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Sustainable Development Goals (SDGs) and National Economic Policies: A Critical Evaluation

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ARTICLE DETAILS	ABSTRACT
History **Revised format:** May, 2025 **Available Online:** Jun, 2025 **Keywords** Sustainable Development Goals, national economic policy, Pakistan, policy alignment, institutional framework	The United Nations' 2030 Agenda for Sustainable Development has led to the adoption of the Sustainable Development Goals (SDGs) by many nations, including Pakistan, and has significant implications for national economic policies. This paper provides a critical evaluation of how national economic policies align (or fail to align) with the SDGs in the context of Pakistan. Drawing on the institutional mechanisms for SDG mainstreaming, the fiscal and structural policy frameworks, and major barriers to effective policy implementation, the study highlights the gaps between ambitions and outcomes. It argues that while Pakistan has formally integrated the SDGs into its national development framework , structural economic challenges, policy incoherence, weak monitoring mechanisms and resource constraints limit progress. The paper offers policy recommendations for strengthening the alignment between economic policy and sustainable development objectives. The findings contribute to the understanding of how national economic policy frameworks can be better designed to deliver on the SDG agenda.

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Introduction:

The Sustainable Development Goals (SDGs) provide a comprehensive international framework for promoting economic prosperity, social inclusion, environmental protection, institutional development, and global cooperation. Adopted by the United Nations as part of the 2030 Agenda for Sustainable Development, the SDGs encourage countries to integrate development priorities into their national economic policies. These goals cover major areas such as poverty reduction, quality education, gender equality, decent employment, clean energy, climate action, responsible production, reduced inequalities, and strong institutions. National economic policies therefore play a central role in determining whether countries can translate the broad objectives of the SDGs into measurable social, economic, and environmental outcomes.The relationship between the SDGs and national economic policies is complex because governments must balance development commitments with limited financial resources, political pressures, debt obligations, institutional weaknesses, and competing national priorities. Fiscal policy, monetary policy, trade policy, industrial policy, labour-market regulation, and public investment strategies all influence progress toward sustainable development. For example, increased public spending on education, healthcare, renewable energy, infrastructure, and social protection can support several SDGs simultaneously. However, weak governance, inefficient spending, inadequate taxation systems, and poor policy coordination may prevent these investments from producing sustainable results.A critical evaluation is necessary because economic growth alone does not guarantee sustainable development. Some national policies may increase gross domestic product while worsening income inequality, environmental degradation, unemployment, or regional disparities. Similarly, policies designed to attract investment may weaken labour standards or increase dependence on natural resources. Therefore, the success of national economic policies should be assessed not only through growth indicators but also through their effects on poverty, human development, environmental sustainability, gender equality, institutional quality, and long-term economic resilience.

Education Policy and Human Capital Development:

National education policies play an important role in achieving the Sustainable Development Goals because education improves employment opportunities, productivity, social awareness, and economic participation. Governments should increase investment in schools, universities, technical education, digital learning, and teacher training. Equal access to education is especially important for girls, rural populations, low-income families, and marginalised communities. However, inadequate funding, outdated curricula, poor infrastructure, and unequal educational opportunities can limit progress. National economic policies should therefore connect education with labour-market needs so that students acquire practical skills required for modern industries, entrepreneurship, and sustainable economic development.

Healthcare Investment and Economic Productivity:

Healthcare policy is closely connected with national economic development because a healthy population is more productive and less vulnerable to poverty. Public spending on hospitals, primary healthcare, vaccination, maternal health, nutrition, and disease prevention supports several SDGs. Poor healthcare systems can reduce labour productivity, increase household expenses, and deepen inequality. Governments should ensure affordable and accessible health services, particularly in remote and rural areas. Economic policies should also support health insurance, medical research, pharmaceutical production, and emergency preparedness. Sustainable development requires healthcare to be treated as a long-term economic investment rather than only a social expense.

Gender-Responsive Economic Policies:

Gender equality should be integrated into taxation, budgeting, employment, education, property ownership, and business development policies. Women often face barriers such as unequal wages, unpaid care responsibilities, limited access to finance, restricted mobility, and low representation in decision-making. Governments can address these challenges through gender-responsive budgeting, affordable childcare, equal-pay laws, maternity protection, business loans, and vocational training. Increasing women's participation in the economy can raise household income, expand the labour force, and improve national productivity. However, economic policies must also challenge discriminatory social practices and ensure that women have control over income, assets, and employment decisions.

Agricultural Policy and Rural Development:

Agricultural policy is essential for achieving food security, poverty reduction, employment, and environmental sustainability. Many developing countries depend heavily on agriculture, yet farmers often face low productivity, climate risks, limited credit, weak infrastructure, and unstable market prices. Governments should support irrigation, modern farming techniques, crop insurance, storage facilities, rural roads, agricultural research, and access to affordable inputs. Small farmers should also receive market information and financial support. Sustainable agricultural policies must protect soil, water, and biodiversity while increasing food production. Rural development should include education, healthcare, energy, and non-farm employment opportunities to reduce regional inequality.

Digital Transformation and Technological Inclusion:

Digital technology can accelerate progress toward the SDGs by improving access to education, healthcare, banking, government services, and employment. National economic policies should promote affordable internet access, digital literacy, cybersecurity, electronic payments, and technological innovation. Small businesses and rural communities can benefit from online markets, mobile banking, and digital training. However, the digital divide may increase inequality when low-income households, women, and remote communities lack devices or connectivity. Governments should therefore invest in digital infrastructure and ensure that technological development is inclusive. Data protection and ethical use of artificial intelligence should also be included in national policy frameworks.

Infrastructure Development and Sustainable Urbanisation:

Infrastructure investment supports economic growth by improving transport, energy, communication, water supply, sanitation, and housing. Sustainable infrastructure can create employment, reduce business costs, and improve living standards. Rapid urbanisation, however, can lead to overcrowding, pollution, traffic congestion, informal settlements, and pressure on public services. National policies should promote affordable housing, public transport, green spaces, waste management, and climate-resilient construction. Infrastructure projects should be evaluated according to their social and environmental effects rather than only their financial returns. Proper planning and transparent procurement are necessary to avoid corruption, cost overruns, and unequal development.

Energy Policy and Transition to Renewable Resources:

Energy policy has a direct impact on industrial development, household welfare, environmental protection, and climate action. Dependence on fossil fuels can increase pollution, import costs, and vulnerability to global price shocks. Governments should encourage investment in solar, wind, hydropower, and other renewable-energy sources. Energy-efficiency standards, green subsidies, and public awareness can reduce consumption and emissions. However, the transition to renewable energy requires major investment, skilled workers, modern infrastructure, and reliable regulation. National policies should ensure that clean energy remains affordable for low-income households and that workers in traditional energy sectors receive training and alternative employment opportunities.

Public-Private Partnerships and Corporate Responsibility:

Private businesses can support the SDGs through investment, innovation, job creation, and responsible production. Governments may use public-private partnerships to finance infrastructure, healthcare, education, and renewable-energy projects. However, such partnerships must be transparent and carefully regulated to prevent excessive costs, monopoly power, and the misuse of public resources. Companies should follow environmental standards, provide fair wages, protect workers' rights, and disclose their social and environmental impact. National economic policies can encourage responsible business behaviour through tax incentives, reporting requirements, and sustainability standards. Corporate participation should complement public responsibility rather than replace essential government services.

Climate Change Adaptation and Economic Resilience:

Climate change presents serious economic risks through floods, droughts, extreme heat, crop failures, water shortages, and damage to infrastructure. National economic policies should include climate adaptation, disaster-risk reduction, emergency funds, resilient agriculture, and climate-resistant infrastructure. Governments should identify vulnerable sectors and communities before disasters occur. Insurance schemes, early-warning systems, and social-protection programmes can reduce economic losses. Climate policies should also consider the needs of low-income households that are often most affected by environmental shocks. Building resilience is essential for protecting development gains and maintaining progress toward the SDGs.

Debt Sustainability and Development Financing:

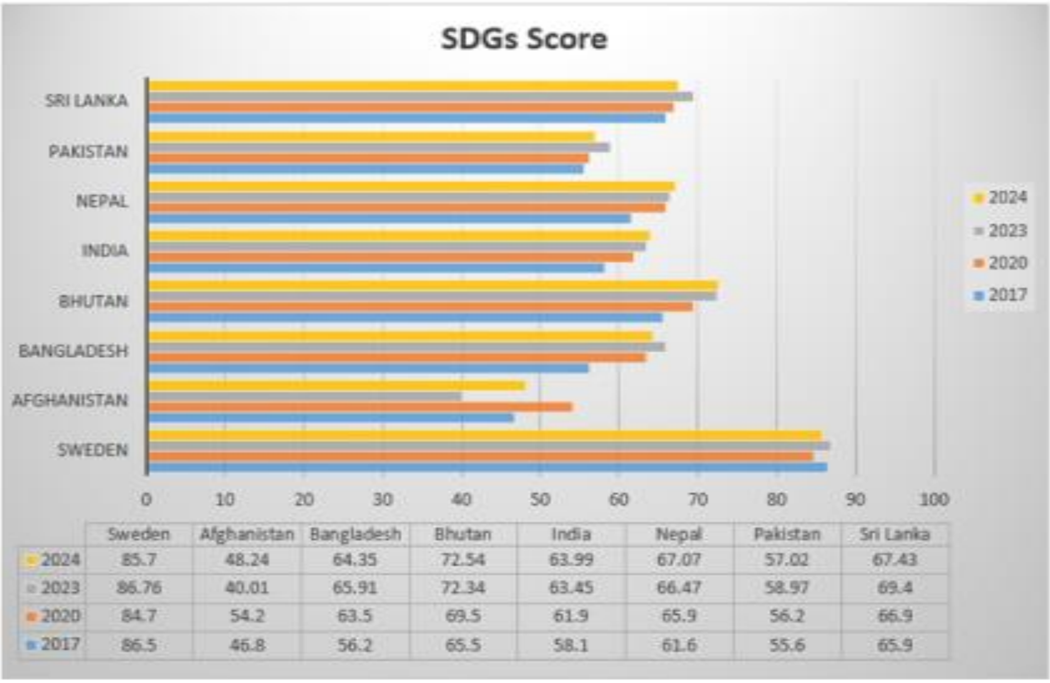
Many developing countries face difficulty financing the SDGs because of limited revenue and high public debt. Borrowing can support productive investment when funds are used for infrastructure, education, healthcare, and economic expansion. However, excessive debt can increase interest payments and reduce spending on essential public services. Governments should strengthen tax collection, reduce wasteful expenditure, and improve debt management. International financial institutions and developed countries can also support SDG financing through grants, low-cost loans, debt relief, and climate finance. Sustainable financing requires transparency, accountability, and careful evaluation of whether borrowed funds generate long-term social and economic benefits.

Role of Local Governments in SDG Implementation:

Local governments are important because many SDG-related services are delivered at the provincial, district, or municipal level. These services include water supply, waste management, transport, housing, education, and local healthcare. National policies may fail when local institutions lack funding, trained staff, or decision-making authority. Governments should strengthen decentralisation, local budgeting, and community participation. Local authorities should also collect reliable data and identify the specific needs of their populations. Effective cooperation between national and local governments can improve policy implementation and ensure that development programmes reach remote and disadvantaged communities.

Critical Assessment of Policy Outcomes:

A critical evaluation should examine the actual results of national economic policies rather than relying only on official promises and policy documents. Governments may report economic growth while poverty, unemployment, inequality, and environmental damage remain serious. Independent researchers, civil society organisations, and audit institutions should assess whether public policies produce measurable progress. Evaluation should include both quantitative indicators and the experiences of affected communities. Policies that fail to achieve their objectives should be revised or replaced. Continuous assessment helps governments identify weaknesses, improve resource allocation, and ensure that SDG commitments lead to genuine and sustainable development.



	Sweden	Afghanistan	Bangladesh	Bhutan	India	Nepal	Pakistan	Sri Lanka
2024	85.7	48.24	64.35	72.54	63.99	67.07	57.02	67.43
2023	86.76	40.01	65.91	72.34	63.45	66.47	58.97	69.4
2020	84.7	54.2	63.5	69.5	61.9	65.9	56.2	66.9
2017	86.5	46.8	56.2	65.5	58.1	61.6	55.6	65.9

Summary:

This paper has analyzed how the SDGs and national economic policies interact in the context of Pakistan. The institutional framework for SDG implementation is formally in place: Pakistan adopted the SDGs as its national agenda, established supporting units at federal and provincial levels, and developed a national SDG framework. The examination of economic policy frameworks reveals critical misalignments.resource mobilization through tax policy, public expenditure and debt management shows constrained fiscal space for SDG-related investment. Structural reforms aimed at industrialisation, job creation, and decent work (SDG 8) face major impediments such as the large informal sector, limited productivity growth and external shocks. Monitoring and institutional capacities remain weak, with significant data gaps and coordination challenges limiting effective tracking of SDG progress. Research has also pointed to cultural, institutional and policy "taboos" that impede inclusive development in Pakistan.Given these challenges, closing the gap between SDG ambitions and policy alignment requires a dual approach: strengthening the coherence of economic policy with sustainability goals (e.g., aligning fiscal policy, industrial policy, social investment), and enhancing institutional capacities for monitoring, reporting and accountability. Moreover, external support and innovative financing public-private partnerships, blended finance, and digitalization could help overcome resource constraints. In sum, while Pakistan has taken important first steps, much remains to be done to ensure that national economic policies effectively deliver on the SDG agenda by 2030.

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