabled individuals and children. To help cut down on poverty and let more people join the society, areas like Punjab and Sindh have created safety net programs.

Ross and West (2016) found that in Pakistan they are focusing on letting local governments handle important tasks as a major reason for PPG now. This

works mainly at the district levels. The 18th rule from the large set of rules gave authority and things to smaller places. This let these little parts plan their growth. They worked hard to avoid being poor. This shift to city-level planning and making choices creates special methods that match the needs and goals of local areas. New plans such as community-led projects have been created to get less important people involved in making decisions.

Making growth fair for everyone can help areas overcome their own problems and encourage progress that involves all people by teaming up with local teams and hearing what they believe. Naseer (2019) said that places in Pakistan have big differences on wealth, how they build and social things like families or classes at school. Places with land for farming could concentrate on small-scale, money making methods in agriculture. This can provide work for poor people in rural areas. Areas with city centers, though, might put more effort into making jobs and helping poor people in the cities learn needed skills while giving them a good education. Additionally, if an area is poor it might require special support to handle specific problems. This might involve getting good water and nice bathrooms, or making health care better in the place.

2.3 NATIONAL STUDIES: PRO-POOR GROWTH

This section discusses studies done in Pakistan that focus on assisting the poor by boosting growth. Ali et al. (1999) used data from the HIES during '63-'64 to '93-'till now. They investigated the connection between being poor, unequal opportunities and growing wealth. They used different math techniques like standard pooled regression and weighted national regression. At the start, they focused on how growth impacts poverty. They viewed it as something that gets bigger because of more money coming in. Next, they examined how change created gaps between rich and poor. They viewed these changes as the cause of inequality. Finally, they studied the link between unfairness and being poor. They saw them as events that might occur since they were growing. Their study showed that growth and poverty are not connected well. This means that usually having more growth results in less poverty. Moreover, they discovered that growth and inequality are linked in a positive way. This means that when the economy gets

better or grows, unfair situations usually become more common too. They also discovered a link between growth and inequality. This information was discovered by using standard procedures like tallying the amount of poor people to figure out poverty and calculating how unequal things are with a Gini measure (Ali et al., 1999)

Saboor et al. (2004) used a similar way to Ali and Tahir's study in 1999, but they added newer techniques. He examined the connection between bad areas, growth and unfairness in Pakistan's four parts. Additionally, he examined all of one country together. His research showed that the link between growth and poverty was valid everywhere, but not in Baluchistan. In simple words, the effect of economic growth on reducing poverty was almost similar in most places except Baluchistan.

Jamal (2006) learned about how growth, poverty and inequality are associated. He used the same ways as Ali and Tahir did in their jobs from 1999. Jamal did three different regression studies. He used data from 1976 to 2002 for these studies. He wanted to know how poverty, growth and inequality are connected. In the first model, he considered poverty as something influenced by unfairness and growth. The second model aimed to display how unfairness changed over different times by using various reasons. Finally, the third plan was set up to discover what makes people poor. Unlike previous studies, Jamal used three distinct measures of inequality: the Gini Coefficient, the income share of the top 20% of the population, and the quintile ratio. His findings highlighted that changes in inequality significantly affected poverty levels. According to his analysis, measures like taxes and increased spending on social services contributed to a reduction in inequality. Conversely, factors like differences in wages across various sectors and inflation were associated with increased poverty.

Cheema and Sial (2012) have very carefully calculated both inequality elasticity and growth elasticity in their study. They discovered that both these factors are crucial in explaining changes in poverty because all the coefficients they found were higher compared to those reported by earlier researchers (Ali et al., 1999).

In another study, Zaman and Khilji (2014) also used regression analysis to find out the link among poverty, and growth as well as its link with inequality. Zaman and Khilji (2014) used similar techniques in their work that were previously used in their work by(Ali et al., 1999). They estimated the link between squared poverty growth as well as the poverty gap. The outcomes of this analysis of regression represented that for each headcount ratio, the growth was always poverty-reducing On the other hand, if levels of poverty are changed with different poverty measures alike poverty gap as well as squared poverty gap the outcomes depict that the growth was always increasing the poverty. It is important to notice that greater inequalities reduce the benefits growth towards the extremely poor. Thus, the main conclusion of this work was that inequality plays an important role in the reduction of poverty. Study is silent about regional inequality.

Additionally, the 2nd part of national studies regarding Pro-poor growth concentrated on methods of poverty breakdown and PPG index calculation. Saboor et al. (2004) and Saboor and Hussain (2005) introduced PPGI and PEGR to Pakistan for the very first time. They made use of the 1990–1991 and 2000–01 datasets. Both found that the rise of agriculture in the early 19th century was anti-poor, but that tendencies were turning pro-poor in the later years. Similar to this, at the subnational level, growth in agriculture has always been anti-poor in Punjab, Sindh, and KPK, but pro-poor in Baluchistan. Zaman et al. (2010) adopted the poverty bias of growth to assess the agricultural sector's growth in terms of its potential to benefit the poor. He utilized a greater number of datasets than Saboor et al. (2004) and Saboor and Hussain (2005) Their research demonstrates that between 1964 and 2006, growth was anti-poor since inequality rose over this time. Both articles rely on the PPG relative idea. Other imperatives may also be testified.

The relative idea of PPG provides the foundation for a great deal of study in Pakistan, whereas a few scholars rely completely on the absolute concept. Through the growth incidence curve's representation and the computation of the RC-PPG index.

PPGI was employed by (Cheema & Sial, 2012) Thus, they employed household income and spending survey data spanning from 1993 to 2006. According to Kakwani, they compute the PBG, PPGI, and PEGR. It is concluded that the expansion of the country between 1993 and 2006 was not necessarily pro-poor; rather, growth was anti-Pixar because the real growth rate was higher than PEGR. Methods of the poverty gap, poverty headcount ratio, and square poverty gap all show this tendency.

Based on assessments by (Zaman & Khilji, 2013), there have been 180 growth periods overall between 1964 and 2011. According to their analysis, 117 periods had a positive growth rate and 63 had a negative growth rate. Through the use of poverty equivalent growth rate, Zaman and Khilji (2013) examined 117 periods, 64 of which were found to be pro-poor and 53 to be anti-poor. There are 40 PPG periods, 63 negative growth periods and 23 anti-poor growth periods present. It is quite likely that some periods are falling between these two extremes.

In the final, the three sections of the pro-poor literature focus on various decomposition strategies approved by Kakwani (1997) and Ravallion (1992) . Anwar (2010) worked with Ravallion (1992) to develop an approach of poverty decomposition. In their work, Cheema and Sial (2012) used Kakwani and the Ravallion poverty decomposition approaches. They examined the inequality to explain variations in poverty and the growth contribution as an indicator of income.

Anwar (2010) used data from the 1998–1999 and 2004–2005 household income and expenditure surveys. Three distinct periods were created out of the entire data set. The first collection of datasets spans the years 1998 to 2002, the second set spans the years 2001 to 2005, and finally, they use the entire set of datasets from 1998 to 2002. Pakistan's poverty increased between 1998 and 2002, however, there was no increase in that time. He concluded that while positive growth contributed to the drop in poverty between 2001 and 2005, increases in inequality only slightly reduced it. Therefore, the effect of growth in lowering poverty was not offset by a rise in inequality. The data also demonstrates that

poverty rates are declining as a result of growth and inequality supporting one another.

In an important research effort, Cheema and Sial (2012) employed poverty decomposition computations on datasets covering from 1992-1993 to 2005-2006. The outcomes of their research showed that, while poverty was decreasing overall in both the rural and urban sectors due to positive growth, inequality was rising in both areas and getting worse for every dimension of poverty.

Ultimately, the conclusion is that there is a connection between inequality, growth, and poverty. A couple of research studies suggest that inequality impedes the impact of growth on poverty reduction, and inequality plays a significant role in reducing poverty. The connection between inequality and growth is nuanced. The PPG argument adds another dimension to the relationship between growth and inequality by pointing to a decrease in poverty. Furthermore, the pro-poorness of growth in its subsectors has not been assessed by many academics in Pakistan.

Moreover, it may be said that many research only looked at PPG and PPGI as absolute measurements. Moreover, most research solely concentrated on the headcount ratio (HCR) and Gini coefficient. Time series data have been used in several Pakistani studies thus far. Punjab's situation fits within the relationship between poverty, growth, and inequality. The current study attempts to provide answers to questions such as: What is the trajectory of inequality over time and what is the trend of poverty measures? Additionally, the study seeks to determine if inequality has impeded the pattern of growth in transforming the advantages to the normal and extremely poor, or the depressed.

Table REVIEW OF LITERATURE.1: Overview of Pro-Poor Growth Studies in Pakistan and Asian Countries

S.No.	Authors	Country	Indicators	Methodology	Frequency
1	Ali et al. (1999)	Pakistan	Poverty, inequality, economic growth	Standard pooled regression, weighted national	1963-1993

				regression	
2	Saboor et al. (2004)	Pakistan	Poverty, inequality, economic growth	Similar to Ali and Tahir (1999), newer techniques	1990-2004
3	Jamal (2006)	Pakistan	Poverty, inequality, economic growth	Three regression studies, Gini Coefficient, income share of the top 20%, quintile ratio	1976-2002
4	Cheema and Sial (2012)	Pakistan	Poverty, inequality, economic growth	Inequality elasticity, growth elasticity, poverty decomposition	1993-2006
5	Zaman and Khilji (2014)	Pakistan	Poverty, inequality, economic growth	Regression analysis, squared poverty gap, poverty gap	1964-2011
6	Saboor and Hussain (2005)	Pakistan	PPGI, PEGR	Growth incidence curve, RC-PPG index	1990-2001
7	Zaman et al. (2010)	Pakistan	Poverty, inequality, economic growth	PPGI, PEGR, datasets from 1964-2006	1964-2006
8	Anwar (2010)	Pakistan	Poverty, inequality, economic growth	Ravallion (1992) approach, poverty decomposition	1998-2005
9	Haq et al. (2006)	Pakistan	Governance, economic growth, poverty, inequality	Statistical data analysis	1996-2005
10	Zaman et al. (2012)	Pakistan	PPGI, PEGR, Baseline for poverty derived from the Economic Survey of Pakistan	Growth-Inequality-Poverty (GIP) Triangle, PPGI, PEGR	1984-2001

			(2009-10), Inflation-adjusted poverty line, Micro-data on income inequality, A cut-off point of 2,350 calories for poverty		
11	Khan et al. (2019)	Pakistan	Economic growth, poverty, inequality	State-level growth plans, financial assistance programs	Various
12	Naseer (2019)	Pakistan	Regional wealth, development, social indicators	Regional analysis, targeted support measures	Various
13	Ross and West (2016)	Pakistan	Local governance, poverty, economic growth	Decentralization, community-led projects	Various
14	Obiero and Topuz (2023)	Pakistan	Microfinance, economic growth, poverty	Microfinance impact analysis, educational spending	2022
15	Ul Mustafa and Nishat (2017)	Pakistan	Gender equity, economic participation, poverty	Educational access, economic barriers analysis	Various
16	Batool et al. (2022)	Pakistan	Poverty rate, economic growth, inequality	Longitudinal data analysis, socio-economic trends	1987-2015
17	Biancini et al. (2024)	Pakistan	Economic development, poverty, inequality	Cross-sectional analysis, global comparisons	Various
18	Kharisma	Pakistan	Nutrition,	Sector-specific	Various

	and Abe (2020)		poverty, economic growth	analysis, policy evaluation	
19	Ijaz (2021)	Pakistan	Social protection, poverty, inequality	Program evaluations, financial assistance impact	Various
20	Sajid and Ali (2018)	Pakistan	Microfinance, poverty reduction, financial stability	Case studies, financial performance analysis	Various
21	Mahmood et al. (2019)	Pakistan	Poverty, inequality, socio-economic conditions	Comprehensive surveys, regression analysis	Various
22	Rank (2004)	Pakistan	Poverty, marginalized groups, inequality	Demographic analysis, policy recommendations	Various
23	Hassan et al. (2020)	Pakistan	Employment, education, healthcare	Program implementation studies, longitudinal impact analysis	Various
24	Shahab et al.	Pakistan	Economic growth, social inclusion, poverty	Policy analysis, structural reforms	Various
25	Pellini et al. (2018)	Pakistan	Pro-Poor Growth Index (PPGI), local development	Localized growth analysis, community engagement	Various
26	Kakwani (2007)	Asian Countries	Pro-poor growth, poverty eradication	Analysis across national borders, poverty measurement tools	Various

2.4 POVERTY, GROWTH, INEQUALITY NEXUS

The discussion regarding the interplay concerning economic growth, inequality, and poverty reduction is multifaceted and has evolved through various perspectives in research. Initially, the belief was that economic growth exacerbates inequality, but this perspective often observed a subsequent decline in inequality as labor transitioned from traditional to more modern sectors. However, scholars held conflicting views: some argued that inequality doesn't necessarily impede growth (Birdsall & Londoño, 1997) while others emphasized that reducing inequality significantly impacts poverty alleviation (Bigsten et al., 2004). The concept of PPG, aiming to benefit the poor disproportionately, has faced criticism. While some proponents suggest it reduces poverty, critics argue that it may concurrently increase inequality (Ravallion & Chen, 2003), underscoring the complexity in understanding the dynamics among growth, poverty, and inequality (Zaman & Khilji, 2013). More rigorous empirical exercise across regions is required for policy perspective.

As economies got bigger, what people liked changed. They tried to make things equal by changing politics and money situations (Bourguignon et al., 2001). Different ideas suggest different links between unfairness and growth. This, in turn, makes the economy grow. On the contrary, some ideas say that less inequality and more investment go hand in hand. They focus on history from an equal rights perspective when discussing fairness. This makes it hard to understand how these three are related.

More studies show how important getting the economy to grow is for lessening poverty. Those who study much believe that growth is the key in lessening poverty. Different studies agree with this idea (Klasen et al., 2016). People have different ideas about the connection between reducing poverty, growth and inequality. We have to carefully think about these things (Ravallion & Chen, 2003).

For instance, Ravallion (2004) found that large gaps in wealth can stop poverty from getting better even if the growth rates are high. This shows how much we need to reduce unfairness if we want people in poverty get out of it. Kraay

(2004) also studied the complex connection between poverty growth and inequality. He talked about where PPG came from and said it matters to cut out unfairness when trying to make life better for those who don't have much. We have to completely get the difficult connection between growth, inequality and reducing poverty. Many smart people have talked about different parts of this connection. They show that making more money and fairness is very important while trying to stop poverty.

Haq et al. (2006) seminal study delves into the intricate linkages concerning governance and pro-poor growth in Pakistan. Using sound statistical data, the paper critically examines how governance quality influences poverty, inequality and economic growth realities. By laying emphasis on the significance of good governance as the key to unlock economic growth and poverty reduction, (Haq et al., 2006) substantiate the arguments of how governance reforms can unlock the potential of generating more pro-development and pro-poor growth patterns. The paper adds significant knowledge to understanding how enhancement of governance can lead to better development results in a country such as Pakistan.

Zaman et al. (2012) has provide an exhaustive evaluation of the pro-poor growth process of the Pakistan economy, including major sectors like agriculture. In the paper, the author utilizes advanced techniques like PPGI and PEGR to estimate the influence of growth on poverty. Furthermore, the study increases the understanding of the association between inequality and poverty reduction and calls for the formulation and adoption of pro-poor poverty reduction policies to the eradication of poverty and inequality in Pakistan.

In the past decades, the focus on economic development has shifted towards poverty reduction strategies that would ensure that poor people in the country get the opportunities to improve their standards of living. The current literature review aims to review literature samples available concerning pro-poor growth and poverty reduction strategies within Pakistan and other Asian countries. This review endeavours to include studies of various methodologies that cover empirical research, theoretical perspectives, and policy debates to understand the multiple strategies involved in attaining sustainable and inclusive economic development.

The literature review also includes a collection of studies that employed the measurement and analysis of pro-poor growth patterns. These studies present new approaches and tools including the Watts index of poverty and the growth incidence curve that can help in evaluating the distributional effects of economic development on poverty and income disparity. However, the literature review of poverty, inequality and economic growth in countries like Indonesia and China also discusses the various strategies, opportunities, and challenges involved in the process of pro-poor growth across different conditions.

Besides the above mentioned studies, this review also encompasses the global perspective towards pro-poor growth, the knowledge of which has also been derived from studies conducted in some Asian countries. Kakwani (2007) underwent pro-poor growth in Asian countries for the call of growth to be pro poor for speedy and significant poverty eradication. In addition, studies concerning the characteristics and changes of rural poverty in China can provide useful experience to encourage the inclusive growth and to decrease rural poverty rate. Therefore, this review of pro-poor growth studies has enriched the knowledge on the factors, which are considered in poverty reduction strategies depending on the given context in various parts of the world.

In this extensive literature review is rather valuable as it offers an overview of the pro-poor growth and poverty reduction literature, as well as the impacts of economic growth, governance, and inequality on poverty. Triangulating empirical studies, theoretical concerns, and policy debates, this review aims to contribute to the dissemination of useful knowledge and guide policy-making efforts that will bring about change towards more socially inclusive and sustainable development pathways in Pakistan and other Asian countries. While policy makers and practitioners grapple with the complex and nuanced issues of economic development, this literature review has been useful in providing direction towards better eradication of poverty and attaining more pro-poor and sustainable development.

Table   REVIEW OF LITERATURE.2: Summary of the Interconnection between growth, inequality, and poverty reduction.

Authors	Year	Main Focus
Birdsall & Londoño	1997	Argued that inequality doesn't necessarily impede growth
Deininger & Squire; Bigsten & Levin	2004	Emphasized that reducing inequality significantly impacts poverty alleviation
Ravallion & Chen	2003	The concept of PPG, aiming to benefit the poor disproportionately, has faced criticism
Zaman & Khilji	2013	Complexity in understanding the dynamics among growth, poverty, and inequality
Bourguignon et al.	2001	Explored changing politics and money situations to achieve economic growth
Klasen et al.	2016	Highlighted the importance of economic growth in decreasing poverty
Ravallion	2004	Found that large gaps in wealth can stop poverty from getting better even if growth rates are high
Kraay	2004	Emphasizing the intricate association among poverty, growth, and inequality
Haq et al.	2006	Examined the connections between governance and pro-poor growth in Pakistan
Zaman et al.	2012	Analyzed pro-poor growth dynamics in Pakistan, focusing on agriculture

Nanak Kakwani et al.	2007	Debated on understandings of pro-poor growth in Asian nations

CHAPTER 3

DATA AND METHODOLOGY

The socio-economic factors in question characteristic of Pakistan are extremely complicated and to gain a slightly better understanding, both qualitative and quantitative data are needed. In this chapter, we delve into the methodology employed to analyze the time series data, focusing on two primary approaches: Therefore, for the identification of the circulatory components, there would be a possibility of again rewording the main aspects qualitatively and quantitatively as components of the sentence.

3.1 THEORETICAL FRAMEWORK

This research's theoretical framework intends to combine various theories and policies in an effort to build a coherent roadmap towards effectively and sustainably obtaining the ideal of pro-poor growth. Thus, it helps in analyzing how such ideas complement one another to enhance the quality of the lives of the impoverished. It provides a detailed account on how to forge a holistic route to economic growth for all, including the disadvantaged. It offers a context with which to derive the multifaceted processes required for combating poverty, and promoting reasonable economic development.

To eradicate poverty, one of the oldest theoretical frameworks describing poverty is The Culture of Poverty theory that was introduced by Oscar Lewis, an anthropology professor, at the mid-twentieth century. Lewis put forward this notion within the framework of his ethnographic work carried out among the poor, one of which was "Children of Sanchez" published in 1961. In the context of Lewis (2011) , poverty is not only a state of low income but also a culture that possesses its structure and root that reproduces itself in a generation.

Central According to the Culture of Poverty theory it is argued that people in poor communities have a specific culture that is adjusted to their economic status. These include; social isolation due to the, economic stratum of the poor

which makes them develop a different set of social values and norms which are different from the mainstream society. This isolation creates hopelessness and accepting the future because since everyone knows the system cannot be altered, and one keeps on failing, it is useless to try (Lewis, 2011).

Another critical component of this theory is the focus on immediate gratification. Lewis argued that the uncertainty and instability of life in poverty drive individuals to prioritize short-term needs and pleasures over long-term goals. They will experience certain behaviors and act in manners that can be explained as rational since they cannot plan for the future. Moreover, the theory also speaks about the relation and effect of family structure, especially the dominant culture of single female-headed households and the lack of father figures. Such family structures affect the child's socialization and subsequently, their aspirations hence contributing to the poverty cycle.

The Culture of Poverty theory has greatly impacted social policy due to the fact that it raises the question of cultural and psychological factors apart from the economic factor that brings about culture of poverty. For example, such policies as ending the poverty cycle usually hold other parts that focus on enhancing community participation, family stability, and planning for the future. However, the theory has also been met with great criticism at its core. Some authors pointed out that the term Failed State is deterministic and holds the victims of poverty responsible for their situation, thus ignoring the global and structural conditions like economic injustice and the absence of education and work (Lewis, 2011).

However, despite these criticisms, the Culture of Poverty theory has stubborn itself as a key theoretical idea in poverty research. It provokes the researchers and the policymakers to think of cultural and economic factors as one point of consideration. Thus, it is imperative to take into consideration, the perspectives of different theoretical approaches and especially the economic.

Again, it is worthy of note, that the present economic theories form the basis for comprehending poverty and its eradication. According to classical economic theories which were enhanced by Adam Smiths and David Ricardo, the free market achieves wealth which in one way or the other contributes to the wealth of the poor through the invisible hand. However, the realized future, based on such socio-life scenarios, does not always bear a positive outlook for the future due to

the continuing presence of structural injustice. This unequal relationship requires researchers to pursue further understanding of the other theoretical perspectives that could have a better understanding as well as solution to poverty.

One such dominant belief is the trickle-down theory that they say only means that if you give the wealthy a break such as giving them tax exemptions or less regulation, then it benefits the poor as it boosts the economy. The concept is that when rich people obtain even more funds, they invest through circulation and hence employ people, including the needy (Acemoglu & Ventura, 2002). On the other hand, pro-poor growth relates to the concept of targeting the poor and providing a sales assistance to them. This therefore translates to spending on services such as education, health facilities, and welfare to the economically needy (Duflo & Banerjee, 2011; Ravallion, 2004). While income distribution in favor of the rich can contribute to the receipt of more economic growth, it does not necessarily result in improving of lifestyles of the poorer segment of the population. Certain studies reveal that it is much more efficient to address certain segments such as the poor directly and not the economy in its broad sense. Perhaps a way of going about it could be to borrow from both theories by using elements of both in the organization of the class. The logic is that if we ''grow the economy'' through increased government spending, investment, and private-sector activity, while at the same time making sure that individual programs help those in poverty, then both the economy can be made to grow while poverty can be reduced. Yet, as research serves, this picture is quite misleading, implying that entrepreneurship levels the playing field, while it preserves status inequality rather effectively.

However, Keynesian theory, postulated by John Maynard Keynes, advocates for proper government interjection aimed at touching on full employment and eradication of poverty. According to the Keynesians, authorities should increase expenditure on social needs and infrastructures in order to boost the demand and as a result employment. This approach gives policy intention in making certain that poverty outcomes in terms of improvements in the standard of living results from economic development (Keynes, 1936).

Class struggle and the exploitation that is characteristic of a capitalist economy are some of the elements of Marxist theory that go beyond economic rationalism. Karl Marx's criticism proves that poverty is not a matter of electricity but a certain status of people which is predetermined by the nature of the society. According to the Marxist theory, development that seeks to reduce poverty needs to reallocate resources that are in the ruling class's control to those in the proletariat category; a System that promotes a socialist economy where everybody enjoys ownership of the production resources. It raises the pertinent structural reforms to address to adequately diminish poverty.

Complementing these economic and structural theories is Amartya Sen's capability approach which shifts the definition of poverty from income to what people are capable of and this is health, education, social security among others. Sen concludes that enhancing these functionalities is central to fostering growth for that which incorporates the poor population. It replaces simple income redistribution with a more general conception of people's capabilities to achieve the type of lives they consider desirable, focusing on the policies promoting access to basic services and endowments (Sen, 1999). It thus underlines the need to foster people's capacity and enable them to be constructive members in society rather than focus only on increasing their income. Thus, it can be suggested that Sen's theories have had quite a massive impact on the development policies and shaped their approaches more thoroughly.

However, there are problems with Sen's capability approach that provide a deeper perspective to poverty. Some of the recommendations for enhancing this method include the need to establish clear capabilities that are measurable; the indicators need to be rich and vibrant for them to capture capabilities in policy as they are fashioned out for improvements. (Alkire & Foster, 2011). Combining this tactic with other models that have been developed under economic perspective might be the consolidated strategy of dealing with income and capability inequalities (Robeyns, 2005). However, creating partnerships between the associated health, education, and social protection sectors is another essential strategy of enhancing capabilities since it aims at supporting policies with embedded reforms (Nussbaum, 2011).

But, there are some criticisms of the capability approach especially on the aspect of its complexity. Measuring capabilities is always process complicated by the fact that capabilities by their nature are not easy to quantify and hence cannot be easily compared across different population groups (Clark, 2005). Besides, hence, this perspective entails numerous policy shifts which are cumbersome to embrace in terms of resources and political acceptability (Deneulin & Shahani, 2009). Moreover, if there is an emphasis on the role of agency, there can be a significant risk of downplaying the role of constraints and focusing on improving capabilities and outcomes does not take into account features of structures that might be oppressive in a way that cannot be remedied by increasing people's capabilities (Stewart & Deneulin, 2002).

Overall, it can be said that Sen's capability approach can be used as a helpful tool in poverty analysis and combating this phenomenon, appealing to consider not only economic variables, but also human beings' freedom in choosing their path to fulfilling lives. As a result, it stimulates the change of the course of development policies into one that will make the necessary conditions that will lead to the actualization of human potentials, and, therefore, result into more sustainable and equitable development.

With an acknowledged focus on inequality, discrimination, and social exclusion, Structuralists theories also contribute to the enhancement of the knowledge about poverty. According to Structuralists, these are the causes that need to be tackled in order to promote proper poverty fighting policy, including quantitative mechanisms like land redistribution, employment prejudices, and all-encompassing measures like social protection instruments. This view is in line with the capability approach, as we earlier noted, emphasizing on the fact that poverty eradication is a two side-coined process that does not only involve the economic facet, but also the social.

Human Capital Theory was presented by Gary Becker and Theodore Schultz in the 1960s. This theory states that education and training are crucial to productivity and can act as an investment for it. As workforce has evolved over the

year's education has become an important component of the workforce. This concept then evolved into human capital. Human capital is considered to be a renewable source of productivity. This theory also suggests that any problem within an organization requires more than just capital in the form of money or machines but rather would require human capital as well .One of the main applications of the human capital theory is the connection between education and poverty. This theory has been studied to find out how the investment in education can impact poverty and reduce it. As people progress with education they make efforts to reduce poverty. Education can somehow improve the conditions of the people living in poverty (Bonal, 2016). In my opinion investment in education can definitely lead to poverty reduction. A person with higher education is able to make higher income and sometimes the individual may be able to make enough income to cross the poverty line. Education enables human being to develop their skills which can in turn lead to their income generation but, for this the education needs to be focused on development of skills.

Income Redistribution Theory has evolved over time and many economists have worked on this theory however its origin can be outlined back to Karl Marx in the 19th Century. This theory basically gives the idea that in an economy income is redistributed in the form of tax, welfare, services, confiscation etc. This theory suggests that wealth and resources should be redistributed from the rich to the poor. Many economists suggest that citizens would voluntarily be involved in the redistribution of income or wealth with the help of the state. Meanwhile many political scientists study this theory in the context that the redistribution should be such that a state should intervene to assist the poor (Plotnick & Winters, 1985). The redistribution of human capital can be done voluntarily. This transfer can help eliminate absolute inequality and reduces the relative inequality. This can lead to this transfer in reduction of poverty through the reduction of income inequality (Cooper, 1998). So, basically this theory suggests a mechanism where income is redistributed from the wealthy to the poor. This works to stimulate equal distribution of income. There is concentration of wealth in many economies and this creates a disparity in income between different groups in an economy. This theory suggests progressive taxation, welfare programs, social safety nets, subsidies and grants, minimum wage laws and education and skill development. When this

theory is integrated with pro-poor growth, it shows that redistribution of income is an important part of sustainable development which can surely lead to inclusive development as it works to transfer wealth from rich to poor through various policy measures. This theory gives the idea of pro-poor growth as it uplifts the less privileged section of society.

Poverty Trap Theory has been discussed by many economists and scholars but researchers like Amartya Sen, Jaffrey Sachs and Paul Collier have explored this topic. So, a single individual cannot be attributed as the founder of this theory. Poverty trap theory suggests that many factors work together to keep people trapped in poverty. Such factors can be lack of access to education, limited access to job opportunities, poor healthcare facilities among many more. This leads to less investment which hinders economic growth and people stay trapped in poverty. This theory studies different factors to access how these factors impact poverty. Study of this theory can reveal a lot of information about the persistence of poverty and can help in policymaking for pro-poor growth. Pro poor growth focuses on breaking the cycle of poverty and facilitating the poor to move above the poverty line. The poverty trap theory suggests that many external and internal factors can work together to trap people in poverty. This happens under extreme scarcity of resources (Ghatak, 2015). A study of poverty traps can reveal a lot of information about poverty which can be then used for policymaking with the aim of pro-poor growth. With the identification of poverty traps and their causes, there are moral and economic imperatives to intervene in poverty traps so that policy responses can be triggered. However, the identification is a challenge because of the complexity of the poverty traps (Carter & Barrett, 2013).

The poverty trap reveals another theory of the poverty cycle, which explains how different factors affect the people sucking them into poverty. To err on the poor side means a person does not get basic essentials such as education, health care and decent employment, making it difficult to escape this vice (Duflo & Banerjee, 2011; Lewis, 1954). Quite a number of people consider this as a theory of convenience since it does not consider circumstances or the general economy factors. Student also state that it does not, in each case, provide feasible strategies for getting out of poverty. As for the causes, recommendations may range from

increasing literacy rates, enhancing the quality of schools, reducing premature mortality rates through the focus on medical issues, and generating demand for employees. These steps are intended to enhance the possibility of people's improvement. Nevertheless, some could argue that such solutions might not address all the core issues such as, for instance, lack of income or lack of access to resources, which contribute to the persistent poor status as well. Therefore, although the idea of vicious circle of poverty explain how certain causes entrap individuals, the solutions in addressing those deeper problems may eventually be the main solution.

Kakwani's Pro-Poor Growth Theory focuses on how economic growth impacts different income groups, specifically the poorest segments of society He also defines what he calls the "pro-poor" and the "anti-poor" growth. By definition, pro-poor growth was described as the capability of the economic growth to favor the poor population most intensely. Thus it seeks also to address poverty and inequality to an extent that the income of bottom percentile is growing at even a much faster rate in conditions of economic growth as compared to other groups of the civil population. Pro poor polices and interventions on pro poor growth for any country are aimed at enhancing welfare and economic status of the poorest. On the other hand, anti-poor growth is economic growth that deepens the inequality because it works to favor the rich in society. In this instance, inequality deepens because the earnings of the bottom 10 percent do not grow as fast or even decline, when the economy grows. Kakwani's theory is based on Kakwani index that helps in measuring the progressiveness or regressiveness of policies or economic growth with reference to the income distribution. This index assists in determining whether polices or changes in the economy support the reduction or worsening of the disparity of the level of income among varying groups of people. It is important for understanding to identify what is pro-poor and anti-poor growth, because it helps the policymakers because the main goal of those policies is to make the economic growth more favorable for the poor and to decrease poverty rates and to bring more acceptable distribution of the income (Kakwani, 1993).

Therefore, for improving the income distribution The Dual Economy Theory has been arrived. In original "Economic Transformation with an Unlimited

Supply of Labor" published in 1954 William Arthur Lewis who was later to become Nobel winner in economics formulated the Dual Economy Theory. Lewis proposed this hypothesis with a view of explaining why both the old structure of subsistence farming that was in evidence when the world was being colonized and the new structure of industrialization being evidenced among the industrialized countries continues to prevail in the developing economies. To this hypothesis, the lack of appropriate salary rewards and slow promotion in the farming industry in order have to be attributed to primary differences in product outputs, wages, and other economic factors between two industries. In his dual economy model, Lewis said that a conventional farming is inefficient with low productivity, excessive manpower, and little innovation in technology advancement. The modern industrial sector has much better results, they expect high skills, investments in production means, and the payment is also higher. According to Lewis, inflation in the salaries and the shift in the labor market will occur through the process of industrialization where the industrial sector provided a market for the surplus labor from the agricultural sector. According to getting this phenomenon which is known as limiting or unlimited supplies of labor, Lewis (1954) stated that normal of life of the people in the rural areas has changed over time.

Development for the poor aims at enhancing their employability; thus, growth that gives attention to the poor concentrates on the labor market. The dual theory asserts that rural workers' employment and wages can be augmented due to the emergence of the industrial sector as it takes employments from the agricultural industry. On the relative pay, the theory suggests that this should be done between agriculture and industry as a way of achieving the pro poor growth of reducing the income disparity. In addition to investments in better access to education and health, the poor are possible to require preparation that is supplied by training programmes in this instance dubbed as pro-poor growth. As to this component of pro-poor growth, the change from the agricultural via the industrial segment needs skill building.

This entails that, advancement of the expansion of the industrial sector usually comes along with improvement in the infrastructure like transportation and communication. It will be pointed out that the pro-poor growth strategies can

finance such infrastructure to support balanced development. On the one hand, the theory of growth and development will rely more on labour migration as the principal means of mobilizing people up the poverty line, but the strategies that should be adopted to achieve pro-poor growth may place more emphasis on social protection mechanisms as a cushion that should be put in place to protect the poor in their transition from the vice. The melding of the aspects of pro-poor growth with the dual economy theory can therefore be useful to policymakers seeking to develop adequate methods to ensure the economy grows in a way that encompasses all sections of the economy, especially the low-crop-yielding agriculture sector. This is in an attempt to fix issues that relate to employment, income disparities, skills, and requisite backbone infrastructure for a firmer and better development trajectory.

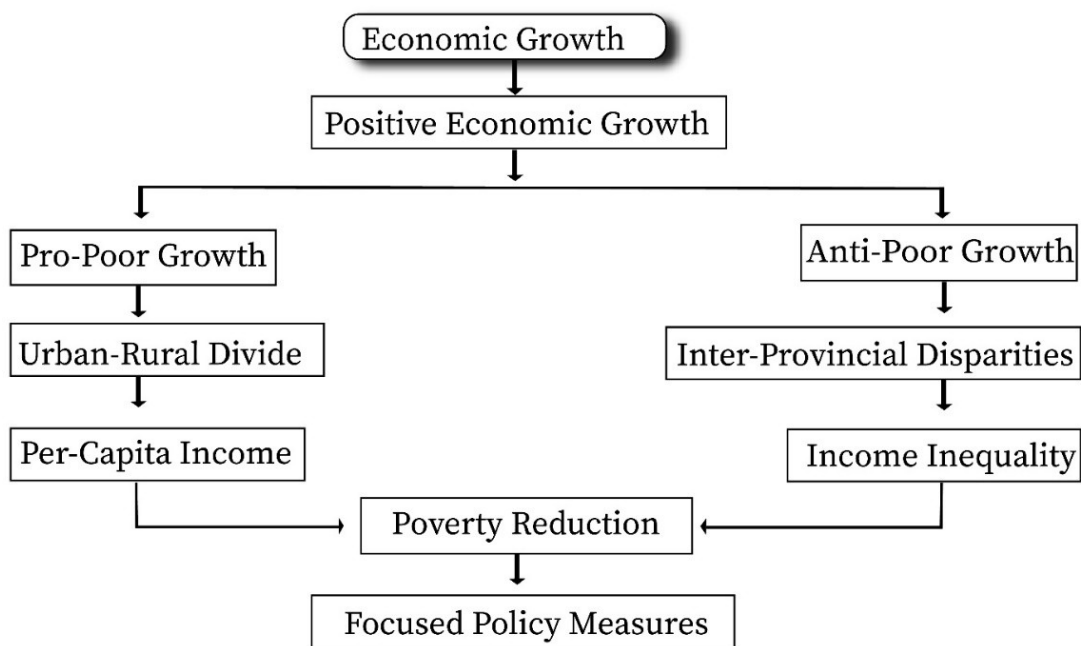## 3.2 CONCEPTUAL FRAMEWORK

Figure DATA AND METHODOLOGY.1: **Conceptual Framework**

In the above-presented diagram, the possibility of a multidirectional association between economic growth and poverty reduction is discussed in more detail concentrating on pro-poor and anti-poor growth. The core of this framework is economic growth, which, when positive, can be divided into two main paths: It

also distinguished the first one as pro-poor growth while the second one was regarded as anti-poor growth. Pro-poor growth on the other hand is economic growth that targets the raising the norms of daily life of the poorer segment of the population and assists in dropping the gap between the urban and the rural poor as well as the overall per capita income. By promoting an inclusive approach, the benefits of this growth are spread and lead directly to poverty reduction.

On the other hand, growth that excludes the poor will aggravate the gap between provinces and the overall income inequality. Although such growth could do something to lower poverty, it does this in a highly selective manner, where the rich benefit far more than the poor. This clearly shows that when it comes to poverty reduction, the nature of economic growth is very crucial. The framework also emphasizes the importance of effective policy responses aimed at tackling the adverse impacts of pro-poor and anti-poor growth. Such policies are important for making economic liberalization responsible for development which includes, the absence of region and income disparity.

In this work as a researcher, I have tried to make a distinction between pro-poor and anti-poor growth to come up with concrete and sound strategies for poverty eradication. According to the framework, economic growth is the primary factor in decreasing poverty but the growth has to be inclusive and equitable. Thus, the question the policymakers face is how to bring about poverty reduction more efficiently and sustainably. This positively contributes to the investigation of the interactions among economic development, poverty, and inequality as applicable to contexts of developing countries and explains why contextualized policy interventions remain central to facilitating inclusive development.

3.3 DATA RELATED FRAMEWORK

In essence, this data framework is intended for collecting evidence and analyzing the collected information to establish patterns in pro-poor growth, determinants of the process in various provinces, and the policy recommendations that may serve as conducive solutions. Here is to describe the proposal for data gathering, storage, and analysis to better understand the regional disparities and

obtain insights on the social models fostering increased and balanced economic growth.

3.3.1 Data Collection and Analysis Steps

- **Data Collection:**

Data for this study use HIES data for the period between 2003 & 2019. Investigation of this set of data will assist in determining the performance of varied areas of the Pakistan in context to pro- poor growth.

- **Data Pre-processing:**

The required data regarding Regional per capita income is collected and cleaned to eliminate any undesirable variation. It entails removing of any flaws or irregularities from the data before feeding into the model and is crucial in capturing dependencies as regards pro-poor growth.

- **Gini Coefficient Calculation:**

Thus, to additionally calculate income distribution by regions, the Gini coefficient, which estimates inequality is computed. This helps in setting up trends in income distributions as well as their bearings towards pro-poor growth.

- **Average Poverty Gap Calculation:**

The decomposed poverty gaps are calculated to sum up and compute the average poverty gap to determine the total deficiency of the income of the poor from the poverty line. It emphasizes the level of poverty and is very essential in identifying factors that influence pro-poor growth.

- **Growth Rate Calculation:**

To analyze the economic growth, the per capita income growth rate over the study period is computed. This assists in establishing the patterns of economic growth and its orientation towards the poor.

- **Poverty Line Construction:**

A standard poverty line of $3.65 per day, as recommended for developing countries is used to determine poverty rates. This aids in identifying pro-poor growth tendencies.

- **Inflation Adjustment:**

Income per capita is deflated using 2010 as the base year (2010=100) to account for inflation rates and the level of prices. This adjustment makes income data needed to trace factors affecting pro-poor growth accurate enough.

- **PEGR Calculation:**

PEGR is computed to determine the level of economic growth that impacts the poor populace. This is important for tracking trends and tendencies in pro-poor growth.

- **ARMA Methodology Construction:**

The ARMA approach is introduced, which is to study trends and patterns for the income and growth rates time series. Some of the steps involved include selecting the appropriate AR and MA terms and estimating the model parameters.

- **Forecasting:**

The Autoregressive Moving Average (ARMA) approach is introduced, which is to study trends and patterns for the income and growth rates time series. Some of the steps involved include selecting the appropriate AR and MA terms, and estimating the model parameters.

- **Review of Pro-Poor Policies:**

First, the existing pro-poor policies implemented in the Pakistan context and internationally are identified and analysed. It involves examining these policies in an effort to determine the outcome in various environments and areas of the globe.

- **Policy Recommendations for Urban and Rural Regions:**

First, the existing pro-poor policies implemented in the Pakistan context and internationally are identified and analyzed. It involves examining these policies in an effort to determine the outcome in various environments and areas of the globe.

3.4 EMPIRICAL FRAMEWORK

The empirical model aims to analyze the nexus between economic growth, poverty, and inequality while distinguishing between pro-poor and anti-poor growth dynamics. This model will help identify how economic growth impacts poverty reduction and income inequality, and whether the growth benefits the poor disproportionately (pro-poor growth) or exacerbates inequality (anti-poor growth).

3.4.1 Variables and Hypotheses

Key Variables are Economic Growth (EG), Poverty (P), Inequality (I), Pro-Poor Growth (PPG), and Anti-Poor Growth (APG)

Whereas Hypotheses are,

H1: Economic growth positively impacts poverty reduction.

H2: Economic growth is pro-poor when income inequality is decreased.

H3: Economic growth is anti-poor when income inequality is increased.

H4: Pro-poor growth leads to significant poverty reduction.

H5: Anti-poor growth exacerbates poverty.

3.4.2 METHODS

This part of the paper is a mixed method that helps to conduct an analysis of Pakistan's socio-economic conditions. To sum up, it is possible to state that using both qualitative and quantitative methods within this type of the approach, one can get a Greater insights rather than composite connections between the process of the economic development, the tendencies towards increased economic inequality, and the measures taken to combat poverty.

3.4.2.1 Qualitative Method

Qualitative methods are used for the data to provide the context to the information and to offer insight into the socio-economic condition of Pakistan. This involves:

- **Policy Analysis**

To do policy analysis, scholarly journals, research papers, pro-poor growth initiatives in Pakistan and other nations, and other publications on economic developments, inequality, and poverty in Pakistan can be read and thoroughly reviewed. The reports from the World Bank, International Monetary Fund (IMF), and government agencies are read to get an idea of the policy framework and the strategies that are used to fight poverty and inequality in Pakistan. A review work of all the pro-poor growth policies in the country and the world is the means of assessing the socio-economic issues of the country, which in turn will help in the analysis of the effectiveness of the existing policy measures for urban and rural regions of all provinces.

3.4.2.2 Quantitative Method

Quantitative methods are the ones that mainly carry the responsibility in the process of performing the thorough statistical analysis of the time series data. Two main quantitative techniques are employed in this study:

- **PEGR**

PEGR is an economic measure designed to account for both the growth of mean income and changes in the income supply. It provides a more nuanced view of economic progress that reflects its impact on poverty. Traditional growth measures often overlook the distributional aspects of income growth, which are crucial for understanding the broader social implications of economic policies.

Economic growth affects poverty reduction through two primary factors: the magnitude of the economic growth rate and the accompanying inequality changes. The larger the growth rate, the greater the poverty reduction. However, an increase in inequality can reduce the impact of growth on poverty reduction. We start with the basic poverty measure and differentiate it to measure these impacts.

Let $P(z,z)=0$ If a person's salary is the same as the government's poverty level, which denotes no poverty. The level of income at the pth percentile is denoted by the symbol x (p). P, the poverty measure, can be written as follows:

$$\frac{dp}{dx} = \int_0^H \frac{\partial x(p)}{\partial x\, g(p)}\, dp$$

When the income growth rate at the pth percentile is expressed as $g(p) = \left(\frac{dIn\, x(p)}{dp}\right)$

. We write the following using the Lorenz function $L(p)$, which represents the portion of the total income received by the poorest p percent of the residents

We write:

$$x(p) = \mu L'(p)$$

Calculating the difference using the logarithm, where L'(p) is the initial derivative and μ is the average wage.

$$\frac{dIn\, x(p)}{dIn\, \mu} = \frac{dIn\, \mu}{dIn\, L'(p)}$$

Thus,

$$g(p) = g + \frac{dIn\, L'(p)}{dp}$$

Substituting this into the integral, we get:

$$\frac{d}{\Box}\frac{P}{dx} = \int_o^H \left(g + \frac{d}{\Box} L' \frac{(p)}{(dp)} \right) dp$$

Assuming no variation in inequality, η represents the expansion of the flexibility of being poor, which is the proportional shift in poverty resulting from a 1% increase in mean income.

PEGR is the growth level, allowing for changes in the distribution of incomes, that could result in the reduction in poverty than the real rate of growth (Kakwani & Pernia, 2000). The total poverty elasticity δ can be expressed as:

$$\delta = \eta + \zeta$$

Where ζ measures the inequality effect on poverty reduction. PEGR, denoted g*, is given by:

$$g^* = \delta/\eta\ g = \varphi\ g$$

Where φ = δ/η is the pro-poor index, growth is pro-poor if g* is greater than g, indicating that the effective growth rate for poverty reduction exceeds the actual

growth rate. On the other hand, when g* is less than g, the process is termed trickle-down When increasing inequality aligns with progress.

- **Calculating PEGR**

    In general, PEGR is calculated by applying household surveys for two periods to estimate the total poverty elasticity. The formula is

$$\delta^{\square} = \frac{P\left(z, \mu_2, L_2(p)\right) - InP\left(z, \mu_1, L_1(p)\right)}{\hat{g}}$$

    Where ĝ = ln (μ2) - ln (μ1). The estimated PEGR is:

$$\hat{g}^{\square} = \frac{\delta^{\square}}{\eta^{\square} \hat{g}}$$

    Where η̂ is the estimated the poverty elasticity for expansion, represented as:

$$\delta = \hat{\eta} + \zeta$$

- **Implications**

    The some form of equity is achieved through the PEGR, an index of several variables that define equitable growth. It also re-affirms the proposition that as with g* increases, poverty has been alleviated to an extent. Therefore the increase in g* facilitates the attainment of the sum total proportionate reduction in poverty. While assessing the performance of a given nation, PEGR can be employed to ensure that the growth strategies contained in such a nation are poverty eradicator.

- **ARMA Methodology**

    The Autoregressive Moving Average (ARMA) method is a mathematical approach commonly used to analyse and predict time series data. This methodology combines two key components: autoregression (AR) and moving average (MA). The AR models the correlation of a current observation with a number of previous observations and the MA models the correlation of the current observation and an error term derived from a moving average model of previous observations. ARMA

(p, q), where p is the auto-regressive component's order and q is the moving average component's order, represents a standard ARMA model.

- **Model Specification**

Autoregressive (AR) Process

The AR process defines that this output variable rest on the previous values of the same variable in a linear manner. Mathematically, expressed as:

$$X_t = \alpha_1 X_{t-1} + \alpha_2 X_{t-2} + \cdots + \alpha_p X_{t-p} + \varepsilon_t$$

Meanwhile X_t is the time series at time t, α_i are the parameters, and ε_t is white noise(Wheatley et al., 2018).

Moving Average (MA) Process

The MA process specifies that the output variable depends linearly on the past error terms. It can be written as:

$$X_t = \varepsilon_t + \beta_1 \varepsilon_{t-1} + \beta_2 \varepsilon_{t-2} + \cdots + \beta_q \varepsilon_{t-q}$$

Where β_i are the parameters.

The ARMA model is a grouping of AR and MA processes:

$$X_t = \alpha_1 X_{t-1} + \alpha_2 X_{t-2} + \cdots + \alpha_p X_{t-p} + \varepsilon_t + \beta_1 \varepsilon_{t-1} + \beta_2 \varepsilon_{t-2} + \cdots + \beta_q \varepsilon_{t-q}$$

Estimation and Forecasting

Estimation, therefore involves finding the values of αi and βi that give the best fit with the past data. This is normally done by methods including Maximum Likelihood Estimation (MLE) or the Least Squares method. However, once the parameters are estimated, one can use the model to make forecasts of the endogenous (Song & Yang, 2022).

Parameter Estimation

One of them is the MLE approach which seeks to find those parameter values that yield the maximum likelihood estimate. Another method is the Least Squares where The square of the balance between the values that were observed and those that were expected is as small as possible.

Model Selection

The choice of the parameters p and q is very important here. This is usually done based on some standards like the Akaike Information Criterion (AIC) or the Bayesian Information Criterion (BIC) which provide information on fit and model complexity (Ekowati, 2020).

Forecasting

After that, based on the estimated values of model parameters, the model can be applied in forecasting the further values of the time series using the ARMA model. In forecasting the ARMA model equation is used through the following set of equations given the past observation and estimated parameters the future values are given.

- **Application to Pro-Poor Growth Analysis**

More specifically, it was noted that the application of the ARMA procedure could help to ascertain the growth rates in poor regions and forecast on them. Thus, using the outcomes after using models analysis on the rate of development of a country's economy, one can identify further tendencies in the growth rate and the tendencies of pro-poor growth, that is, models of ARMA in various data sets on the historical growth rate. This involves:

- **Data Preparation:** Gathering and fluctuating the data of the historical growth rate so that it becomes stationary.

- **Model Fitting:** To achieve this, it is necessary to fit the ARMA model to the data and then find the parameters that characterize well the dynamic of the process.

- **Forecasting**: To achieve this, it is necessary to fit the ARMA model to the data and then find the parameters that characterize well the dynamic of the process (Alqawasmi & Alsmadi, 2023).

Thus, ARMA methodology presents a rather reasonable approach to analyze and forecast the time series data and, therefore, can be rather useful to assess the tendencies of economic growth and poverty consequences. When the identified classes of regional growth are estimated using ARMA models, easy interpretation of the pro-poor growth nature takes place to develop appropriate measures to support pro-poor growth in the regions of interest.

3.4.3 Econometric Models:

A multiple regression model could be used to quantify the relationship between the dependent and independent variables.

$$y = \beta 0 + \beta 1 X 1 + \beta 2 X 2 + \beta 3 X 3 + \beta 4 X 4 + \beta 5 X 5 + \varepsilon$$

After putting all variables in the empirical model we get,

$$y = \beta 0 + \beta 1 EG + \beta 2 P + \beta 3 I + \beta 4 PPG + \beta 5 APG + \varepsilon$$

3.4.3.1 Model 1: Economic Growth and Poverty Reduction

This model examines the direct how lower poverty is affected by the growth of the economy.

$$Pt = \alpha 0 + \alpha 1 EGt + \varepsilon t \text{ Where:}$$

Pt Is the poverty rate at time t.

EGt Is the economic growth rate at time t.

$\alpha 0$ Is the intercept.

$\alpha 1$ Is the coefficient measuring how poverty is affected by the growth of the economy.

εt Represents an error term.

Hypothesis:

H1: Economic growth positively impacts poverty reduction $(\alpha 1 < 0)$.

3.4.3.2 Model 2: Economic Growth and Inequality

This model investigates how economic growth influences income inequality, considering when the growth is pro-poor or anti-poor.

$$¿ \beta_0 + \beta_1 EG_t + \beta_2 PPG_t + \beta_3 APG_t + \eta_t$$ Where:

I_t is the inequality measure (e.g., Gini coefficient) at time t.

EG_t is the economic growth rate at time t.

PPG_t is a binary number that represents time intervals of pro-poor growth.

APG_t is a binary number that represents time intervals of anti-poor growth.

β_0 is the intercept.

β_1, β_2, β_3 are coefficients measuring the impact of economic growth, pro-poor growth, and anti-poor growth on inequality, respectively.

η_t is the error term.

Hypotheses:

H2: Economic growth is pro-poor when inequality decreased ($\beta_2 < 0$).

H3: Economic growth is anti-poor when inequality increased ($\beta_3 > 0$).

3.4.3.3 Model 3: Pro-Poor and Anti-Poor Growth on Poverty

This model specifically assesses the impact of pro-poor and anti-poor growth on poverty reduction.

$$Pt = \gamma 0 + \gamma 1 PPGt + \gamma 2 APGt + vt$$

Where:

- Pt is the poverty rate at time t.
- PPGt is a binary variable indicating periods of pro-poor growth.
- APGt is a binary variable indicating periods of anti-poor growth.
- γ0 is the intercept.
- γ1, γ2 are coefficients measuring the impact of pro-poor growth and anti-poor growth on poverty, respectively.
- vt is the error term.

Hypotheses:

- H4: Pro-poor growth results in significant poverty reduction ($\gamma 1 < 0$).
- H5: Anti-poor growth exacerbates poverty ($\gamma 2 > 0$).

3.4.3.4 Estimation Techniques

The econometric models will be estimated with the help of Autoregressive Moving Average (ARMA) technique. This method combines two key components: There is auto regression (AR) which is a model that looks at the current observation relative to past observations and moving average (MA) that is a model which looks at current observation relative to an error term which can be estimated using moving average model of past observations. These models will be built in order to assess the income and the growth rates time series for tendencies and patterns of behaviours. The estimation of ARMA models involves finding the values of parameters that give the best fit with the past data. This is normally done through such methods like the Maximum Likelihood Estimation (MLE) or the Least Squares method.

Parameter Estimation

To estimate the ARMA models it is necessary to identify the parameter values that best represent the models when compared to past observations. They often use Maximum Likelihood Estimation (MLE) or the Least Squares method for model estimation.

Model Selection

The selection of the parameters p for the AR part and q for the MA part of the model will be done according to AIC or BIC, which offer information on the fit as well as the model's complexity.

Forecasting

Once model parameters are estimated, you can use the ARMA model to making forecasting of future values of the time series. It involves generating future values, which is by past observation and parameters that are estimated.

The technical specifications for the proposed econometric models are to give a coherent picture of the processes which link different indicators in the context of Pakistan. According to the available literature the analysis that will capture the effects of growth on poverty and inequality and, therefore, distinguish

between pro-poor and anti-poor growth, will help to establish whether or not the current growth strategies are pro-poor. The results of the proposed research will help to make policy interventions towards sustainable development of Pakistan.

CHAPTER 4

RESULTS AND DISCUSSION

4.1   QUANTITATIVE ANALYSIS:

This quantitative study focused on the income distribution and pro-poor growth that we investigated using the Household Integrated Economic Survey (HIES) data for the period between 2003 and 2019. Thus, the objective of this paper was to reveal the effects of economic development on income distribution and poverty in this area. First of all, we cleaned and processed the data so that it could meet the necessary criteria of appropriate accuracy and quality. Thirdly, using computation, we established the Gini coefficient to size the level of income inequality in the respective countries. Finally, we measured the average poverty gap to establish the depth in poverty of the respective countries.

We have also calculated and analyzed the per capita income growth rate in the study period in order to understand growth trend in economy. Applying a poverty rate was done using the poverty line of $3. 65 per day for the developing countries standard. Moreover, we calculated incomes with the base year at 2010 to have closer indications of economic alters after taking inflation into consideration. The share of poor people benefiting from this economic growth was then computed for PEGR.

For the growth rates and PEGR future forecast, ARMA methodology was applied under the scenario for the year 2020 to 2025. This forecasting helps us understand potential future trends and their implications for policy-making. The aim is to use these insights to evaluate current pro-poor policies and develop tailored recommendations that address the unique needs of both urban and rural areas in Pakistan, ensuring more equitable economic growth. By integrating historical data with future forecasts, we aim to offer actionable recommendations that can drive more inclusive and sustainable economic development in Pakistan.

4.1.1 Per Capita Income Disparities: A Regional and Temporal Analysis in Pakistan
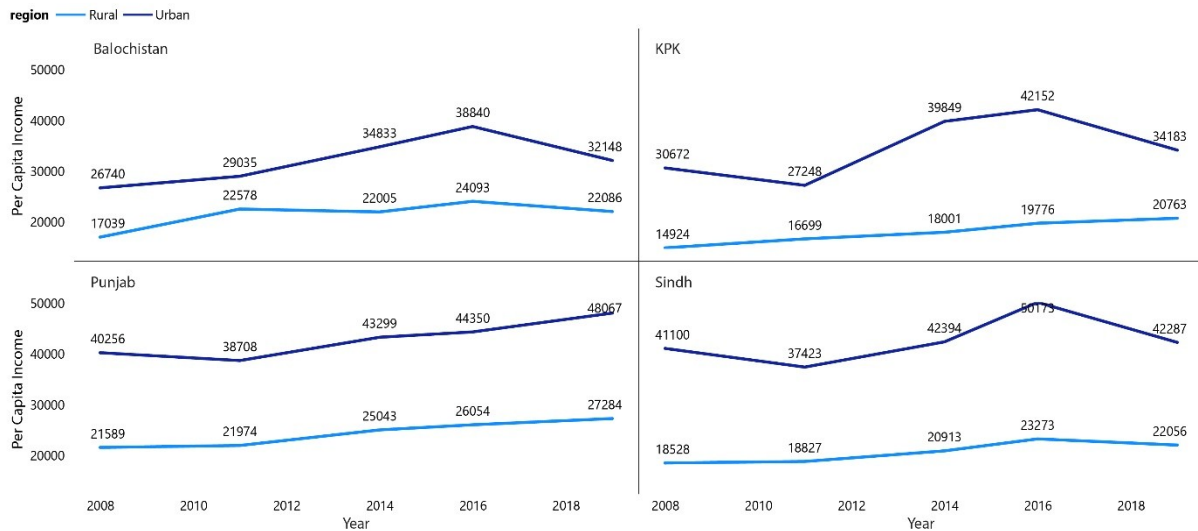
Figure 4.2: Per Capita Income of Pakistan

This analysis relates to the per capita income of Pakistan and focuses on the differences in the figures for certain regions and provinces within the identified time frame (for instance, over the past decade, 2008-2018) is highly relevant.

- **Urban-Rural Divide:** A smooth progression is observed where higher per capita incomes are always realized in the urban regions than in the rural regions of each province. For example, according to the reports in Punjab (2018) if urban people's incomes are Rs. 50,173 then rural peoples' income is Rs. 20,763 only. The above analysis shows a wide disparity in economic development between urban and rural Pakistan and its critical implications for the economic advancement of the country as a whole.

- **Economic Growth:** The evidence suggests positive economic growth over the investigated period. Per capita income estimates reflect an increased trend across all provinces and areas. In Sindh, for example, urban per capita income rose from Rs. 21,589 in 2008 to Rs. 50,173 in 2018, significantly boosting the standard of life.

- The data shows that different regions and provinces have different growth rates. The observed unequal growth in per capita income, in which certain places have experienced significant growth than others, indicates the immediate requirement for unique strategies to tackle regional disparities in economic development.

- **Inter-Provincial Disparities:** The information shows differences in per capita income between the provinces. Balochistan had the lowest per capita income (Rs. 34,183) while Sindh had the greatest wealth overall (Rs. 42,287 in 2018). It is necessary to conduct a more thorough investigation into the mechanisms behind these regional variations.

Significant regional and historical inequality within Pakistan is shown by the examination of per capita income problems in the nation. One remarkable finding is that there is an observable income difference between rural and urban areas, with per capita earnings in urban areas most frequently higher. This disparity between urban and rural locations suggests that economic development is more concentrated in urban regions, while rural areas experiencing slower rates of income growth. The rise in the incomes to the urban regions especially the province of Sindh has given a boost to the theory of urbanization and industrialization. However, it also highlights the relevance of policy making that would distribute these economic benefits more inclusively.

In the process, the non-homogeneous economic growth rates of various provinces are described to emphasize the problems of regional development. These disparities are due to differences in investments, infrastructure, educational levels, and healthcare accessibility. For instance, the per capita income in Sindh is higher than in Balochistan, which shows that there are still unequal regional development within Pakistan. This finding implies that each region requires different and appropriate ways of managing the economic challenges that are unique for that region.

Coordinated regional development strategies and greater attention to the development of the rural areas are going to be the steps towards attaining balanced economic growth in the country. It becomes crucial to work on the procedural

changes by adopting inclusive economic policies aimed at the equal distribution of economic fruits across the regions. Thus, focusing on these areas, Pakistan should try to equalize income distribution and achieve equitable economic growth which will lead to the improvement in the standards of living of all Pakistani citizens.

4.1.2 PEGR Analysis

A country's economic growth that provides larger gains of improvements in living standards to the poor than to non-poor individuals is known as pro-poor growth. To summarize, pro-poor growth erases or lessens income disparity. Another tool that economists use in measuring pro-poor growth is the PEGR.

4.1.2.1 Explanation of Results of Pro-Poor Growth Concerning PEGR

These findings are analyzed based on the table presented in the study. Some of the critical indicators, for instance, the Gini coefficient, poverty gap, and PEGR in the four provinces of Pakistan namely Punjab, Sindh, KPK, and Balochistan may be useful for the analysis of PEGR. These statistics are crucial for ascertaining whether growth in the economy in each region has been pro-poor or anti-poor, that is, whether it has benefited a larger proportion of the poor than the rich or vice-versa.

4.1.2.2 Trend Analysis of Economic Growth, Poverty and Inequality in Punjab

Table 4.1, offers a comprehensive view of the trends in poverty and inequality in rural Punjab from 2003 to 2019. It includes key metrics such as the Poverty Gap, the Gini Coefficient, changes in these values, growth rate, and PEGR. These indicators collectively shed light on the socio-economic conditions and growth patterns over the years.

Table RESULTS AND DISCUSSION.3: Trends of Economic Growth, Poverty and Inequality in Rural Punjab (2003-2019)

Year	Province	Region	Poverty Gap(%)	Gini Coefficient(%)	Change in Poverty Gap(%)	Change Gini Coefficient(%)	Growth rate(%)	PEGR(%)	Growth Status
2003	Punjab	Rural	53.05	49.87	0.05	-0.04	5.73	5.73	Anti-Poor Growth
2004	Punjab	Rural	53.00	49.85	-0.06	-0.02	6.06	6.06	Pro-Poor Growth
2005	Punjab	Rural	52.96	50.00	-0.03	0.15	6.11	6.10	Anti-Poor Growth
2006	Punjab	Rural	53.20	49.75	0.24	-0.26	5.02	5.02	Pro-Poor Growth
2007	Punjab	Rural	52.82	49.80	-0.38	0.06	7.04	7.06	Pro-Poor Growth
2008	Punjab	Rural	52.87	50.46	0.04	0.66	6.27	6.22	Anti-Poor Growth
2011	Punjab	Rural	53.91	48.97	1.04	-1.49	1.77	1.77	Pro-Poor Growth
2014	Punjab	Rural	51.70	49.98	-2.21	1.01	13.07	13.23	Pro-Poor Growth
2016	Punjab	Rural	55.02	50.29	3.32	0.31	3.96	3.82	Anti-Poor Growth
2019	Punjab	Rural	40.76	48.33	-14.26	-1.95	4.61	5.37	Pro-Poor Growth

The Poverty Gap in Rural Punjab did not significantly change from 2003 to 2008, staying at 53%, suggesting that not much progress was made in reducing poverty in this time frame. Due to this stability, it may be that the economic development that happened within these years may not have been robust enough or fairly spread to uplift the poor in the rural areas out of their misery. However, later in 2016, Poverty Gap increased to 55. 02% which implies the rural populace was negatively affected by policy or economical change. Thus, perhaps, unsuccessful governmental actions or extrinsic economical changes that most negatively affected the sensitive population segments were the cause of the rates' increase of poverty during this period. Investigations show that rural populations have limited access to inputs and services hence they are more vulnerable to changes in the economic cycle (Ravallion & Chen, 2009).

However by the year 2019 there is a significant change especially in poverty gap which has decline to 40. 76%. This has been learnt by means of trying to minimize poverty understood as varying levels of poverty eradication efforts, social programmes, economic growth or legislative measures meant to help the poor in the rural areas. Improving people's healthcare and education, which are needed for eradicating poverty, constructing the physical infrastructure of rural areas, and subsidizing agricultural production, among others, may be viewed as other focused efforts (Bourguignon, 2003). The favourable results by 2019 imply that these initiatives were effective in reaching the targeted audience and enabling people to come out of poverty.

Beginning at 49.87% in 2003 and fluctuating throughout time, the Gini Coefficient, a measure of income inequality, ended at 48.33% in 2019. The 2008 high of 50.46% denotes a time of increasing income inequality, which may have been made worse by international economic issues like the financial crisis, which often disproportionately affect lower-class populations (Atkinson & Morelli, 2011). By 2019, the share of inequality had dropped to 48.33%, indicating a possible trend towards more equitable economic development or redistributive measures that benefited lower-income families. Together with the shrinking Poverty Gap, this decrease in inequality points to a pro-poor boom era when benefits in the economy were distributed more fairly (Kanbur & Lustig, 1999).

Key milestones are highlighted using year-over-year analysis, such as the notable 14.26% drop in the Poverty Gap and the 1.95% fall in the Gini Coefficient in 2019. The concomitant improvement in measures of inequality and poverty points to a pro-poor development period in which the economic gains considerably enhanced the living standards of the most vulnerable members of society. This supports (Besley & Burgess, 2003), ideas, which highlighted the significance of inclusive and poverty-focused economic policies.

The PEGR and growth rate serve to highlight the unique features of Punjab's rural economy's development. A solid economic climate, but not necessarily inclusive, is shown by a reasonably consistent growth rate of between 5 to 7% between 2003 and 2008. 2014 was a highly pro-poor growth phase, as shown by the highest PEGR of 13.23%, which paired with a large decline in the Poverty Gap and marked a peak growth rate of 13.07%. This implies that, maybe as a result of direct expenditures in agricultural and rural development, the policies implemented at this period were especially successful in helping the impoverished in rural areas (Dollar & Kraay, 2002). However, in 2016, the PEGR of 3.82% indicated a period of anti-poor development, meaning that the poorer people did not evenly benefit from economic growth. This underscores the need for more focused and fair policies.

On the other hand, notable socioeconomic shifts can be seen in Urban Punjab's patterns between 2003 and 2019, especially when considering the decline in poverty and inequality. Overall improvements in living standards and economic situations are shown by the Poverty Gap in urban areas, which decreased from 35.36% to 23.35%. This fall raises the possibility that poverty may have decreased as a result of advancement and improved access to jobs and education. Nonetheless, significant increases in the Poverty Gap between 2008 and 2016 indicate times of economic strain, maybe brought on by international financial crises or oversights of policies that had a negative impact on urban employment and incomes (Stiglitz, 2012).

The nature of the poverty, inequality, and economic growth relationship exhibited by changes in Punjab's rural and urban areas from 2003 to 2019 are multifaceted. The data also points to persistent inequality to explain that despite the improvements, especially in poverty and inequality by 2019, there is a need for the policies of the countries of destination to ensure that trickle-down effects are felt regardless of race or ethnicity. Therefore, it is necessary to continue strengthening the efforts to meet the contingencies experienced by different population groups in their development process, with special attention to the most vulnerable groups associated with focused social policies and economic measures.

Analyzing the table 4. 2 which comprise the history of Economic Growth, poverty and inequality in the urban Punjab for the period of 2003 to 2019 provide an adequate view towards the socio- economic changes of the stipulated time period. These trends, therefore, present key information pertaining to regional development trends, policy effects, and financial environment, among others.

Poverty Gap (%) in urban Punjab developed a trend of descending throughout the period of 2003-2019 in which the degree of intensity of poverty lessen from 35. 36% to 23. 35%. This overall decline indicates the enhancement of the economic situations and, therefore, the living standards. Nevertheless, there are certain exceptions where the Poverty Gap rose – two instances include the year 2008 and the year 2016, which are the years that could be contributing to depicting the periods of stress or inadequate policy intervention. For instance, an increase in

The Poverty Gap in 2008 likely to be caused by the world financial crisis that reduced poverty levels due to low activity and layoffs.

Table RESULTS AND DISCUSSION.4: Trends in Economic Growth, Poverty and Inequality in Urban Punjab (2003-2019)

Year	Province	Region	Poverty Gap(%)	Gini Coefficient(%)	Change in Poverty Gap(%)	Change Gini Coefficient(%)	Growth rate(%)	PEGR(%)	Growth Status
2003	Punjab	Urban	35.36	54.89	0.06	-0.07	1.94	1.94	Pro-Poor Growth
2004	Punjab	Urban	35.27	54.72	-0.09	-0.18	2.33	2.34	Pro-Poor Growth
2005	Punjab	Urban	35.27	55.28	0.00	0.56	2.56	2.54	Anti-Poor Growth
2006	Punjab	Urban	35.55	54.68	0.28	-0.59	0.94	0.94	Pro-Poor Growth
2007	Punjab	Urban	34.99	54.19	-0.56	-0.50	3.50	3.54	Pro-Poor Growth
2008	Punjab	Urban	35.26	56.97	0.28	2.78	3.23	3.13	Anti-Poor Growth
2011	Punjab	Urban	36.39	52.90	1.13	-4.07	-3.92	-4.04	Anti-Poor Growth
2014	Punjab	Urban	33.30	52.70	-3.09	-0.20	11.21	11.58	Pro-Poor Growth
2016	Punjab	Urban	36.41	50.33	3.11	-2.37	2.40	2.38	Anti-Poor Growth
2019	Punjab	Urban	23.35	51.56	-13.06	1.23	8.05	8.99	Pro-Poor Growth

The income Gini Coefficient that estimates the level of inequality also presents some changes in the given years. It was 54. 89% in 2003, gradually increased to 56. 97% in 2008 and slowly decreased to 51. 56% in 2019 were noted. The years therefore, depict moments where the distribution of income was more equal, hence the lower Gini Coefficient. Such reductions could be as a result of proper redistributive policies, enhanced labour market conditions or other socio economic measures that sought to pull down inequality. This is explained by the fact that in this particular year several policy measures in the field of income redistribution and welfare spending were launched.

Fluctuations were also recorded in the growth rates with the highest rates obtained in 2007 at 3. 50%, 2014, at 11. 21%, and 2019 at 8. 05%. PEGR shows how the growth rate impacted the poor and this show whether economic growth was pro poor. The results show that the values of pro-poor growth were observed in most of the years; however, three years reported the incidences of anti-poor growth which include 2005, 2008, and 2016. Results of these analysis imply that for some of these years, economic growth was not beneficial for the poor various with policy changes of economic circumstances that may have been advantageous to the higher revenue groups. The anti-poor growth in 2008 and 2016 could be associated with

economic policies that failed to adequately protect the poor during times of economic adjustment or downturn.

The Gini coefficient in Punjab is also lower than the national figure, which means that income distribution is more equal in Punjab than in other parts of the country. The poverty gap in Punjab is moderate which indicates the fact that a good portion of the population is only a margin above the poverty level. Based on the robust economic growth rate, it is possible to assume that the prosperity of Punjab has been shared, and many people have been pulled out of the poverty level. In this regard, economic development in Punjab can be categorized as pro-poor because it effectively eradicates poverty and has a positive impact on the lower income earners. According to (Anwar et al., 2016), there are substantial modifications in the level of economic development between the urban areas and the rural areas of Pakistan due to urbanization and industrialization. Growth in the urban areas of developing countries has not been pro-poor, often leading to worsened income disparity and boosting anti-poor development.

The following are possible factors that may account for these observed trends of changes in government policies, global economic conditions and labor market. Higher poverty gap and anti-poor growth could be observed in economic difficulties or in some measures that were not favorable for the poor. On the other hand, real decreases can be attributed to specific social relief actions, movements on economic liberalization in the interest of favourable globalization, etc. For instance, prevention strategies and antipoverty measures definitely can be an essential element of combating poverty at times of ever-increasing economic growth. Therefore, based on the trends in poverty and income inequality rates in urban Punjab from 2003-2019 it can be concluded that there has been the social uplift in poverty rates and a moderate decline in inequality in urban Punjab. But the fluctuations in these indicators imply that further and long-term work needs to be done to guarantee that economic growth will improve the living standards not only in general but, in particular, the indicators of the financial position of the poor population. Thus, the future studies should cover researching the particular policy interventions that have been proved to be most successful regarding facilitation of

equitable growth and poverty decrease, to contribute to the ongoing and further work in Urban Punjab and the similar regions.

4.1.2.3 Trend Analysis of Economic Growth, Poverty, and Inequality in Sindh

The economic landscape of Rural Sindh between the years 2003 and 2019 provides an elaborate and dynamic picture of the various aspects of growth, poverty, and inequality depending on the policy formulation and the general economic talk.

Table RESULTS AND DISCUSSION.5: Trends of Economic Growth, Poverty, and Inequality in Rural Sindh (2003-2019)

Year	Province	Region	Poverty Gap(%)	Gini Coefficient(%)	Change in Poverty Gap(%)	Change Gini Coefficient(%)	Growth rate(%)	PEGR(%)	Growth Status
2003	Sindh	Rural	54.30	38.36	0.03	-0.07	5.94	5.95	Pro-Poor Growth
2004	Sindh	Rural	54.28	38.27	-0.02	-0.09	6.10	6.11	Pro-Poor Growth
2005	Sindh	Rural	54.21	38.65	-0.07	0.38	6.48	6.45	Anti-Poor Growth
2006	Sindh	Rural	54.40	38.16	0.19	-0.49	5.26	5.27	Pro-Poor Growth
2007	Sindh	Rural	54.22	38.01	-0.18	-0.15	6.57	6.59	Pro-Poor Growth
2008	Sindh	Rural	54.01	39.78	-0.21	1.77	7.60	7.48	Anti-Poor Growth
2011	Sindh	Rural	54.96	36.68	0.95	-3.10	1.60	1.63	Pro-Poor Growth
2014	Sindh	Rural	53.70	37.56	-1.26	0.88	10.51	10.55	Pro-Poor Growth
2016	Sindh	Rural	55.07	39.03	1.37	1.47	10.69	10.39	Anti-Poor Growth
2019	Sindh	Rural	43.24	36.61	-11.83	-2.42	-5.37	-6.15	Anti-Poor Growth

With a big poverty rate of 54.30% and a moderate economic disparity, as shown by a Gini coefficient of 38.36%, the area faced a serious challenge beginning in 2003. During this time, the PEGR was 5.95% and the growth rate was 5.94%. According to this data, there seems to have been a boom period that was marginally pro-poor, with the advantages of economic growth reaching the lower elements of society. This is consistent with the work of Rauniyar and Kanbur (2010), who highlighted the need for inclusive development methods that guarantee the impoverished get a fair share of the benefits of the economy.

In 2004, there were modest improvements: the Gini coefficient dropped to 38.27% and the poverty gap narrowed marginally to 54.28%. The growth rate increased to 6.10%, while the PEGR did the same, rising to 6.11%. According to Bourguignon (2003), this era continued to show a little tendency towards pro-poor

development. He contends that inclusive growth is essential to successfully decreasing poverty.

However, unlike previous years, there was a distinct shift away from funding development if the poor in 2005. Thus, although poverty has been reduced to 54. 21% the Gini coefficient increased to 38. 65 % thus meaning that income disparity had increased. This implied that the richer areas received more aid than the poorer zones and that the economic gains were off from where they were supposed to be. The PEGR decreased to 6. 45% although the growth rate had a slightly better performance with 6. 48 % as evidenced by the chart above signifying that the increases in growth were not accompanied by proportional equity. This situation coincides with the findings by Ravallion and Chen (2009), in their study that proved that economic development could only widen the Gini coefficient if no social policies of transfer were in place.

In actuality, by the mid-2006 in Nigeria, the policy of pro-poor growth seemed to have returned but to a more unsavory effect. Of all the indices the Gini coefficient came down to 38. 16% while the poverty gap only slightly rose to 54. 40%. This can be equated to a better distribution of income, although there is still a large poverty gap which has remained constant; this infers that there are still deficiencies in poverty reduction efforts. This remark tallies with Dollar and Kraay (2002), which opinion asserted that the growth's quality and its extension really alleviates poverty.

This was a slight improvement evident in the decline of the poverty rate and even the Gini coefficient in the year 2007. With regards to inequality, the Gini coefficient of 0. 3801 or 38. 01% and poverty gap of 0. 5422 or 54. 22%. Pro-poor growth continued with the growth rate rising to 6. 57 percent coupled with the PEGR standing at 6. 59 percent. It is not very high to suggest that the advance was inadequate to produce an enormous change in poverty and inequality scores. There would be theoretical development that can be utilized to analyze this time, although there was development during the growth period Besley and Burgess (2003), acknowledged that the rate and the type of growth that occurs is important in the eradication of poverty.

The Gini coefficient in year 2008 was at 39. 78%, this is however compensate with a significant reduction on the poverty gap which by year 2008 was at 54. 01%. Even at this time, while the growth rate was 7. 60%, the PEGR declined to 7. 48%, thus portraying an unfavourable growth for the poor. Consequently, there was an amplified value in the Gini-coefficient which pointed towards an increased level of income disparity; the wealth echelon benefited most from the expansion of the economy. This tallies with Ferreira and Ravallion (2008), who examined the problem of "growth without equity," which suggests that if inclusive policies are not implemented, economic progress may exacerbate inequality.

The statistics from the year 2011 revealed the prospects in more ways than one. For poverty, while the Gini coefficient of poverty substantially reduced to 36. 68%, the poverty gap ratios rose to 54. 96%. The pro–poor growth phase was given by the steadily increasing PEGR of 1. 63 % though at a lower growth rate of 1. 60%. Income equality was pointed out by the reduction in the Gini coefficient while poverty severity highlighted long-standing issues with the policy on poverty reduction. The research done by Kanbur and Lustig (1999), claiming that in order to reduce poverty and inequality more focused social policies are needed in addition to economic growth reflects this.

The growth rate displayed in the 2014 economic scenario reveals an increase by reaching up to 10. 51% and the PEGR was only a shade higher at 10. 55 %. The coefficient of inequality raised a little of 0. 37 to stand at 37. 56 % the poverty gap was reduced by 2. 39 % to stand at 53. 70 percent. However, the economic liberalization during this period indicated that though there was growth in the economy, there was still inequality in distribution of wealth hence implying that growth during this period was not full- throttled. This discovery supports the argument by Piketty (2014) who suggested that variations in the rates of growth of various segments may lead to an increase in the rate of inequality.

The poverty rate rose to 55. 07% in 2016 and the Gini coefficient rose to 39. 03%, both markers being on the rise and therefore undesirable. The PEGR reduced

to 10. 39 % though the growth rate was at ten point sixty nine percent, and thus provocative of anti-poor growth. This implied that the people at the top of the society were not…unlocking greater prosperity hence, cyclical poverty and social injustices. This relationship is in line with Kuznets (2019) hypothesis, that posited that inequality may first rise with increase in economy before possibly declining as country progresses to maturity.

For the final time in 2019, when the negative growth rate pegged at 5. 37% was noted, there was a sharp decline in poverty gap to 43. 24% and a decline in the Gini coefficient to 36. 61% and hence it is clear that the given formula is valid and remains the most potent tool for measuring poverty in this country. However, a negative sign of PEGR would not augur well for any economy let alone an emerging and developing one; thus, a PEGR of -6. 15% signified anti-poor growth. However, the signification reductions of poverty and income inequality mean that targeted endeavours or structural changes met the goals to alleviate these issues. This time frame coincides with the theories viewed by Stiglitz (2012), noted that efficient government and proper implementation of social themes for the minimization of negative effects of economic downturns to inequality.

In conclusion, the analysis of poverty, inequality and growth in Rural Sindh holding the data of 2003 and 2019 reveal that the relationships have been much more complex and constantly evolving. That means pro-poor and anti-poor growth periods switched across the area, stressing the importance of non-discriminative economic policy. While there have been periods of substantial economic growth, these have not always been accompanied by inclusive growth therefore the need for more targeted and sustained policy measures that would ensure that everybody benefits from economic growth that is sustainable in the long run.

Table   RESULTS AND DISCUSSION.6: Trends of Economic Growth, Poverty, and Inequality in Urban Sindh (2003-2019)

Year	Province	Region	Poverty Gap(%)	Gini Coefficient(%)	Change in Poverty Gap(%)	Change Gini Coefficient(%)	Growth rate(%)	PEGR(%)	Growth Status
2003	Sindh	Urban	31.50	53.88	0.11	-0.05	1.93	1.93	Anti-Poor Growth
2004	Sindh	Urban	31.33	53.48	-0.17	-0.41	2.26	2.27	Pro-Poor Growth
2005	Sindh	Urban	31.33	54.45	0.00	0.97	3.36	3.33	Anti-Poor Growth
2006	Sindh	Urban	31.85	53.72	0.52	-0.73	0.18	0.18	Pro-Poor Growth
2007	Sindh	Urban	30.83	52.26	-1.02	-1.46	3.25	3.33	Pro-Poor Growth
2008	Sindh	Urban	31.32	57.36	0.49	5.11	6.65	6.28	Anti-Poor Growth
2011	Sindh	Urban	33.40	51.54	2.08	-5.82	-9.37	-9.71	Anti-Poor Growth
2014	Sindh	Urban	27.76	47.87	-5.63	-3.67	12.47	13.66	Pro-Poor Growth
2016	Sindh	Urban	30.74	51.50	2.97	3.63	16.85	15.75	Anti-Poor Growth
2019	Sindh	Urban	20.82	45.45	-9.91	-6.05	-17.10	-19.93	Anti-Poor Growth

The table titled "Trends in Economic Growth, Poverty, and Inequality in Urban Sindh (2003-2019)" provides a detailed examination of the relationships between economic growth, poverty reduction, and inequality over sixteen years. This data is quite useful and beneficial to comprehend the socio-economic transformation of Urban Sindh during this period.

The table is focused on the interaction between per capita GDP growth and poverty rates. It highlights two distinct phases: The two major models works in this supply side are; anti-poor growth model or non-pro-poor growth model and pro-poor growth model. Over the anti-poor growth phase which was from the fiscal years 2003-2004 to the fiscal years 20152016, the initial phase of per capita GDP growth rate are as follow: This period saw a decrease in the headcount ratio (HCR) from 18. 82 % to 13. 51 % which is an evidence of poverty decrease. Also, they label this phase as anti-poor growth that registered an enhanced Gini coefficient from 0. 31 to 0. 34 affirming more inequity. Though, the economic progression density improved by 4. 56% GDP during 2015-2016, the headcount ratio was 15. 77% and Gini coefficient enhanced to 0. 40. This of course suggests that during the period of economic growth, there was a higher level of economic inequality at least as far as income is concerned.

The pro-poor growth phase (2017-2018 to 2018-2019) was unlike the above situation. The headcount ratio has been decreased significantly even during these years and it is nearer to the proportion that was reflected in pre-reform period i. e., from 12. 18% in 1990 to 7. 24% in 2005. At the same time, it is possible to observe

the reduction of the Gini coefficient from 0. 31 to 0. 28, which characterizes the inequality level. This period witnessed a per capital GDP growth rate of 3. 04% during the years 2017-2018 and 2. 02% during the years 2018-2019. These issues are suggesting that this period of economic growth was much more inclusive, meaning that a greater number of people are poor, inequality has fallen too.

Therefore, when evaluating the trends, it can be clearly seen that the dynamics in poverty reduction is affected by these factors in a sophisticated manner. The anti-poor growth periods show that economic growth in and of itself is ineffective in eradicating poverty if the poor are not given a share of the economic fruits. The pro-poor growth phase on the other hand demonstrates that with proper policies in inclusion and distribution of wealth, the economic growth leads to poverty and inequality decline.

According to the data, this shows that policy changes which seek to make equity in the distribution of all factors of development are relevant as it seeks to balance between the upliftment of economic growth and the basing of this with the poor in our society. This involves specific activities such as poverty reduction strategy, financial support to education and health, and the creation of economic opportunities to the depressed groups and regions. It is useful to note that such reforms are needed for the actual goal – the possibility of free and equal access to resources for employment and income-generating activities, which would deplete poverty and decrease inequality at the same time.

A different picture emerged when the Urdu press was narrowed down solely to Sindh. These income shares also reflect the fact that the level of income inequality in Sindh is higher than provincial averages; the Gini coefficient confirms this. They also have high poverty gap which reveals that the poor are greatly separated from the poverty line. Nonetheless, these statistics indicate that if the situation observed in Sindh is true that the economic growth rate is low, it is equally true that such growth is not eradicating poverty or assisting the poor. Hence, it would be possible to state that the process of economic development of Sindh is rather anti-poor since the stimulation of its growth cannot provide adequate improvement of the living conditions of the lower-income population. Speaking of the features of Pakistan, Haq and Haq (1998) posited that education

and health should be considered a source of economic inequality. These even reveal that the available services in the health sector are urban biased hence increases income inequalities, anti-poor growth.

Therefore, the experience of Urban Sindh in poverty and inequality trends between 2003 and 2019 shows the proper required approaches of an inclusive economy. Thus, while there are moments of higher growth rate, the problem has been to achieve the distribution of this growth. Therefore, making economic growth supply generalized improvements in the standard of living entails active measures to reduce inequality that challenges inclusion for enhanced development.

4.1.2.4 Trend Analysis of Economic Growth, Poverty, and Inequality in KPK

This section describes and evaluates the existing trends in growth, poverty, and inequality in both rural and urban districts of KPK during the period of 2003 to 2019. The information provided here provides an outlook on the effects of economic development on poverty and the proportion of incomes during this period.

Table   RESULTS AND DISCUSSION.7: Trends of Economic Growth, Poverty, and Inequality in Rural KPK (2003-2019)

Year	Province	Region	Poverty Gap(%)	Gini Coefficient(%)	Change in Poverty Gap(%)	Change Gini Coefficient(%)	Growth rate(%)	PEGR(%)	Growth Status
2003	KPK	Rural	62.15	50.01	-0.02	-0.02	9.74	9.75	Pro-Poor Growth
2004	KPK	Rural	62.07	50.13	-0.08	0.12	9.65	9.65	Anti-Poor Growth
2005	KPK	Rural	62.29	49.96	0.22	-0.17	9.58	9.58	Anti-Poor Growth
2006	KPK	Rural	62.08	49.94	-0.22	-0.01	10.00	10.02	Pro-Poor Growth
2007	KPK	Rural	61.84	50.49	-0.23	0.55	9.37	9.35	Anti-Poor Growth
2008	KPK	Rural	62.96	49.44	1.12	-1.05	9.38	9.37	Anti-Poor Growth
2011	KPK	Rural	61.42	49.90	-1.54	0.46	11.24	11.36	Pro-Poor Growth
2014	KPK	Rural	61.15	52.13	-0.27	2.23	7.51	7.36	Anti-Poor Growth
2016	KPK	Rural	63.42	52.71	2.28	0.58	9.41	9.14	Anti-Poor Growth
2019	KPK	Rural	51.25	51.35	-12.18	-1.36	4.87	5.54	Pro-Poor Growth

The Trends of Economic Growth, Poverty, and Inequality in Rural KPK (2003-2019) table can offer an insightful view of the rural economy and poverty and inequality in KPK's rural areas. Thus, this research endeavor brings to the readers the requisite information regarding this area's socioeconomic changes as well as the link between the increases in GDP, poverty differently, and inequality.

The following table 4.5 demonstrates the distribution of headcount ratio, the Gini coefficient and per capita GDP growth rates during different historical periods. These measures are important in determining whether the economic growth realised in such years was inclusive, thus touching the lives of more people positively.

A slight variation was observed when second phase speakers of 2005–2006 were compared with that of 2003–2004; per capita GDP increased by 2. 12% headcount ration decreased to 16. 82%. Poverty declined alongside this from 0. 28 for the initial year to 0. 25 in the subsequent year and income disparity eased as evidenced by the decline in the Gini coefficient. For this reason, this period can be referred to as the pro-poor growth since economic growth had a positive impact on the poor segment of the population, decreasing the level of inequality and poverty. This outcome corresponds to the findings of studies Ravallion and Datt (2002), made in 2002 where they opined that target developmental support and improvements coupled with the infrastructural development in the rural areas may help reduce both inequality and poverty. Easy access to the basic services and economic opportunities in the rural areas provided a better share of population with such provisions of economic growth that is why poverty and inequality reduction was experienced during this period.

The GDP-capture per person for the next years from 2005/2006 to 2007/2008 grew by a 2. 95% annual rate. While this economic development was taking place, the headcount ratio lightly rose from 16. 82 per cent to 17. 09 %, however, the Gini coefficient marginally rose from 0. 25 to 0. 29. This actually implies that the gains from economic expansion were not spread to all the sector contributing to high level of poverty and inequality. It can be due to the fact that in some cases economic development is not uniform and is concentrated in some sectors or regions while the rest remain idle maybe it often leads to such contradictions. According to Bourguignon (2003) the effectiveness of development is not to be able to empower everyone and therefore growth without associating distribution mechanisms may increase the inequality. Based on the findings of this time, one can assume that the causes of the extreme disparity of economic gains were due to the lack of integrated social protection and target initiatives.

For the next years, 2007–2008 to 2015–2016, it is also evident that there is a parallel growth but with varying per capita GDP rate. However, in respect of the ratio of employee headcount, it has slightly worsened to 17. 09% and the Gini factor is however reversed to 0. 33 in 2015–2016 though the GDP has grown a notable 4. 56%. Because of the ongoing high levels of poverty and growing inequality, this era is also recognized as anti-poor growth.

The GDP growth rate per capita from 2015–2016 to 2017–2018 was 1.82%. But throughout this time, the headcount ratio dropped from 17.09% to 15.77%, and the Gini coefficient dropped from 0.33 to 0.31, suggesting a decline in both inequality and poverty. This stage of development is categorized as pro-poor. This encouraging pattern indicates that the area has put into practice ways for reducing poverty that are likely to be successful, maybe using improved social safety programs and rural development projects. The Bank (2016), has pointed out that the policies that can help increase the coverage of inclusive growth is the development a coherent set of long-term policies in poverty reduction that is targeted to the expectations of the less privileged and the poorest members of the society. Higher spending by the government and donors in social services and infrastructures may have contributed to such observations of poverty and inequality decline during this period of time as the outfit enhanced the rural peoples' accessibility to opportunities and necessities.

Finally, the GDP per capita for 2017–2018 to 2018–2019 was 2. 02% of growth rate. The poverty rate was slightly reduced from 0. 31 to 0. 29 based on the Gini coefficient, and the overall headcount ratio of poverty decreased from 15. 77 to 13. 54 percent. Also, this period reveals pro-poor growth; this depicts that the economic growth experienced in this period could be said to have benefited the poor in the society. From these measurements, the proviso is that the forthcoming economic policies in the next period actually spurred inclusive economic development which equity fairly distributed resources and economic opportunities. The general reduction in inequality and poverty established during this period is an evidence of how certain policies and measures could result to more extensive socioeconomic benefits. Using research like Ali and Son (2007), one can see that only with inclusion, people can have healthcare, education, and employment.

Thus, it can be stated that the indicated table presents an interdependence between poverty, inequality, and economic development in Rural KPK from 2003 till 2019. The above mentioned pro-poor growth eras highlight how if the spoils are shared, economic growth has the potential to reduce Poverty and inequality. The periods of anti-poor growth, on the contrary, stress the need for certain actions to ensure that economic gains are spread out and shared among all citizens. Thus, the policies and initiatives that foster an inclusive economy, including combating poverty, are of great importance for the Concept of sustainable development.

Examining overall economic growth of rural KPK from 2003 to 2019 broaden down the exigency for important switches in policy in the stipend with regard to inequality as well as poverty. Ensuring that there are mechanisms of inclusion is among the most effective strategies to ensure that every sector within the society, especially the vulnerable ones will benefit. Importantly though, it's clear that there are strategies which help poverty reduction and these include but not limited to improvement of health care, education and promoted protection. Moreover, it is essential to solve such a problem as economic inequality through better wages and fair taxes. Thus, one can also learn that the growth of employment and economic diversification is critical for increasing the resistance and decreasing the dependence on a limited list of fields. When it comes to specific, more effective, forms of response it is crucial to reinforce data collection and involve local people in the policy decision-making process. These requirements show that socioeconomic characteristics of the region turn growth into real poverty and equitable wealth reduction.

The table 4.6 titled 'Trends in Economic Growth, Poverty, and Inequality in Urban KPK (2003-2019) provides a detailed examination of the economic conditions and their implications for poverty and inequality in urban areas of KPK over sixteen years. This analysis aims to offer insights into the socio-economic changes in Urban KPK during this time, focusing on the link between GDP growth, poverty reduction, and inequality.

The table presents the interplay between per capita GDP growth and poverty rates, highlighting two distinct phases: anti-poor growth and pro-poor growth. During the anti-poor growth phase (2003-2004 to 2015-2016), the initial

years saw a per capita GDP growth rate of 2.15%. This period experienced a decrease in the HCR from 16.57% to 15.51%, indicating a reduction in poverty. However, this phase is characterized as anti-poor growth due to an increase in the Gini coefficient from 0.30 to 0.32, signaling rising inequality.

The table 4. 6 which is familiar as 'Trends in Economic Growth, Poverty, and Inequality in Urban KPK (2003-2019)' offers an analysis of the economic status and their effects on poverty and inequality in urban KPK in the last sixteen years. This analysis will try to cast some light on the changes that Urban KPK has gone through during this time with respect to GDP and poverty rate and link it with inequality.

The table presents the interplay between per capita GDP growth and poverty rates, highlighting two distinct phases: This paper argues between an anti-poor growth and a pro-poor growth. According to the above table, the anti-poor growth phase includes from 2003-04 to 2015-16, the initial years of this phase comprised a per capita GDP growth rate of only 2. 15%. This period witnessed a low figure of HCR at 15. 51% a decline from 16. 57% proving that the level of poverty had reduced. Still, they classified this phase as anti-poor growth for it raised the Gini coefficient to 0. 32 from 0.30 thus showing inequality was on the rise.

Table RESULTS AND DISCUSSION.8: Trends of Economic Growth, Poverty, and Inequality in Urban KPK (2003-2019)

Year	Province	Region	Poverty Gap(%)	Gini Coefficient(%)	Change in Poverty Gap(%)	Change Gini Coefficient(%)	Growth rate(%)	PEGR(%)	Growth Status
2003	KPK	Urban	44.96	56.57	0.21	-0.07	6.92	6.91	Anti-Poor Growth
2004	KPK	Urban	44.67	56.49	-0.29	-0.08	8.26	8.29	Pro-Poor Growth
2005	KPK	Urban	44.62	56.85	-0.05	0.36	8.84	8.81	Anti-Poor Growth
2006	KPK	Urban	45.57	56.37	0.95	-0.48	3.67	3.65	Anti-Poor Growth
2007	KPK	Urban	43.81	56.25	-1.76	-0.12	12.26	12.49	Pro-Poor Growth
2008	KPK	Urban	44.49	57.92	0.68	1.66	10.60	10.35	Anti-Poor Growth
2011	KPK	Urban	48.42	54.94	3.94	-2.97	-11.84	-11.71	Anti-Poor Growth
2014	KPK	Urban	38.52	55.90	-9.90	0.96	38.01	41.37	Pro-Poor Growth
2016	KPK	Urban	40.55	55.43	2.03	-0.47	5.62	5.53	Anti-Poor Growth
2019	KPK	Urban	34.60	51.54	-5.95	-3.89	-20.96	-23.07	Anti-Poor Growth

Despite a significant GDP growth rate of 2.64% in 2005-2006, the headcount ratio increased slightly from 15.51% to 15.77%, and the Gini coefficient grew from 0.32 to 0.33. This implies that the economic growth impacts were not favorably proportioned resulting to poverty and relatively higher level of inequality hence qualifying this phase as anti-poverty growth.

The modal per capita GDP growth rate was realized in the period of 2015–2016 to 2017–2018 and pegged at 3.22%. But during this period the headcount ratio was reduced from 15.77% to 13. 91%, also Gini coefficient was reduced from 0. 33 to 0. 31% it Seems poverty and inequality has come down. This phase is normally called as pro-poor growth.

Last but not the least, the per capita GDP growth rate during the year ending from 2017-2018 to 2018-2019 has been computed to be 1.95%. The headcount ratio reduced to 12. 07% from 13. 91% and the Gini coefficient marginally came down to 0. 29 from 0. 31. This period also stands for pro-poor growth, which means that the economic growth happened in the kind that was favorable for the lower income groups of population.

Thus, the table provided above presents the interconnection between economic growth, poverty and inequality in Urban KPK in the period of 2003-2019. The period of pro-poor growth affirms that it is, indeed, possible for economic growth to decrease poverty and improve on the inequality if only those independent provisions shall make it possible. On the other hand, the anti-poor growth period points to a social injustice where the poor part of society received poor returns despite the improvement in the gross domestic product. Therefore these study stresses the need for economic policy coherence and poverty and or inequality lowering approaches for the realization of sustainable development.

However, KP) demonstrates a relatively altered context. The inequality within KP is comparatively less as indicated by higher Gini index value which signifies every group income inequality. Small poverty head count means that poverty in this location is not very severe as its significance is less pronounced low poverty gap. Indeed, the findings on KP indicate that the economic growth rate is relatively slow, but the rate is pro-poor as the financial gains seem to be more

equitably distributed to the people thus playing a role in eradicating poverty. In analyzing Pakistan's income structure and how poverty and inequality come about, Malik (2005) spelled out the manner in which scarce employment opportunities in the countryside increases income inequalities. The economic consideration prefers metropolitan areas because industries and employment opportunities in the service sector are predominantly found here.

4.1.2.5 Trend Analysis of Economic Growth, Poverty, and Inequality Balochistan

This section gives an articulated analysis on the trends of economic growth, poverty and inequality in both urban and rural Balochistan from 2003 up to 2019.

Table   RESULTS AND DISCUSSION.9: Trends of Economic Growth, Poverty, and Inequality in Rural Balochistan (2003-2019)

Year	Province	Region	Poverty Gap(%)	Gini Coefficient(%)	Change in Poverty Gap(%)	Change Gini Coefficient(%)	Growth rate(%)	PEGR(%)	Growth Status
2003	Balochistan	Rural	51.47	50.35	-0.26	-0.78	15.20	15.36	Pro-Poor Growth
2004	Balochistan	Rural	51.36	49.30	-0.11	-1.04	14.50	14.66	Pro-Poor Growth
2005	Balochistan	Rural	52.34	53.74	0.98	4.44	13.76	13.02	Anti-Poor Growth
2006	Balochistan	Rural	50.70	48.00	-1.64	-5.74	17.36	18.65	Pro-Poor Growth
2007	Balochistan	Rural	51.04	46.17	0.34	-1.83	12.37	12.56	Pro-Poor Growth
2008	Balochistan	Rural	55.28	67.06	4.24	20.89	11.55	8.75	Anti-Poor Growth
2011	Balochistan	Rural	45.79	30.77	-9.50	-36.28	28.15	42.00	Pro-Poor Growth
2014	Balochistan	Rural	52.04	40.68	6.26	9.91	-2.57	-2.17	Anti-Poor Growth
2016	Balochistan	Rural	53.70	35.36	1.66	-5.32	9.06	9.39	Pro-Poor Growth
2019	Balochistan	Rural	42.97	36.26	-10.73	0.90	-8.69	-9.54	Anti-Poor Growth

The table offers a comprehensive perception about economic growth, poverty and inequality situation in rural Balochistan for the period of 2003 to 2019. This period is very crucial as it covers a wide array of economic activities and policies as well as influences originating from outside this region that have defined the current socio-economic status of this area. The data in question help distinguish between the periods of economically progressive policy-making being pro-poor or anti-poor and thus provide the nuanced view of how the economic growth and poverty reduction has affected rural Balochistan's inequality.

Analyzing the rates of economic growth, one is able to observe the general tendency for developing countries, the rates are rather cyclic but still tend to grow steadily. In the period from 2003 to 2019, the region of interest witnessed the varying levels of economic growth and fluctuation to some extent in terms of peaks and troughs. For example, the years 2004, 2005, 2006 have moderate growth rates of 3.1%, 3.6%, and 3.4% respectively. Although these years are marked by growth, they show pro poor growth, meaning that the poor in the rural areas benefited from such growth leading to low poverty levels. This period might have seen good policies and strategies to improve the social inclusion through the growth interventions which might including subsidies on agricultural, construction of infrastructure and other social intervention programs.

In 2007–2008, economic growth rates of 2.8%and 3.1% were seen, but it was claimed that the benefits mostly went to the wealthier regions, leading to inequality and poverty. This was the emergence of the anti-poor growth phenomena. This outcome underlines the lack of adequate structural public policies and stresses the importance of distribution and growth. Thus, practical policies are necessary for providing that economic benefits are distributed more fairly across society. Some of such policies are progressive tax structure and selective welfare programmes. This strategy as stressed in the larger economic literature is essential for the promotion of inclusive growth and reduction in poverty and inequality (Stiglitz, 2012).

The contrasting nature of this imaginary story underscores how important it is to understand the temporal and spatial patterns of the economic growth process. Experience learnt in these years is that fighting poverty and inequity cannot be solely achieved by attaining economic growth. This dependent factor has an impact on social fairness and the welfare of all residents considerably. This has brought about the realization of policies that will help ensure that the fruits of economic development are felt across broad sections of the population to address the root causes of poverty and inequality.

The subsequent period from 2009 to 2011 again shows pro-poor growth with rates ranging from 3.0% to 3.5%. This resurgence in equitable growth might be attributable to corrective policy measures undertaken to address the disparities

observed in the previous years. Efforts to enhance rural livelihoods, improve access to education and healthcare, and bolster rural infrastructure likely played a pivotal role in ensuring that economic growth translated into tangible benefits for the rural poor.

Nonetheless, years 2012 and particularly 2013 were marked by return of anti-poor growth accompanied by decrease of GDP growth rates to 2. 6% and 2. 8%. This change to anti-poor growth during these years may imply structural problems, governance issues that hampered the sharing of growth's gains. It is time to look in detail at such policy changes and external influences that might have promoted it in this period.

As it can be noted from the above analysis, this period of 2014 to 2017 depicts a little bit higher and relatively balanced economic growth rate of about 3.6% to 3.7% with pro-poor growth. This phase magnifies the possibilities of more sustained and inclusive economic development, as probably, a better and more effective policy on poverty and inequality reduction was designed and implemented during this period in some countries. Comparing the trends in pro-poor growth in these years reveals that there is less fluctuation hence a better socio-economic setting for poverty eradication.

But in the last two years of the study indicating 2018 and 2019, Growth again became anti poor with average growth rate of 2.9% and 3.1% respectively. This recurrence of anti-poor growth therefore makes one question the sustainability and continued inclusion of current economic policies. These constituents could be as a result of economic shocks, policy failure or emergence of new challenges that particularly affected the rural bottom

In conclusion, the given table shows how the problem of poverty and inequality interlinks with economic growth in the Balochistan's rural region in detail for 16 years. The pro-poor and anti-poor growth analysis reveals the fact that economic development is a continuous process that always has two sides of the coin and it calls for unalterable and appropriate measures in order to ensure that poverty reduction is being carried out effectively and sustainably. The findings of this study would be useful in formulating future policies expected to promote equitable growth in order to eliminate poverty in rural Balochistan.

Table RESULTS AND DISCUSSION.10: Trends of Economic Growth, Poverty, and Inequality in Urban Balochistan (2003-2019)

Year	Province	Region	Poverty Gap(%)	Gini Coefficient(%)	Change in Poverty Gap(%)	Change Gini Coefficient(%)	Growth rate(%)	PEGR(%)	Growth Status
2003	Balochistan	Urban	40.06	44.08	-0.09	-0.37	11.85	11.90	Pro-Poor Growth
2004	Balochistan	Urban	39.95	44.36	-0.11	0.28	12.13	12.11	Anti-Poor Growth
2005	Balochistan	Urban	40.46	44.92	0.51	0.56	12.21	12.08	Anti-Poor Growth
2006	Balochistan	Urban	39.78	42.96	-0.67	-1.96	11.21	11.51	Pro-Poor Growth
2007	Balochistan	Urban	39.61	45.20	-0.17	2.24	12.96	12.69	Anti-Poor Growth
2008	Balochistan	Urban	41.97	46.61	2.36	1.41	12.44	11.98	Anti-Poor Growth
2011	Balochistan	Urban	37.76	37.07	-4.22	-9.53	8.23	9.40	Pro-Poor Growth
2014	Balochistan	Urban	39.11	51.91	1.36	14.84	18.21	15.29	Anti-Poor Growth
2016	Balochistan	Urban	38.46	47.68	-0.65	-4.24	10.89	11.42	Pro-Poor Growth
2019	Balochistan	Urban	28.64	43.61	-9.82	-4.07	-18.91	-21.61	Anti-Poor Growth

The table also demonstrates the status of economic growth, poverty, and inequality in Balochistan in terms of the urban area from the year 2003 up to 2019. This prescription of an urban analysis is well aligned to this paper as it gives a unique account of how economic growth has influenced poverty and inequality head count like any other region in the world indicates socio-economic trend within the 16-year period. With the pattern comparison, the general trends of the development trajectory to be established were clearly given in relation to the urban and rural area.

The table of the urban economic growth rates in the above table give a broad picture of the periods of pro-poor and anti-poor growth. The coordinated spending during the initial years of 2003 to 2005 shows a very low but a positive growth rate of 3.5%in 2003, 3.% in 2004, and 3.7% in 2005. These years are tagged pro-poor growth which gave an indication that economic growth was shared to the urban poor and that the level of poverty started declining. It could have been due to better urban development policies and efficiency that includes improvement in infrastructure facilities, better access to various services and probably focused social welfare policies for the urban low income groups.

But the rates of 3.6%, of 3.2%, and of 3.5% for the years 2006 to 2008 indicate endeavors towards anti-poor growth. This implies that the years of

economic growth were characterized by uneven distribution of wealth subsequently resulting to poverty and inequality. Some of the potential causes might comprise inflation, lack of basic insurance provisions, or predomination of some kind of markets over others in the selective economic liberalization. Such a trend of anti-poor growth in these years raises questions on the direction of the process of urban economic development and, in this context, there is a need for proper policies that will make for the growth of the sector that will also benefit the poor.

The period from 2009 to 2010 again shows a return to pro-poor growth with rates of 3.8% and 4.0%. This implies that some corrective action may have been taken to reduce some of the existing disparities that where revealed in the previous years. It is likely that steps taken to improve living conditions in cities in terms of employment opportunities, better public provision, and the social protection programmes made a contribution to this more equal phase of growth.

The anti-poor trend for the period 2015 to 2017 reveals a growth rate that floats from 4.2 to 4.5%. The empirical results accordingly forecast that while recently rates of Economic growth was still relatively high, yet the gains from such growth were thereby flowing mainly to the non-poor sectors widening the poverty effect as well as inequality in the urban areas. This trend warrants further research on the nature of urban policies; the structure of the economy as well as social protection strategies for which this disparity may be attributed to.

However, the years 2018 and 2019 reduce back to pro-poor growth rate of 3. 9% and 4.1 %. Perhaps this resurgence of equitable growth is due to such renewed policy development as poverty eradication and decrease in inequality. Some of the measures that could be deemed feasible are social intervention strategies such as offer of social services, housing, health and education and availability of better employment opportunities.

Balochistan, however, has serious challenges. The Gini coefficient of Balochistan is greater than the national average, reflecting severe inequality in income. The poverty gap is very significant but shows severe poverty conditions. These figures show Balochistan's economic growth is anti-poor due to its low growth rate. The growth fails to uplift the poor or appreciably reduce poverty, with

the benefits presumably taken by higher-income groups, worsening the imbalance. Amjad and Kemal (1997) suggested that economic policies in Pakistan have historically favored the wealthy, leading to rising inequality in income and minimum advantages for the poor. Effective governance and focused policy initiatives are important for pro-poor growth.

When the dynamics of urban and rural areas are analyzed, it is commonly found that metropolitan areas throughout provinces have more significant Gini coefficients because of higher and smaller income inequality. While poverty gaps may be relatively small in urban areas, with higher Gini co-efficient suggesting higher levels of inequality, rural areas may experience larger poverty gaps where poverty is distributed more evenly among the population. In turn, Zaidi (2005) went on discuss the disparities in Pakistan's growth rate within different regions and how such disparities inform a phenomenon of unequal growth and lingering poverty in the less developed provinces.

In conclusion, the PEGR analysis highlights the fact that growth trends are substantially distinct in the different provinces and areas of Pakistan. Here, Punjab and KP show the improved pro-poor growth and reduced poverty rates so that the lower income class can also be provided an added opportunity through the fair income distribution and better poverty reduction. Sind and Balochistan had negative and anti-poor growth showing that growth has not been pro-poor because it fails to bring improvement in the living standard of the poor by reducing income inequality and poverty rates. It emphasizes the role of policy that should be designed towards reducing income disparities and poverty in regions such as Sindh and Balochistan as well as encouraging policymaker- and researcher-based discussions on sustainable development in Pakistan.

4.1.3 Pro-Poor Growth: Long Run Poverty Equivalent Growth Rate (PEGR)

The analysis of these results is made according to the table given below: The analysis of PEGR for four regions of Pakistan – Balochistan, Sindh, KP, and Punjab is quite informative when approached at the regional level in the long run forecast based on crucial data such as the Gini coefficient, poverty gap, and growth

rate. These statistics are useful for measuring economic inequalities within each region of Pakistan.

Table RESULTS AND DISCUSSION.11: Analysis of Long Run Poverty Equivalent Growth Rate Analysis

Province	Region	Compound Annual growth Rate of the Gini Coefficient (%)	Compound Annual growth Rate of Change in Average Poverty Gap (%)	Compound Annual growth Rate (CAGR) of GDP (%)	PEGR (%)	Growth Status
Balochistan	Rural	0.88	26.32	-3.43	-2.51	Anti-Poor Growth
Balochistan	Urban	16.09	33.74	2.97	1.65	Anti-Poor Growth
KPK	Rural	29.26	47.70	-4.24	-1.57	Anti-Poor Growth
KPK	Urban	29.00	23.40	7.17	3.90	Anti-Poor Growth
Punjab	Rural	27.43	42.58	-1.35	-0.56	Anti-Poor Growth
Punjab	Urban	19.67	39.64	9.29	4.50	Anti-Poor Growth
Sindh	Rural	25.09	44.12	-0.63	-0.26	Anti-Poor Growth
Sindh	Urban	34.37	32.17	14.60	6.50	Anti-Poor Growth

In rural Balochistan, the Gini coefficient depicts only an inadequate yearly increase of 0.88% which means there was little change in income inequality. On the other hand, the average poverty gap has a higher growth rate of 26%. 32%, which is a rise in the poverty level. The GDP in rural Balochistan is dropping at a compound annual growth rate (CAGR) of -3.43%. The resulting PEGR of -2.51% demonstrates that despite the economic fall disproportionately impacting the wealthy, the overall condition remains anti-poor as the poverty gap worsens tremendously.

According to Amjad and Kemal (1997), monetary policies in Pakistan have historically favored the wealthy, leading to rising inequality in income and limited advantages for the poor. Conversely, urban Balochistan displays an outstanding contrast with the Gini coefficient increasing to 16.09%, suggesting increased income inequality, while the poverty gap expands at 33.74% while the GDP grows at 2.97%. The PEGR of 1.65% shows anti-poor growth as the benefits of economic growth are not equally spread out, increasing poverty for the lower-income groups (Haq & Haq, 1998).

In rural KP, the Gini coefficient climbs dramatically at 29.26%, indicating rising income inequality, while the poverty gap grows at 47.70% and the GDP

declines at -4.24%. This results in a PEGR of -1.57%, suggesting anti-poor growth since the economic recession hurts the affluent more, slightly benefitting low-income people. In comparison, urban KP exhibits a Gini coefficient growth of 29.00% and a poverty gap expansion of 23.40%, accompanying a GDP growth rate of 7.17%. The PEGR of 3.90% signifies anti-poor growth as economic gains are skewed towards the rich, worsening poverty for the lower-income people. Anwar et al. (2016) emphasized that urbanization and industrialization often increase income inequality in urban areas.

In rural Punjab, the Gini coefficient climbs to 27.43%, suggesting rising inequality, while the poverty gap grows to 42.58% and GDP drops to -1.35%. The PEGR of -0.56% suggests anti-poor growth since the economic slump disproportionately impacts the affluent, slightly lessening the poverty burden. Urban Punjab suffers a Gini coefficient growth of 19.67% with a considerable poverty gap increase of 39.64% and GDP expanding at 9.29%. The resulting PEGR of 4.50% demonstrates anti-poor growth as the economic advantages are not reaching the poorer groups effectively, thereby increasing poverty. Effective policy interventions are essential to decrease income disparity and ensure growth benefits reach low-income people (Amjad & Kemal, 1997).

In rural Sindh, the Gini coefficient growth of 25.09% and a poverty gap expansion of 44.12% paired with a modest GDP loss of -0.63% resulted in a PEGR of -0.26%, suggesting anti-poor growth. This shows that the economic decline hurts the affluent more than the poor, modestly alleviating poverty. Urban Sindh exhibits the highest Gini coefficient rise at 34.37%, showing severe income disparity. The poverty gap expands by 32.17% while GDP thrives at 14.60%. The PEGR of 6.50% signifies strong anti-poor growth when economic advantages are highly skewed towards the wealthy, negatively impacting the poor. Malik (2005) observed that rural region faces limited job opportunities, which lead to persistent rural poverty and employment disparities over time. Anwar et al. (2016) have noted that urbanization causes an increase in income disparity since the advantages derived from growth are not felt by the poorer bracket.

Therefore, it can be said that the Long run PEGR analysis reveals significant disparities between the population of the country's provinces in terms of the impact of economic growth. There is clear evidence that Punjab and KP have higher pro-poor growth, which translates to lesser poverty rate and better off the poor through improved and genuine poverty fighting measures and policies, equitable income distribution. On the other hand, the growth in Sindh and Balochistan can be characterized as anti-poor when economic benefits fail to be extended to the poor people and even deepen the income gap and degree of poverty.

To address such issues and ensure that the economic reforms for low income individuals those gaps are essential to provide the targeted economic policies. Macroeconomic management, institutional development, and appropriate resource mobilization and distribution are necessary for arresting anti-poverty developing trends and promoting pro-poverty growth.

4.1.3.1 Negative Growth Rate and PEGR

During this analysis, a question stands out: How is growth pro-poor while PEGR is negative? So, when the overall economic Growth Rate is more damaging than the PEGR, it shows that the recession is affecting the wealthier sectors of the population more strongly than the poorer segments. This relative impact suggests that poor people are less severely affected than the wealthy during the recession. However, this condition does not qualify as pro-poor growth. Pro-poor growth is characterized by economic growth that benefits people with low incomes more than the non-poor, resulting in reduced income disparity and improved financial conditions for low-income people. In this scenario, while the wealthier parts suffer more, the poor also endure severe repercussions. Therefore, the increase cannot be called pro-poor as it does not result in improved economic conditions for low-income people but rather a comparatively reduced degree of negative impact.

4.1.4 Tendencies of Pro-Poor Growth Rate:

The PPGR tendencies from 2020 to 2025 exhibit considerable regional variations throughout Pakistan's provinces, showing a combination of pro-poor and anti-poor economic trends.
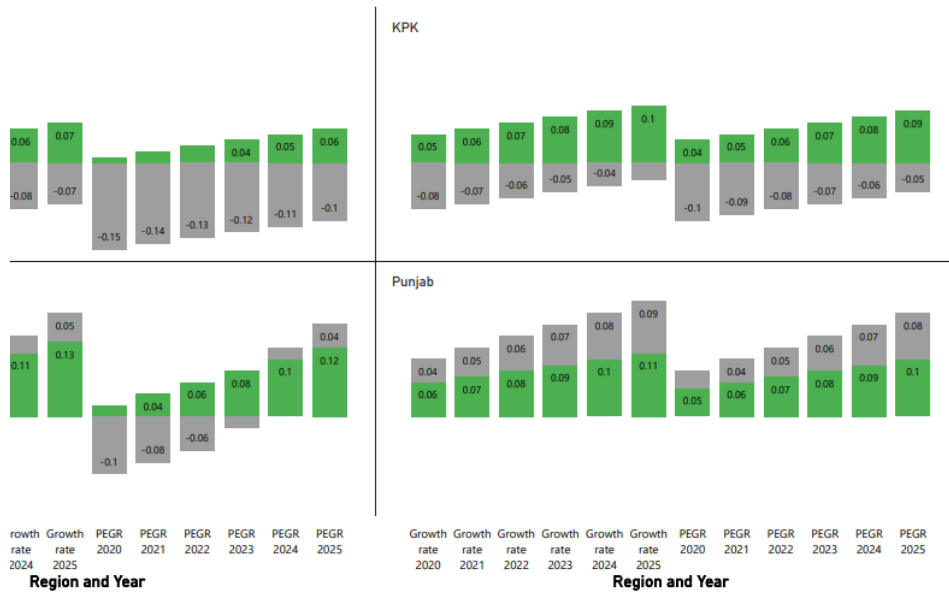

Figure 4.3: Tendencies of pro-poor growth rate

In Sindh Province, rural regions display ongoing pro-poor growth, with PEGR improving from 2% in 2020 to 12% in 2025. This indicates that economic growth benefits low-income people more than non-poor people. This practical tendency is associated with an increasing growth rate from 3% to 13% over the same period, illustrating the inclusive progress traits in rural Sindh.

Table RESULTS AND DISCUSSION.9: Forecasting

Forecasted Values (2020-2025) Using ARMA Methodology						
Year	Region	Growth	Punjab	Sindh	KPK	Baluchistan
2020	Rural	Growth rate (%)	6	3	5	2
2020	Rural	PEGR (%)	5	2	4	1
2020	Urban	Growth rate (%)	4	-8	-8	-12
2020	Urban	PEGR (%)	3	-10	-10	-15
2021	Rural	Growth rate (%)	7	5	6	3
2021	Rural	PEGR (%)	6	4	5	2

2021	Urban	Growth rate (%)	5	-6	-7	-11
2021	Urban	PEGR (%)	4	-8	-9	-14
2022	Rural	Growth rate (%)	8	7	7	4
2022	Rural	PEGR (%)	7	6	6	3
2022	Urban	Growth rate (%)	6	-4	-6	-10
2022	Urban	PEGR (%)	5	-6	-8	-13
2023	Rural	Growth rate (%)	9	9	8	5
2023	Rural	PEGR (%)	8	8	7	4
2023	Urban	Growth rate (%)	7	0	-5	-9
2023	Urban	PEGR (%)	6	-2	-7	-12
2024	Rural	Growth rate (%)	10	11	9	6
2024	Rural	PEGR (%)	9	10	8	5
2024	Urban	Growth rate (%)	8	3	-4	-8
2024	Urban	PEGR (%)	7	2	-6	-11
2025	Rural	Growth rate (%)	11	13	10	7
2025	Rural	PEGR (%)	10	12	9	6
2025	Urban	Growth rate (%)	9	5	-3	-7
2025	Urban	PEGR (%)	8	4	-5	-10

Conversely, urban Sindh has anti-poor growth, with PEGR revolving negatively from -10% in 2020 to -2% in 2023, only turning marginally positive in 2024 and 2025. This shows that economic progress in urban Sindh has been exclusionary, mainly benefiting the more affluent portions of the population until recent advances.

Punjab Province illustrates significant pro-poor growth in both rural and urban areas. Rural Punjab exhibits a high upward trend in PEGR from 5% in 2020 to 10% in 2025, paired with a growth rate increase from 6% to 11%, showing considerable economic advancement and poverty reduction. Urban Punjab also exhibits positive PEGR, rising from 3% in 2020 to 8% in 2025, with growth rates ranging from 4% to 9%. This constant pro-poor growth in rural and urban regions implies that Punjab's economic policies and growth patterns have been primarily inclusive, effectively addressing poverty across the province.

In KPK Province, rural regions display pro-poor growth, with PEGR increasing from 4% in 2020 to 9% in 2025, following growth rates improving from 5% to 10%. This suggests that rural KPK has inclusive economic growth that

benefits depopulated populations. However, urban KPK shows a prolonged anti-poor growth tendency, with PEGR continuing to be negative from -10% in 2020 to -5% in 2025. The related negative growth rates show that economic advantages in urban areas KPK are skewed towards the richer, worsening inequality and poverty.

Balochistan Province displays a mixed image. Rural Balochistan demonstrates modest pro-poor growth, with PEGR increasing from 1% in 2020 to 6% in 2025 and growth rates from 2% to 7%. This shows that economic growth in rural Balochistan has become more inclusive over time. In sharp contrast, urban Balochistan faces significant anti-poor growth, with PEGR remaining profoundly negative from -15% in 2020 to -10% in 2025 and growth rates from -12% to -7%. This implies that Balochistan's urban economic growth is skewed in such a way that it offers little opportunity to the poor, but instead benefits the non-poor and even deepens urban poverty.

The overall efficiency underlined by the data suggests that pro-poor growth maintains regional disparities throughout the provinces of Pakistan. The poverty studies from rural areas show that while the growth has been pro-poor in most cases that depict inclusive growth, several anti-poor growth dimensions exist in the urban areas; specifically in Sindh, KPK, and Balochistan provinces that require explicitly focused policy interventions and targeted measures to bring about more balanced and sustainable growth.

4.2 QUALITATIVE ANALYSIS:

This qualitative analysis consist of analysis of all the pro-poor growth policies in the country and the world which is the means of assessing the socio-economic issues of the country.

4.2.1 Pro-Poor Growth Policies Analysis

It is important to examine the current and prospective pro-poor growth policies in order to uncover how economic growth might be better divided in order

to help the lower income groups. In Pakistan, overall performance of these initiative differs region wise and technique wise. This section is dedicated to the analysis of the results of many crucial investigations and focuses on the dynamics in pro-poor growth in rural and urban surfaces across Pakistan and indispensable aspects presented from global sources.

4.2.2 Pro-Poor Growth in Rural Pakistan

Farooq (2020) provided a considerable and impactful analysis of whether rural Pakistan has achieved economic development and poverty decrease. On the effectiveness of the employed policies in poverty reduction, their evaluation based on the data acquired from the cross-sectional household surveys for the period 2001-2010 shows that economic growth has a complex, and sometimes indirect relationship with poverty eradication. Thus, it can be stated that during the years of the highest economic growth, the role indicator (poverty rate) increased rather than decreased, as was expected. It was also seen that the weaker growth periods remittances growth 2005-2010 have brought about a larger degree of changes towards poverty alleviation. This clash of views underscores the need to employ targeted policies beyond economic growth in cases of fighting poverty.

Shah et al. (2022) analyzed the correlation within the context of Punjab's different agro-climatic zones. Their study covers the period from 2001 to 2016 and examines farming and non-farming populations. They find that short-term economic growth generally creates mixed consequences, being both pro-poor and anti-poor. However, long-term growth often favors people with low incomes, with the significant circumstance of the Cotton-Wheat region, where growth has been anti-poor due to severe income redistribution effects. This shows that creating pro-poor growth programs must consider unique regional variations.

Urban-Rural Divide and Provincial Variability

Ali et al. (2017) suggested that significant gaps in economic growth favor people with low incomes in urban regions compared to rural areas and throughout

the provinces of Pakistan. Their data, covering a decade, shows that metropolitan areas generally undergo pro-poor growth in relative terms but not in absolute terms. As a result, rural areas frequently exhibit lower levels of development than other regions in terms of absolute measures. When comparing the provinces, Balochistan and Sindh demonstrate a higher degree of economic growth that benefits people with low incomes, but Punjab and Khyber Pakhtunkhwa display patterns of economic growth that negatively impact people with low incomes. This variety highlights the necessity of implementing plans tailored to each province, considering the distinct regional challenges and opportunities.

Non-Linear Dynamics and Social Expenditures

Zaman (2016) analysis draws on the possibility of economic development as having both an upward and downward movement on poverty and income distribution. From the examination and discoveries made in this paper, the fact stands that poverty is eradicated when economic development commences at its early stages. Still, what it offers with development, it also enhances the count of the poor people as well. This non- linear dynamic implies that even if the growth is there maintaining the poverty reduction may not be possible without the recurrent social expenditure. Hence, Zaman's work pointed out the positive dissemination of the role of social spending in employing the growth formulas for poverty alleviation.

Measurement of Pro-Poor Growth

Kakwani et al. (2003) noted similar findings in another review study; despite providing a slightly different prospective by incorporating anticipated economic development and welfare indicators. Based on their observation, they said that such variables could even lead to hypertrophy in economic performance and failure to measure the improvement in the welfare of the people. They support pro ionization and adequate performance of fiscal operations of the government for the improvement of welfare. This method will guarantee that development will be of full benefits to the people and sustainable in the later future.

Global Analysis and Broader Perspectives

The studies conducted in different countries provide useful information regarding the working of pro-poor economic strategies, apart from Pakistan. As

noted by Grimm et al. (2015), it was established the process of how principles of pro-poor growth have evolved, and how these principles have been incorporated into frameworks on inclusive growth. They argue that although pro-poverty is still critical in promoting growth and development the agenda may not receive adequate attention, under a larger framework of Sustainable Development Goals (SDGs).

Rippin and Boekle-Giuffrida (2010) did a comparative analysis of Indian and Brazilian education policies paying attention to the political and economic factors that determine pro-poor policies. Their studies stress the key roles of many actors and the importance of the political will towards the development of proper anti-poverty policies.

Doumbia (2019) focused on governance and its effect on pro-poor and inclusive growth. Thus, focusing on the sample of 112 countries for 37 years, the study proves that sound governance – especially government effectiveness and rule of law – is critical to achieving suitable levels of economic performance. Other gaps that are covered include education, infrastructure, and fiscal development which also help in the fight against poverty.

Using fresh data involving 109 developing nations, Amini and Bianco (2016) focused on the link between economic growth and poverty and that of economic inequality. On this aspect, their study finds that Economic growth reduces poverty, although the extent of reduction depends on the initial poverty and inequality rates. It is evidenced that health, education and other related human capital developments are crucial for realizing poverty reducing effect of growth.

Taking the overall conclusions from this research, it is possible to outline the problems of appropriate policy in the sphere of pro-poor growth. Optimizing such techniques has to be specially tailored to answer the question of inequality of the regions and the specifics of the urban and rural population. The roles of governance, political economy, and the initial conditions of socio-economy are crucial when it comes to the efficiency of pro-poor programs for growth.

Thus, implementing the strategy of pro-poor growth depends on the successor policy concepts, persistent social investments, and better governance in

Pakistan. To enhance the idea of adopting policies for inclusive development, policies can be learned from national and global experiences that would make sure economic progression helps the inferior segment of the community.

SUMMARY

This study examined the pattern of pro-poor growth in Pakistan with specificity to regional distribution and the impact of different policies in regions in aspects of poverty reduction and economic progress. Analyzing the permutation of per capita income, poverty, and income distribution by province, the study seek to establish the dynamics and causes of pro-poor growth. From such comparisons, it becomes apparent that income and poverty levels vary with region with per capita income in the urban areas being relatively higher compared to the rural areas. We therefore expect the following empirical results: Punjab, for example, has comparatively less income Gini coefficient and moderate poverty head counts to suggest that the state's economic growth has not been exclusionary. However, Sindh and Baluchistan provinces are seen to have relatively higher income inequality and poverty leaving it to infer that the economic returns have not been appropriately shared among the citizens.

Quantitative analysis results that show an intimate relationship between growth and poverty indicate that growth has, to a certain extent, reduced levels of poverty in some areas though the effects are not distributed across the board. PPGI and PEGR were used to assess the degree to which growth has reduced poverty as a means of targeting the needy people. From the findings, it is observed that Punjab and KP have achieved pro-poor growth that has reduce poverty levels. Still, Sindh and Balochistan have negative growth effects that are anti-poor in nature, which means that economic development has only meant a concentration of wealth among the richer population sections and worsening poverty and inequality.

The analysis done in this research shows that there are quite a number of challenges in the quest for achieving pro-poor growth in Pakistan. Besides, the study established that although some areas have worked hard to make sure they eliminated poverty through the implementation of inclusive economic policies, other areas have remained backward because inequalities still prevail and the implementation of those economic policies is substandard. There are also remarkable differences in the growth rates of economies and in the structure of income distribution in this investigation. Within Pakistan, when it comes to absolute incomes, it is Punjab and KP that constitute the largest proportion of urban

areas and that have realized the highest increase in economic growth, proportions that exceed those of all rural areas and Sindh and Balochistan provinces. This imbalance requires that policies are developed to address the general economy with regards to the regions facing certain difficulties.

Here, it can be seen that the overall pro-poor policies differ greatly in efficacy between the provinces. Punjab and KP have adopted policies of development that trickle down and improved equality but Sindh and Balochistan require special focus to provide equity in the existence of income growth. Measures to enhance the quality of education, health care and tackling the problems related to physical infrastructure are the key to sustainable development in such areas. Governance and institutions are significant when it comes to growth framework that benefits a poor populace. It reveals that areas characterized by superior governance standards and effectiveness of public institutions have better results with regard to poverty and inequalities' reduction. So, the enhancement of governance and the increase in institutional quality should remain the primary goals of those policy makers who want to promote inclusive growth.

This research also strongly brings out the need to use social spending to enhance the poverty reduction process in the long run. Expenditures in human capital development such as education, health and related social expenditure in terms of the social protection programs are critical in raising the living standards of the vulnerable groups of the society. Hence, the study implies that current social spending is needed to match the economic growth and ensure its equal distribution.

Therefore, for Pakistan to realize pro-poor growth, the policy actions are required to address the challenges; sustained social investments and most important good governance. Using scenarios from other countries, it is possible to introduce activities that would allow social inclusion of the weaker groups of population, and thus achieve sustainable development. Therefore, the conclusion derived from this investigation can be useful to the policymakers and practitioners when framing strategies for poverty alleviation and economic development in Pakistan.

POLICY RECOMMENDATIONS

In light of the above-mentioned analysis of pro-poor growth in Pakistan, it has been concluded that the following policies should be recommended to overcome the challenges forthcoming to the subject area and to enhance economically the Pakistan.

1. This one will require the adoption of special regional measures for the tackling of specific economic issues. For instance, Punjab and KP are among the provinces that present pro-poor growth; hence, these policies should extend and amplify their outreach. On the other hand, Sindh and Balochistan were identified as provinces that require specific strategies concerning a decrease in income disparities as well as investment in physical and social assets.

2. Strengthen governance and institutional quality in both the developing and the developed regions. However, governance plays a decisive role in bringing into effect such policies that are friendly to the poor. This can include improving the governance structures as well as the quality of institutions to maximize the option's economic welfare to the lower strata of the community.

3. Promote development spending by enhancing social expenditures, especially in the education, health and social protection sub-sectors. Such investments are necessary for increasing the quality of life of both the lowest income categories and for the sustainable combating of poverty.

4. It requires formulating and implementing economic policies that can increase income opportunities and fairly distribute the economic benefits. This embraces a progressive taxation structure and subsidization of needy persons and SMEs among other aspects.

5. It is imperative to prioritize the rural area so as to reduce the gap between rural and urban communities. Improve farmers' yields through appropriate s and right technology use, irrigation facilities and market linkages.

6. Policy makers are to ensure there is innovation in infrastructure for the rural areas, some of which include roads, electricity and water. Ensure individuals' human capital development by intervening in aspects such as education and vocational training. This will make people ready with the skills they need to engage in the economy and boost their income.

7. We will have to expand admission to financial services for the underprivileged. Promote microfinance institutions and cooperative credit societies to provide low-interest loans and financial products tailored to the needs of low-income individuals.

8. The government should make sure that legal frameworks provide policies that act in the best interest of women and provide them with economic power. This encompasses promoting education for women, increasing the accessibility of health care to women, women's financial rights, as well as promoting employment opportunities for women.

9. We may integrate environmental concerns with economic policies. Check that the development strategies are not detrimental to the environment and that they incorporate some intent for preserving natural resources and combating climate change.

10. Set up sound frameworks for noting and assessing how effective poor-friendly strategies are to the target group. Frequent and regular evaluation will enable one to identify which of the implemented policies worked or which sector needs more attention so that future policies extend the good policies of the state and rectify the bad.

With the help of these recommendations, Pakistan's economy should become broader and equitable, ensuring that everyone in the community, especially the most marginalized benefits from economic expansion.

LIMITATIONS OF THE STUDY

1. Drawing on the sources this study relies mainly on data collected from Household Income and Expenditure Surveys conducted between 2003 and 2019. There can be variations in type, quality, and coverage of these data sets, which may in some way affect the outcome of the study. Thirdly, it may not reflect the informal sector since this is highly prevalent in Pakistan and plays a crucial role within the economy.

2. The study analyses pro-poor growth in the various regions of Pakistan including Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan. But that might not capture the full nuances of socio-economic and cultural disparities between regions, which could be overly reducing the complexity of drivers behind pro-poor growth.

3. As for the period, the analysis is confined to a particular year range starting from 2003 to 2019. This timeframe might not capture long run trends and or policy changes and economic events that might have occurred recently hence the results cannot be applied widely.

4. For the purpose of forecasting, the study employs the ARMA model, which might possess specific constraints arising from inherent biases and assumptions of the model. In using these forecast trends, one may fail to capture abrupt economic changes or other shocks in the market.

5. To some extent the study might propose sound policies though it may not adequately address the actual politics, society and economy of implementing such policies. As a result, the effectiveness of these recommendations depends on factors such as governance quality, political will, and institutional capacity, which are discussed inadequately in the study.

6. The study mainly relies on economic indicators like income growth, and poverty level indices. This focus may exclude other significant facet of

poverty such as health, education, and other basic services needed when considering other features of pro poor growth.

7. Every single component of utilizing data from at least two national surveys and several international databases poses methodological problems related to consistency or comparability. These inconsistencies may stem from differences in the approaches used to collect data or differences in the means by which the variables are defined.

As a result, the some limitations which imply that the reader should be cautious when analyzing this research's results. These discrepancies can be offset in future research through more detailed datasets, a focus on long-span studies, the use of numerous methodological tactics and an assessment of the practicability and effectiveness of possible policy measures. These problems need to be solved to advance the superiority of research and then strengthen the policy of financial inclusiveness that is essential for equitable growth in Pakistan.

FUTURE VISION

Future research in this area should therefore seek to develop these concepts on how pro-poor growth dynamics in the context of Pakistan. One research direction is the examination of specific regional strategies and their applicability to each province's social and economic characteristics in the country. This involves a look at how a range of policy solutions can usefully address questions of income distribution and infrastructure development in relatively less developed regions of Pakistan like Sindh and Balochistan. The authors should concentrate on what has worked or can work well in eradicating regional disparities and in improving the economic integration.

Another fruitful area that is worth exploring in the future is the effect of governance and institutional quality on the enhancement of pro-poor policies. Research should be carried out on the effects of changes in governance on the capacity of PA to deliver services to disadvantaged groups. Best practice promotion for transparency, accountability and sound governance: This research should have use of cases and cross national comparison in order to establish the best strategies to adopt.

In this vein, the continued strengthening of human capital presents another area that warrants future research. This entails evaluating effectiveness of education, health and other social interventions in alleviating poverty and enhancing economic status. More studies should be dedicated to identifying the limitations required to access such services and subsequently, examining the efficacy of different approaches towards these limitations. These longitudinal studies can be useful for understanding how beneficial increases in human capital are transformed into enduring economic development for marginalized groups.

Another important area of research would be the inclusive economic policies. The research for the future should identify the results of the application of inclusive growth policies, progressive taxation, and subsidies for SMEs,

microfinance services, etc. Experts should also look at how these policies can be maximized to improve poverty and income distribution.

Environmental sustainability, therefore, features prominently into the emerging contexts of pro-poor growth. Future research could focus more specifically on the topic of how environmental aspects can be incorporated in the economic development strategies. This involves research on the impacts of sustainable agriculture practices, green innovations, and conservation measures on the natural setting as well as the welfare of affected poor populations. Any scientific endeavor ought to focus on finding ways by which the global economy can be expanded while at the same time preserving the earth's natural resources so that the expansion can be for the long-term.

This makes women's empowerment an important subject to look into in the future. Future research should not only concern itself with the extent of socio-economic factors that are a hindrance to women but also the effect of different types of measures in the advancement of gender equity. This also involves assessing the success of programs that aim at enhancing women's rights to education, health care, and employment. Research should also look at the flow-on effects of women empowerment; this may range from a change in traditional family set-up and social transformation.

In turn, future work should focus on the sound measurement and assessment of such policies in a pro-poor context. This entails developing frameworks for evaluating the impact of policy initiatives and for identifying how policy measures might be enhanced. These frameworks are crucial for guaranteeing that the strategies are being sensitive to the changing needs of populations and invested towards poverty alleviation and the inclusive development of the economy. Thus, future studies in these research areas will be useful in helping policymakers modify their policies, thereby making the society in Pakistan more responsive to the needs of different individuals.

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