

MEDIA COVERAGE



Knowledge Brief

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The Poverty Illusion: When Numbers Distort Reality

Dr. Nasir Iqbal

Registrar / Associate Professor, PIDE

July 09, 2025

Web Coverage

The News International

<https://e.thenews.com.pk/detail?id=416331>

Business Recorder

<https://www.brecorder.com/news/40371741>

APP Pakistan

<https://www.app.com.pk/business/pide-debunks-poverty-explosion-new-estimates-reveal-statistical-illusion-not-socioeconomic-collapse/>

Daily Spokesman

<https://dailyspokesman.net/live/pide-debunks-poverty-explosion-new-estimates-reveal-statistical-illusion-not-socioeconomic-collapse/>

Lead Pakistan

<https://leadpakistan.com.pk/news/pide-debunks-poverty-explosion/>

Urdu Point

<https://www.urdupoint.com/en/business/pide-debunks-poverty-explosion-new-estimates-2009887.html>

Daily Jang

<https://jang.com.pk/news/1488654>

DNA News Agency

<https://dnanews.com.pk/pide-refutes-poverty-explosion-as-statistical-illusion/>

INTERNATIONAL
THE NEWS

July 09, 2025

'Rise in poverty statistics due to global metric recalibration'

Rasheed Khalid

Islamabad

Amid the flood of headlines claiming a sharp rise in poverty in Pakistan, Pakistan Institute of Development Economics (PIDE) has stepped forward to clarify the situation with its latest report, "The poverty illusion: when numbers distort reality."

The findings challenge the widely circulated narrative of a nationwide poverty explosion, revealing that the rise in poverty statistics is primarily due to global metric recalibration rather than a sudden economic collapse.

Dr Nadeem Javaid, Vice Chancellor, PIDE, stated that policymaking must be grounded in facts, not fear. These revised figures reflect changes in how poverty is measured globally, not a dra-

matic decline in the livelihoods of Pakistanis.

The report, authored by Dr Nasir Iqbal, PIDE's Associate Professor, critically examines the World Bank's revised global poverty lines. The new \$4.20 per day threshold, which replaced the former \$3.20, led to an increase in poverty statistics from 39.8% to 44.7%.

However, Dr Iqbal pointed out more than 80% of this increase is the result of shifting global poverty benchmarks, not a collapse in household conditions. Inflation and other factors account for just 18% of the increase.

Key insights from PIDE's analysis include the strength of the informal economy which supports over 60% of Pakistan's workforce absorbing economic shocks and offering resilience during crises.

Social protection programmes such as the Ehsaas Programme and the Benazir Income Support Programme (BISP) played significant roles in mitigating poverty.

Additionally, remittances from overseas Pakistanis continue to provide vital support, cushioning households and bolstering the economy during times of distress. Even amidst major economic shocks like the COVID-19 pandemic and the 2022 floods, PIDE estimated the poverty rate in 2025 to be between 23% and 25%, with food-based poverty pegged at just 6.2%, signaling consistent, long-term improvement.

In light of these findings, PIDE proposed a series of actions to address poverty with a data-driven approach. These include reinstating the House-

hold Integrated Economic Survey (HIES) to update data, refining BISP to link cash transfers with measurable outcomes like education, employment and asset growth and developing a National Poverty Reduction Strategy integrated with the Sustainable Development Goals (SDGs) to ensure inclusive economic reforms. Additionally, PIDE called for leveraging the informal economy through the creation of Village Economic Zones (VEZs) to boost rural employment and productivity via local value chains and agri-tech innovations.

The PIDE VC emphasised that this is not a time for panic, but for rational, evidence-based policymaking that can turn perceived crises into opportunities for structural economic reform.

PIDE debunks poverty explosion

ISLAMABAD: Amid the flood of headlines claiming a sharp rise in poverty in Pakistan, the Pakistan Institute of Development Economics (PIDE) has stepped forward to clarify the situation with its latest report, "The Poverty Illusion: When Numbers Distort Reality." The findings challenge the widely circulated narrative of a nationwide poverty explosion, revealing that the rise in poverty statistics is primarily due to global metric recalibration rather than a sudden economic collapse, said a news release. In response to sensational poverty headlines, Dr. Nadeem Javaid, Vice Chancellor of PIDE and Member of the Planning Commission of Pakistan, stated, "Policymaking must be grounded in facts, not fear. These revised figures reflect changes in how poverty is measured globally, not a dramatic decline in the livelihoods of Pakistanis."

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PIDE Debunks 'Poverty Explosion': New Estimates Reveal Statistical Illusion, Not Socioeconomic Collapse

City Desk

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■ DNA

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پائیڈ نے عالمی بینک کے غربت سے متعلق تازہ ترین تخمینوں کو مسترد کر دیا

غربت کے اعداد و شمار میں اضافہ بنیادی طور پر عالمی پینالکس کے معیار کی دوبارہ ایڈجسٹمنٹ کی وجہ سے ہے، پائیڈ

اسلام آباد (مہتاب حیدر) پاکستان انسٹی ٹیوٹ آف ڈیولپمنٹ اکنامکس (پائیڈ) نے عالمی بینک کے غربت سے متعلق تازہ ترین تخمینوں کو

مسترد کر دیا ہے اور انکشاف کیا ہے کہ غربت کے اعداد و شمار میں اضافہ بنیادی طور پر عالمی پینالکس

باقی صفحہ 6 نمبر 25

بقیہ عالمی بینک / مسترد 25

کے معیار کی دوبارہ ایڈجسٹمنٹ کی وجہ سے ہے نہ کہ اچانک معاشی گراوٹ کے باعث۔ پائیڈ نے تازہ ترین غربت کے تخمینے جاری کیے ہیں جن میں دعویٰ کیا گیا ہے کہ غربت کی لکیر سے نیچے زندگی گزارنے والے افراد کا تناسب بالی سال 24 میں 24.5 فیصد سے کم ہو کر بالی سال 25 میں 22.9 فیصد ہو گیا ہے، جو کہ بنیادی ضروریات کے افرامات (سی بی این) کی تعریف کے مطابق ہے۔ پاکستان میں غربت میں تیزی سے اضافے کے دعوؤں کے درمیان، پاکستان انسٹی ٹیوٹ آف ڈیولپمنٹ اکنامکس (پائیڈ) نے اپنی تازہ ترین رپورٹ "غربت کا فریب: جب اعداد و حقیقت کو سچ کرتے ہیں" کے ساتھ صورتحال کو واضح کرنے کے لیے قدم بڑھایا ہے۔ یہ ملک گیر غربت کے پیمائش کے وسیع پیمانے پر گردش کرنے والے ویسے کو چیلنج کرتے ہیں، اور یہ ظاہر کرتے ہیں کہ غربت کے اعداد و شمار میں اضافہ بنیادی طور پر عالمی پینالکس کے معیار کی دوبارہ ایڈجسٹمنٹ کی وجہ سے ہے نہ کہ اچانک معاشی گراوٹ کے باعث۔ پاکستان میں غربت سے متعلق سنسنی خیز خبروں کے جواب میں، ڈاکٹر ندیم جاوید، جو کہ پائیڈ (PID) کے وائس چانسلر اور پاکستان کے منصوبہ بندی کمیشن کے رکن ہیں، نے کہا کہ پانچویں ساڑھے چالیس پر مبنی ہوئی چاہیے، نہ کہ خوف پر۔ یہ تبدیل شدہ اعداد و شمار عالمی سطح پر غربت کی پینالکس کے طریقوں میں تبدیلی کی عکاسی کرتے ہیں، نہ کہ پاکستانیوں کے گزیر میں کسی ڈرامائی گراوٹ کی۔

Electronic Media

اسلام آباد: غربت میں مہنگائی اور دیگر عوامل کا حصہ صرف 18 فیصد ہے، پائیدر رپورٹ

حد کی تبدیلی سے پاکستان میں غربت کی شرح 39.8 سے بڑھ کر 44.7 فیصد ہو گئی، پائیدر

پاکستان کی غیر رسمی معیشت 60 فیصد سے زائد ورک فورس کو روزگار فراہم کرتی ہے، پائیدر

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اہم خبر

غربت میں اضافے کا 80 فیصد حصہ صرف پیمائش کے طریقہ کار میں تبدیلی کا نتیجہ قرار



نمائندہ خصوصی

SAMA LIVE

03 21 PM

ورک فورس معاشی جھکوں کے خلاف حفاظتی دیوار کا کام کرتی ہے، پائیڈ رپورٹ

NEWS ALERT

نمائندہ خصوصی

SAMA LIVE

03 20 PM

اسلام آباد: غربت میں افراط زر اور دیگر عوامل کا حصہ صرف 18 فیصد ہے، پائیڈ رپورٹ

اسلام آباد: غربت میں افراط زر اور دیگر عوامل کا حصہ صرف 18 فیصد ہے، پائیڈ رپورٹ

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Islamabad, July 08, 2025 Amid the flood of headlines claiming a sharp rise in poverty in Pakistan, the Pakistan Institute of Development Economics (PIDE) has stepped forward to clarify the situation with its latest report, "The Poverty Illusion: When Numbers Distort Reality." The findings challenge the widely circulated narrative of a nationwide poverty explosion, revealing that the rise in poverty statistics is primarily due to global metric recalibration rather than a sudden economic collapse. In response to sensational poverty headlines,

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The report, authored by Dr. Nadeem Javid, PIDE's Registrar and Associate Professor, critically examines the World Bank's revised global poverty lines. The new \$4.20 per day threshold, which replaced the former \$3.20, has led to an increase in poverty statistics from 39.8% to 44.7%. However, Dr. Javid points out that more than 80% of this increase is the result of shifting global poverty benchmarks, not a collapse in household conditions. Inflation and other factors account for just 18% of the increase.

Key insights from PIDE's analysis include the strength of the informal economy, which supports over 60% of Pakistan's workforce, absorbing economic shocks and offering resilience during crises. Social protection programs such as the Ehsaas Program and the Benazir Income Support Program (BISP) have played significant roles in mitigating poverty. Additionally, remittances from overseas Pakistanis continue to provide vital support, cushioning households and bolstering the fight against distress. Even amidst major economic shocks like the COVID-19 floods, PIDE estimates the poverty rate to have remained stable at 33% and





پاکستان انسٹی ٹیوٹ
آف ڈویلپمنٹ اکنامکس
وجہ سامنے لے آیا

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In light of these findings, PIDE has proposed a series of action-oriented, data-driven approaches. These include revisiting the Household Income and Expenditure Survey (HIES) methodology, strengthening the informal economy, and enhancing social safety nets.

عالمی بینک کی جانب سے پاکستان میں غربت کی شرح 44.7 فیصد ظاہر کرنے کا معاملہ

سواء
30
کراچی



عالمی بینک نے غربت کی حد کو 3.20 ڈالر سے بڑھا کر 4.20 ڈالر

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Islamabad, July 08, 2025 The World Bank has announced a significant revision to its global poverty line, increasing it from \$3.20 to \$4.20 per day. This change has led to a sharp increase in the estimated number of people living in extreme poverty worldwide, from approximately 700 million to over 1 billion. The World Bank states that this revision is necessary to better reflect the cost of basic needs in different parts of the world, particularly in high-cost regions like North America and Western Europe. However, critics argue that this change is purely statistical and does not reflect a real increase in the number of people living in poverty. They point out that the World Bank's methodology for calculating poverty is flawed and that the increase in poverty statistics is largely due to the change in the poverty line itself.

The World Bank's new poverty line is based on the cost of a basic basket of goods and services in high-cost countries. This approach has been widely criticized for being unrealistic and for not taking into account the differences in living costs between countries. Critics argue that the World Bank's poverty line is a statistical illusion and that the increase in poverty statistics is a result of the change in the poverty line itself.

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سواء
LIVE
03 20 PM







NEWS PROGRAM

عالمی بینک کی پاکستان میں
غربت کی شرح 39 سے بڑھ کر
44 فیصد کیوں ہوئی؟



مہمان خصوصی

سواء
SAMAA
LIVE

03:21 PM

یہ وقت گھبرانے کا نہیں، جوتوں پر مبنی دانشمندانہ پالیسی سازی کا ہے، وائس چانسلر پائیڈ

سواء
SAMAA