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# Industrial Capacity of Pakistan to Achieve SDG-9 by 2030

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## ***Abstract***

*United Nations (UN) Members States agreed on seventeen (17) Sustainable Development Goals (SDGs) on September 25, 2015 to make huge development on various factors by 2030. SDG 9 is related to building resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. The research is conducted to gauge SDGs in case of Pakistan by deploying systematic review method. The objectives of the research are to analyze the industrial capacity and status of Pakistan to achieve SDG 9; moreover the research will forward disaggregated recommendations for core industrial sectors in the country.*

*The study found that Pakistan has received a global rating of 55.6 on the SDGs, compared to a much higher regional average of 63.3 and even lowers than regional neighbors Bangladesh (56.2) and India (58.1). Due to the perspective of SDGs, 70% of the development is under the provincial government, while around 30% of responsibility is under the federal authority. By 2023, the industry has the potential to grow from \$1 billion to \$5 billion in size. In this way, the first step toward attaining SDG 9 is to construct quality, reliable, sustainable, and resilient infrastructure to enable economic development and human well-being. The research concludes that Pakistan still lacking far behind the targets of SDG 9, but a joint strategy devised by the Government, industrial sector, and chambers of commerce and industries would help to attain SDG 9 by the year 2030.*

**Keywords:** SDGs, Economy, Industry, Pakistan

### **Industrial Capacity of Pakistan to Achieve SDG-9 by 2030**

No society can be termed as ‘modern society’ without providing justice to its members. Besides justice various other factors are also needed to establish modern societies. These factors encompass reducing poverty, combating inequality and improving environment etc. The imperativeness of these factors can be seen by observing that the United Nations (UN) Members States agreed on seventeen (17) Sustainable Development Goals (SDGs) on September 25, 2015 to make huge development on the said factors by 2030.

SDGs, sometimes also known as the Global Goals, are a set of global goals aimed at ending poverty, protecting the environment, and promoting peace and prosperity for all people. These 17 goals build on the Millennium Development Goals (MDGs) while also addressing new concerns such as climate change, economic inequality, innovation, sustainable consumerism, peace, and justice. The goals are interwoven, and achieving one often entails dealing with problems that are more often associated with the other.

The SDGs encourage teamwork and pragmatism to make the best judgments possible now to improve the lives of future generations in a sustainable manner. They established defined standards and benchmarks for all countries to adhere to, depending on their own interests as well as global environmental issues. The SDGs are a non-discriminatory agenda. They target the root causes of poverty and bring people and the environment together to make a positive effect. "The vow to leave no one behind, as well as poverty eradication, are at the heart of the 2030 Agenda. The SDGs are a bold commitment to finish what we started and address some of the world's most pressing challenges. All 17 Goals are interconnected, which means that success in one affect success in others. For example, dealing with the threat of climate change affects how we manage our fragile natural resources, achieving gender equality or better health aids poverty eradication, and fostering peace aids poverty eradication.

SDG-9 is based on three interconnected pillars: framework, industry, and advancement, all of which aim to achieve a socially comprehensive and naturally reasonable financial turn of events.

Meeting on the SDG 9 by 2030 will necessitate overcoming asset imperatives, building and reinforcing agricultural nations' abilities, and investigating inventive apologies.

Innovative development is critical for finding long-term solutions to financial and environmental problems, such as creating new jobs and increasing energy productivity. Growing manageable businesses and investing in logical exploration and development are both extremely important ways to work with a reasonable turn of events.

In Pakistan, multiple subjects, such as health, education, and transportation, were devolved to the provincial government after the 18th amendment, and due to the perspective of SDGs, 70 percent of the development is under the provincial government, while around 30 percent is under federal authority. Other SDGs are intertwined with this target, such as industrialization is linked to SDGs 8 and 11 (decent jobs and decent work), while SDGs 8 and 11 (decent work and decent work) are linked to this target (sustainable cities and communities).

However, as global population has increased, demand for energy accessibility has risen exponentially, and where populations increase, supplies of energy have not kept up with growing demand. Pakistan has experienced this conundrum first-hand as it persistently encounters a limited and uneven supply of energy. Less attention has been devoted to finding solutions for Pakistan's energy predicament—solutions that are integral to unlocking the potential of this young (1947) and vibrant nation.

Affordable and Clean Energy; Decent Work and Economic Growth; and Responsible Consumption and Production are dependent on five processes:

- i. Upgrading energy sector by attracting sector specific investment;
- ii. Bringing macroeconomic stability to Pakistan, create effective, strong and supportive financial institutions for attracting investment;
- iii. Improving transport infrastructure for efficient links with national and international markets;

- iv. Greening of the industrial and agricultural production processes for reduced emissions;
- v. Channeling scientific research at higher education centers towards SDGs implementation.

### **SDG 9 Interlinked with other Goals:**

SDG 9 is also linked to a number of other goals and targets, including industry-related targets for job creation, sustainable livelihoods, and food security, as well as the delivery, distribution, and consumption of energy, food, water, and housing, and access to ICTs is required to achieve:

- SDG 3 through health (mobile health) and e-health, which can enable community health practitioners to provide better treatment at lower costs, improved access to electricity, transportation, and modern ICT provides considerable health benefits.
- SDG 5 Women's empowerment can be boosted by improved Internet access and supporting technologies, which can help close the gender digital divide, which is a major barrier to women's participation in the digital economy. In urban impoverished areas, women are currently 50% less likely than men to be online
- SDG 4 quality education
- SDG 8 reduced disparities and
- SDG 10 reduced poverty.

The first five "outcome targets" are to develop sustainable, resilient, and inclusive infrastructures; promote inclusive and sustainable industrialization; increase access to financial services and markets; upgrade all industries and infrastructures for sustainability, and enhance research and upgrade industrial technologies.

Pakistan received a global rating of 55.6 on the SDGs, compared to a much higher regional average of 63.3 and even lowers than regional neighbors Bangladesh (56.2) and India (58.1). As a result, according to July 2017 data, the country ranks 122 out of 157 countries on the SDG index, behind Bangladesh at 120 and India at 116. The good news is that its readiness to meet 2030 ambitions is among the best in the world. At the federal level, however, three separate SDG units have been established: one at the Prime Minister's Office, another at parliament led by

Speaker Ayaz Sadiq, and a third at the Planning Commission, with no internal policy coordinating interface.

There is little to no information regarding the outcome of the spending by MPs, the majority of whom are members of the ruling party, and there are fiduciary issues because this money is spent outside of the traditional financial regulatory structure. The mission for SDG implementation has been taken to the grassroots level through the local government (LG) system — for bottom-up involvement and target implementation as majority coverage areas have been devolved to the provinces — and onwards to the district level, which is a positive step forward. Despite economic and financial difficulties, Pakistan will continue to work toward achieving the SDGs through innovative, targeted, and focused social, economic, and environmental implementation strategies. Partnerships and close collaboration with a wide range of governmental, private, civil society, and media actors will continue to be important features of the implementation plan, supported by regional and international support. Harnessing technology and mobilizing financing are all important aspects of the implementation plan.

### **SDG 9's Interlink to other SDGs for Industrial Development**

SDG 9 is linked to a number of other goals and targets, including industry-related targets for job creation, sustainable livelihoods, and food security, as well as the delivery, distribution, and consumption of energy, food, water, and housing, and access to ICTs is required to achieve SDG 4 (quality education), SDG 8 (reduced disparities), and SDG 10 (reduced poverty).

#### **Connection to SDG 3**

Through health

(mobile health) and e-health, which can enable community health practitioners to provide better treatment at lower costs, improved access to electricity, transportation, and modern ICT provides considerable health benefits.

#### **Connection to SDG 5**

Women's empowerment can be boosted by improved Internet access and supporting technologies, which can help close the gender digital divide, which is a major barrier to women's participation in the digital economy. In urban impoverished areas, women are currently 50% less likely than men to be online.

### **Challenges in Achieving SDG 9**

The Pakistan index of SDG 9 is still going to decline. After the 18th amendment, multiple subjects like health, education, and transport devolved to the provincial government. Due to the perspective of SDGs, 70% of the development is under the provincial government while around 30% of responsibility is under the federal authority. So how can Pakistan achieve its SDG 9 target?

One issue is the need for developing countries to enhance Internet access for micro and small businesses. Because of difficulties such as price, poor ICT literacy rates, inadequate local content, and a lack of trust, the Review observes that access does not always translate into use. Individuals and businesses can benefit from enhanced access by improving their ICT skills, providing relevant Internet content, enhancing regulatory frameworks, and increasing trust.

Another issue is insufficient transportation, which leads to greater trading costs, lower export competitiveness, and less attraction for foreign direct investment (FDI), especially in landlocked developing countries (LLDCs). To overcome this obstacle, transit collaboration, multimodal transportation, transportation corridors, and effective transit facilities are required. Furthermore, in rural areas insufficient access to infrastructure, particularly transportation, electricity, and energy, stymies development, diversification, and value addition in agriculture and agro-industry.

According to the SDG Progress Report, global R&D expenditure has increased, with investments in R&D accounting for 1.7 percent of global GDP in 2014. However, significant disparities exist among regions. R&D spending in rich countries was 2.4 percent of GDP, 1.2 percent in developing countries, and 0.3 percent in LDCs, for example. There are major disparities in terms

of the number of researchers per million inhabitants, with a global average of 1,098 researchers in 2014, 3,739 in rich countries, and only 63 in LDCs.

### **Political Obligation to Strategic Intelligence for Sustainable Development**

The Pakistan government should pass the bill with a goal 9 for the execution of the 2030 Agenda: the public authority ought to emphasize through the bill that Pakistan will carry out the 2030 Agenda to accomplish monetarily, socially, and naturally supportable improvement through a lucid approach broadly and universally. Execution will be directed by the Agenda's 'leave nobody behind the guideline.

Pakistan should take some steps like Bangladesh among the 17 targets, Bangladesh already is in a very good position in 8. For monitoring sustainable development targets, Bangladesh has created an online tool namely "SDG Tracker" for its initiative as the first country. Through this tool, the Prime Minister is directly supervising all actions about the implementation of SDGs. Apart from ensuring transparency and accountability in the implementation of development activities, field-level development progress is being monitored by this tool.

The analytical approach for this paper is based on the assumption that all goals and associated targets in the 2030 Agenda are, to a greater or lesser extent, interdependent. For example, eradicating poverty (Sustainable Development Goal 1) and promoting healthy lives (Sustainable Development Goal 3) are closely linked with each other, and cannot be viewed separately as individual targets. Such interdependencies need to be taken into account when considering alternative paths for the implementation of the Goals because achieving one goal will help in achieving other closely linked goals. In addition, the lack of attainment of some goals may create bottlenecks for attaining other goals, and such obstacles need to be considered in national frameworks for the implementation of 2030 Agenda

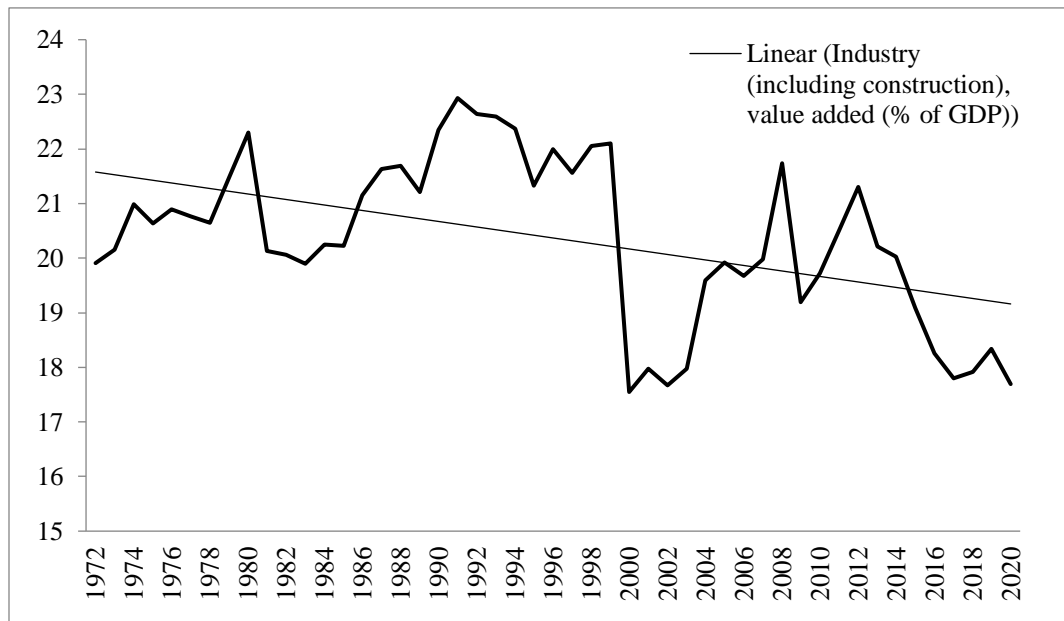
### **SDG 9 Progress in Pakistan**

Pakistan has set goals to increase value-added manufacturing from 13.56 percent of GDP to 16 percent of GDP, increase manufacturing employment from 15 to 18 percent, increase the value



of small-scale industries from 8.4 to 12 percent, and increase R&D spending from 0.2 to 2% of GDP. The National Energy Efficiency and Conservation Act 2016 and the Balochistan Mass Transit Authority Act 2017 were both passed to help achieve progress on SDG 9. The first act establishes institutions and establishes methods and procedures to ensure effective energy conservation and efficient use in Pakistan, while the second is a project under the China Pakistan Economic Corridor (CPEC). Policy intervention is another option to consider. For the successful execution of SDG 9, Pakistan has developed three policies: the Digital Pakistan policy, the National Transport Strategy, and the refurbishing of new special economic zones (SEZs) under the new industrial policy. Finally, expanding the freelancing industry is the most important strategy for achieving SDG 9 targets. By 2023, the industry has the potential to grow from \$1 billion to \$5 billion in size.

Figure: Industry (including construction), value added (% of GDP)



Source: World Bank, 2021

## Conclusion:

SDG-9 is the one the SDGs that will be reviewed by the 2017 session of High level Political Forum on Sustainable Development (HLPf), which is convening under the theme 'Eradicating poverty and promoting prosperity in a changing world' from 10-19 July 2017. In addition to SDG 9, the HLPf will review six other SDGs. SDG 1 (no poverty), SDG 2 (zero hunger), SDG 3(good health and well being), SDG 5 (gender equality), SDG 14 (life below water), and SDG 17 (partnership for goals). While SDG 9 implementation is progressing in many areas, more resources and capacity are needed in developing countries. Areas where more progress can be made, as well as on: policy coherence among development, infrastructure, industrialization and STI; integrated national policy approaches; and the identification of gaps and successes. National experiences with adopting advanced technologies and infrastructures, and the role of international collaboration in this regard, will help advance SDG 9 and related Goals and targets, motivate increased public and private sector investment.

For the thermal energy sector, imported oil is needed to keep this energy sector running. Huge and long-term debts are being arranged to add LNG to energy-mix for thermal power generation. Future investment from China is expected under CPEC in coal-run thermal plants. Under hydropower, various dams are under construction in the northern mountainous areas; these could take another five to ten years to complete.

### How to Achieve Goal 9 of the Sustainable Development Goals?

To ensure that future generations inherit a better world, governments, the commercial sector, civil society, and individuals must work together to achieve SDG 9. SDG 9 implementation will necessitate considerable infrastructure and innovation expenditures. While progress has been made, SDG 9 will require much more funding and expenditures.

- In Pakistan, the first step toward attaining SDG 9 is to construct quality, reliable, sustainable, and resilient infrastructure to enable economic development and human well-

being. This must be done with a focus on providing all people with affordable and equitable access. Pakistan can promote inclusive and sustainable industrialization as a result, increasing the industry's share of employment and GDP.

- Second, Pakistan should improve small-scale industrial and other enterprises' access to financial services and markets, including affordable credit and integration into value chains and markets. The number of research papers published will skyrocket if scientific research is improved, industry technical skills are upgraded, and innovation is encouraged. Industrial diversification will also provide value to other commodities by promoting homegrown technology.
- Finally, major growth in communication and information technology access can bring internet access to Pakistan's underdeveloped areas.

A cornerstone of implementing the SDG goals is building on existing alliances and forging new partnerships, leveraging technology, and mobilizing innovative sources of finance. Hence, partnerships with a broad array of stakeholders including the private sector and the civil society, supported by the international community, will continue to guide this process. The government of Pakistan should be undertaking deep structural reforms to place Pakistan on the path towards sustainable development, whereby the most vulnerable segments of society will protect, and development is inclusive. The Government should commit to harnessing the potential of our youth, leveraging the opportunities through innovative financing, making use of technologies, partnerships, and cross-sectoral innovations to ensure that they deliver on their commitments and create a solid foundation that enables sustainable national development, regional growth and global prosperity.

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