



THE POLICY BEACON

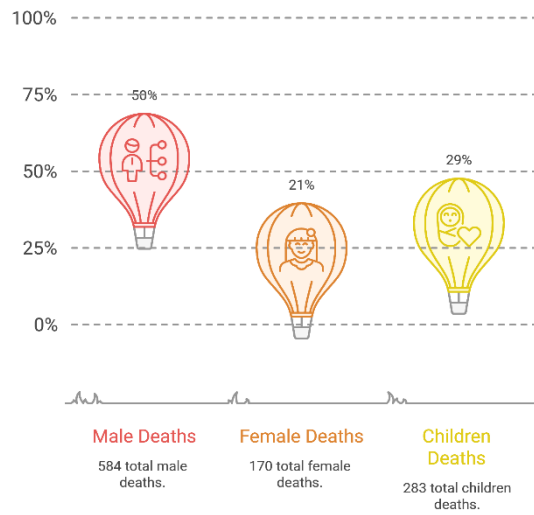
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The Ongoing Flood Crisis in Pakistan:
Immediate Action and Proposed Policies

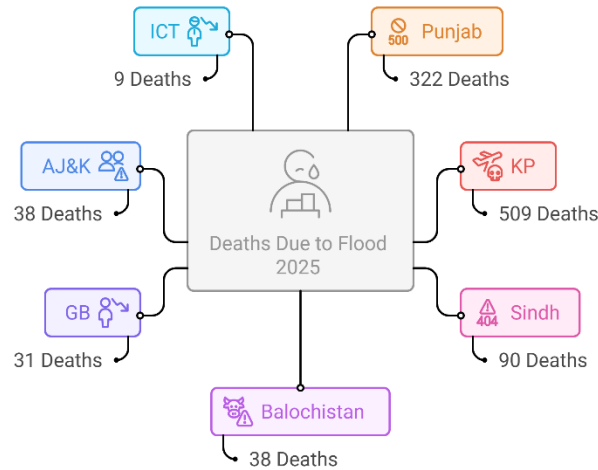
BY DR. GHULAM GH AUS

The Ongoing Flood Crisis in Pakistan: Immediate Action and Proposed Policies

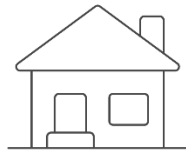
Pakistan is grappling with the aftermath of the most devastating floods in recent history. Since June 2025, uncontrollable and unforeseen monsoon rains have caused severe imbalances in river water supplies, leading to flash floods across the region. The flood crisis has resulted in widespread destruction and a humanitarian disaster. Over 1,000 lives have been lost, including more than 584 men, 170 women, and 283 children.



While the death toll province-wise is as follows:



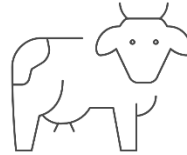
The floods have affected millions across Pakistan, making it one of the worst natural disasters in the country's recent history. The damage in Punjab, particularly, has been catastrophic. The three major rivers Ravi, Chenab, and Sutlej overflowed, inundating thousands of villages and evacuated and rescued nearly 3,029,091 people. A total of 229,763 houses has been damaged due to the flood, and 22,841 livestock have been lost.



229,763

Houses

Total number of houses

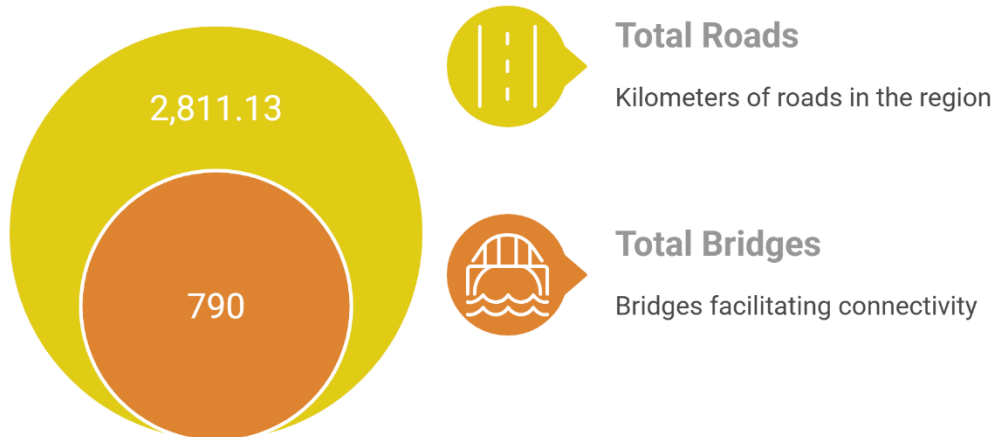


22,841

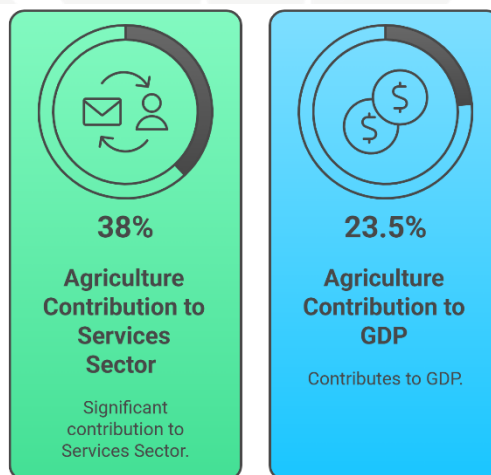
Livestock

Total number of livestock

The transport infrastructure has also been badly affected by the flood. A total of 2,811.13 km of roads has been damaged, and 790 bridges have either fully or partially collapsed.



One of the most heavily impacted sectors is agriculture, which is the backbone of Pakistan’s economy. Agriculture contributes 23.5% to the country’s GDP, with 38% of the service sector directly or indirectly dependent on it.



The floods have devastated key crops, such as sugarcane, cotton, and vegetables, which are essential to the agriculture sector. As a result, there is a high risk of inflation due to reduced supply and increased prices. The textile industry, heavily reliant on cotton production, has also suffered, leading to a decline in exports and affecting foreign exchange reserves.

The destruction of agricultural land, with around 10 million acres submerged, will hinder the economy's growth in the coming years. The government had projected a GDP growth of 4.5% for 2025-26, but given the scale of the disaster, this is now expected to drop to just 1.5%. The ripple effect from the

agriculture sector extends beyond, affecting industries like textiles and reducing export earnings, which are crucial for Pakistan's foreign exchange reserves.

The physical damage caused by the floods is extensive. Thousands of houses have been destroyed, along with large stretches of roads, bridges, and power stations. The damage to infrastructure has disrupted transportation, leading to higher food and vegetable prices in some cities due to transportation costs and supply chain disruptions. Meanwhile, the humanitarian crisis continues to worsen. Survivors are facing inadequate shelter, insufficient food, and a lack of medical care. Mental health professionals are concerned about the psychological impact, especially on children who have experienced trauma.

The economic consequences of the floods are multifaceted. The destruction in agriculture has not only caused a loss of livelihoods but also led to an increase in unemployment and poverty. Millions of displaced people are now jobless, and the inflationary pressure is expected to worsen, further reducing economic growth. This creates a vicious cycle that will be hard to break in the short term.

The Pakistani government has mobilized thousands of rescue teams and called in the military, but the scale of the disaster is so large that the current budget is insufficient. Pakistan is already facing a massive fiscal deficit, and the government may need to take additional loans to fund relief operations and reconstruction efforts. Over the years, the government has allocated minimal funding to the National Disaster Management Unit, leaving it ill-prepared for this level of disaster. The climate change-induced losses are expected to further increase the fiscal deficit.

Policy Recommendations

To address the immediate needs and prevent future crises, the following policy suggestions are proposed:

1. **Agricultural Support Package:** The government should provide comprehensive support to farmers affected by the floods through subsidies for fertilizers, seeds, and crop insurance schemes. The food distribution mechanism should be strengthened to address food security concerns promptly.
2. **Rebuilding Infrastructure:** Priority must be given to rebuilding transportation networks, followed by infrastructure and drainage systems. Mobile hospitals and first aid medical facilities should be deployed to affected areas, and critical facilities such as schools and hospitals must be relocated.
3. **Economic Diversification:** The government should focus on economic diversification by providing flood-safe land for farming, and supporting agricultural productivity in less flood-prone areas. Additionally, the government should promote the manufacturing, services, and technology sectors, which are less vulnerable to flooding.
4. **Industrial Zones:** To further diversify supply chains, the government should establish industrial zones in flood-prone areas to promote the growth of industries outside agriculture.
5. **National Climate Adaptation Plan:** A comprehensive national climate adaptation plan should be developed, focusing on flood management, water conservation, and ecosystem-based solutions. Restoration of forests and wetlands, which serve as natural flood barriers, should also be included.
6. **Social Safety Nets:** The government should expand social safety nets to support vulnerable populations, especially women-headed households and rural communities. Livelihood programs that focus on climate-resilient skills should be established to provide alternative sources of income.

7. **Regional Cooperation and Innovation:** Pakistan should foster partnerships with foreign organizations and neighboring countries to share knowledge, technology, and financial support for climate resilience. Regional cooperation for the management of transboundary rivers is also crucial.
8. **Financial Mechanisms for Disaster Risk:** To mitigate future disaster risks, the government should introduce innovative financial mechanisms, such as catastrophe bonds, public-private partnerships, and climate insurance schemes for resilient infrastructure development.

The recovery of Pakistan's economy from the devastation caused by the 2025 floods is at a critical juncture. These disasters have exposed significant gaps in planning and climate adaptation strategies. The government must adopt flexible, adaptive approaches to address both immediate and long-term resilience challenges. The success of these recommendations will determine Pakistan's recovery and its preparedness for future climate-related challenges.

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