



7. Overview of the socio-economic situation including climate induced displacement

In the first half of fiscal year 2025-2026, Pakistan's public debt reached USD 290.6 billion [approximately EUR 253 billion].[1961](#) The combination of debt repayments and defence spending limits the government's ability to invest in sectors such as education, healthcare, and social welfare.[1962](#) The effects of floods plus the measures mandated by the International Monetary Fund (IMF), have placed additional pressure on social security services.[1963](#)

81 % of Pakistan's labour force is employed in the informal sector,[1964](#) where most informal workers lack social protection.[1965](#) According to the Pakistan Bureau of Statistics' 2024-25 Labour Force Survey (LFS),[1966](#) the unemployment rate[1967](#) has increased since the previous survey, rising from 6.3 % in 2020-21 to 6.9 % in 2024-25.[1968](#) Child labour and bonded labour are widespread in Pakistan,[1969](#) particularly in the brick kiln industry, agriculture, and domestic work.[1970](#)

Using the 'Cost of Basic Needs' approach,[1971](#) the Pakistani government estimated in 2024-25 that 28.9 % of Pakistanis lived below the poverty line, which was set at 8 484 Pakistani Rupees [approximately 25.7 EUR] per adult per month. This was an increase of 7 % since 2018-19. Rural areas were more affected by poverty, with 36.2 %, while urban poverty has also risen to 17.4 %. The Pakistani Ministry of Planning, Development & Special Initiatives (MOPDSI) attributes poverty figures to low GDP growth, high inflation as well as severe climate shocks, such as the floods of 2022 and 2025, which caused destruction worth several billion US dollars.[1972](#) By the end of September 2025, 1 039 people had been reported dead and around 4 million were temporarily displaced by the June-September 2025 floods, following rainfall that reached up to 50 % above usual monsoon levels and nearly doubled in some areas.[1973](#) According to an International Organization for Migration (IOM) Baseline Assessment of Pakistan's floods, as of January 2026 there were 523 083 temporarily displaced persons (TDPs).[1974](#)

The country ranks 106th out of 123 countries in the Global Hunger Index and 40 % of children suffer from stunting.[1975](#)

Médecins Sans Frontières (MSF) reported that Pakistan's government health expenditures are alarmingly low.[1976](#) The Pakistan Medical Association (PMA) states that access to healthcare 'remains limited or dysfunctional' in rural areas and presents 'alarming' numbers of preventable deaths of children under five and pregnant women. High prices make medicines unaffordable for the poor[1977](#) and 80 vital, life-saving drugs such as insulin were short in supply in 2025.[1978](#)

- [1961](#)

Nation (The), Public debt reaches Rs81,374b in first half, 5 April 2026, [url](#)

- [1962](#)

CADTM, As the debt spiral speeds, half of Pakistan's budget goes to loan repayment., 16 June 2025, [url](#)

- [1963](#)

HRW, World Report 2026 – Pakistan, 4 February 2026, [url](#)

- [1964](#)

Pakistan, PBS, Pakistan Labour Force Survey 2024-2025, September 2025, [url](#), p. IX

- [1965](#)

IPRI and OGDCL, An Appraisal of Pakistan's Informal Economy: Causes, Patterns, and Socioeconomic Footprints, October 2025, [url](#), p. 5

- [1966](#)

Data for the LFS 2024-2025 was collected between July 2024 and July 2025. Pakistan, PBS, Pakistan Labour Force Survey 2024-2025, September 2025, [url](#), p. IV

- [1967](#)

The PBS LFS defines 'unemployed' as 'all persons ten years of age and over who were without work during the reference period [...] but currently looking and available for work'. Pakistan, PBS, Pakistan Labour Force Survey 2024-2025, September 2025, [url](#), p. VIII

- [1968](#)

Pakistan, PBS, Pakistan Labour Force Survey 2024-2025, September 2025, [url](#), p. VIII

- [1969](#)

Bertelsmann Stiftung, BTI 2026 Country Report - Pakistan, 2026, [url](#), p. 37

- [1970](#)

FES, Breaking The Chains: How To Tackle Bonded Labour in Pakistan?, 14 August 2023, [url](#)

- [1971](#)

The Government of Pakistan uses the 'Cost of Basic Needs' (CBN) approach for poverty estimates. The CBN defines a poverty line representing the minimum monthly spending per person required to meet basic food and other needs. Pakistan, MOPDSI, Preliminary Report on Poverty Estimation 2024-25, February 2026, [url](#), p. 2

- [1972](#)

Pakistan, MOPDSI, Preliminary Report on Poverty Estimation 2024-25, February 2026, [url](#), pp. 4-6

- [1973](#)

Pakistan, MOPDSI, A Preliminary Assessment of Flood Damages in the Economy of Pakistan, October 2025, [url](#), pp. ii, 1

- [1974](#)

IOM, IOM DTM - Baseline Assessment Flood Disaster – Pakistan, January 2026, [url](#)

- [1975](#)

WFP, Pakistan Country Brief, 19 January 2026, [url](#), p. 1

- [1976](#)

MSF, Deadly Gaps: Don't turn away from saving lives, 15 May 2025, [url](#), p. 15

- [1977](#)

PMA, Health of the Nation. PMA's health report 2025, February 2025, [url](#), pp. 1, 4

- [1978](#)

Dawn, PMA presents bleak picture of country's health status, 13 February 2026, [url](#)