SUSTAINABILITY: AN IMPERATIVE FOR IMPROVING GOVERNANCE AND MANAGEMENT IN PAKISTAN

FARIDA FAISAL*

Abstract. Sustainability remains an elusive goal in Pakistan. While there have been a plethora of policies, frameworks and blueprints for sustainable development with grandiose targets and optimistic timelines, Pakistan suffers from severe lags in implementation of development plans, due to ineffective monitoring and flaws in evaluation of projects (Kakakhel, 2011). This paper starts with a contextual review of the Pakistan's governance issues, business environment and efforts for sustainable development. This is followed by literature review for presenting discourse on the sustainability paradigm, reflexive governance and corporate social responsibility. The theoretical perspectives presented in extant literature are used to analyze three important sustainability initiatives in Pakistan. Finally, recommendations are presented for development planners and managers of public and private organizations regarding practical uptake and mainstreaming of sustainability approach in Pakistan.

Keywords: Sustainable development in Pakistan, Sustainability, Reflexive governance and corporate social responsibility

JEL classification:

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I. INTRODUCTION

Sustainable development has a new agenda as laid out by UN Synthesis Report: The Road to Dignity by 2030, calling for rethink and redesign of development policy frameworks Post-2015 (Ki-Moon, 2014). Instead of relying on a segregated approach to development, this agenda of global development supports an integrated and self-reinforcing approach to economic, social and environmental concerns. Inclusive policies fostering economic growth have positive environmental spillover effects which, in turn, leverage social progress. Strong inter-dependence and inter-linkages exist between the three aspects of sustainability.

Given this linkage, it is not surprising that in Pakistan serious governance challenges have not only hampered economic development and policies to reduce poverty but poor governance has also negatively impacted the investment climate, undermining competitiveness of private firms and making it harder to attract foreign investment. Transformational change in the country would require private sector involvement in public sector reforms, out of the box thinking, integrated solutions, utilization of human resource and sustainability consciousness.

II. SITUATIONAL ANALYSIS

Sustainability remains an elusive goal in Pakistan. For unleashing the development potential of the country, optimal utilization of strategic endowments is required which is not possible without improving governance and management quality. Unfortunately, most of the reputable governance and business competitiveness indicators suggest that Pakistan is facing grave governance and management challenges (WGI, 2015; WEF 2015). The government has limited capacity to achieve durable development outcomes (World Bank, 2015). Even in the private sector, the number of companies with well-defined sustainability policies and awareness of sustainability reporting is low (PIGC, 2013).

III. PAKISTAN'S GOVERNANCE ISSUES AND BUSINESS ENVIRONMENT

Pakistan's governance issues are grave and alarming. The Worldwide Governance Indicators project report (WGI, 2015) reveals that in 2014 Pakistan was ranking lower than the South Asian average in terms of all
six indicators of governance. The greatest governance challenge, as expected for a country going through internecine war, remained 'Political Stability and Absence of Violence/Terrorism'. Among the 215 global economies included in this project Pakistan ranked 208th, with only 7 countries being worse off on this dimension. According to the report, 'Control of Corruption' was the next severe challenge for good governance. Although after the political regime change in 2013, minimal improvements were noted in this area. Nevertheless, Pakistan stood at the 21.6th percentile rank, where as its neighbor India achieved 38.94th percentile, during the same time period. On the dimensions of 'Voice and Accountability' and 'Rule of Law', Pakistan's score was lower than that of its once constituent part- Bangladesh. In terms of 'Government Effectiveness', Pakistan lost a percentile rank as compared to its performance in 2013. 'Regulatory Quality' appears to be the only silver lining, with an improvement of 3 percentile ranks as compared to the year before and the highest rank being scored in this dimension as compared to the other five indicators of governance (WGI, 2015).

TABLE 1

Pakistan's Global Competitiveness Indicators 2015: Areas of Extreme Weaknesses and Relative Strengths

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Extreme Weaknesses</th>
<th>RANK*</th>
<th>Relative Strengths</th>
<th>RANK*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions</td>
<td>Business Costs Of Terrorism</td>
<td>139</td>
<td>Investor Protection Laws</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Organized Crime</td>
<td>132</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reliability Of Police</td>
<td>126</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Quality Of Electricity Supply</td>
<td>129</td>
<td>Quality Of Roads</td>
<td>60</td>
</tr>
<tr>
<td>Health &amp; Primary Education</td>
<td>Infant Mortality</td>
<td>134</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Primary Education Enrollment</td>
<td>134</td>
<td>HIV Prevention</td>
<td>1</td>
</tr>
<tr>
<td>Goods Market Efficiency</td>
<td>Trade tariffs, % duty</td>
<td>137</td>
<td>Tax Rate % Profit</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Imports as a percentage of GDP</td>
<td>132</td>
<td>Buyer Sophistication</td>
<td>78</td>
</tr>
</tbody>
</table>
Pakistan governance ineffectiveness in Pakistan is also reflected in poor performance of private sector as revealed by the Global Competitiveness Report 2015 (WEF 2015). Pakistan was placed at 126th rank among 140 countries, showing paucity of long-term structural reforms for boosting productivity and unleashing entrepreneurial talent. Among the South Asian Association for Regional Cooperation (SAARC) member countries, it is no surprise to find India leading the way with 55th position in overall industrial competitiveness. However, it is disheartening that Pakistani business situation is even worse than Nepal (100th rank), Bhutan (105th rank) and Bangladesh (107th rank).

According to the report Pakistani business persons identified corruption as the most problematic factor for private sector in Pakistan followed by 'Tax Rates'. From Table 1 the first perception is corroborated as despite having a reasonably high GDP, Pakistan's health and education indicators are abysmal, suggesting the presence of corrupt authorities. That some business people may be part of this corrupt group is suggested by the second perception. If 'Tax Rates' are such a big problem, how can it be that tax rate as percentage of profit is relatively low as compared to the rest of the world? It is clear that Pakistan is a country with a lot of economic and human resources, but transforming the living conditions of an average Pakistani would require re-conceptualization of the development agenda.

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Extreme Weaknesses</th>
<th>RANK*</th>
<th>Relative Strengths</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Market Efficiency</td>
<td>Women In Labor Force Ratio To Men</td>
<td>136</td>
<td>Hiring &amp; Firing Practices</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Cooperation In Labor Employer Relations</td>
<td>131</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Size</td>
<td>Exporters Percentage Of GDP</td>
<td>137</td>
<td>GDP(PPP)</td>
<td>26</td>
</tr>
<tr>
<td>Innovation</td>
<td>Patent Applications Per Million Population</td>
<td>109</td>
<td>Availability Of Scientists &amp; Engineers</td>
<td>44</td>
</tr>
</tbody>
</table>

* (RANK Out of 140 Economies) Source: Compiled from Global Competitiveness Report 2015 (WEF 2015)
PLANNING FOR SUSTAINABLE DEVELOPMENT

There has been a plethora of policies, frameworks and blueprints for sustainable development in Pakistan with grandiose targets and optimistic timelines. Yet the country suffers from severe lags in implementation of development plans, due to ineffective monitoring and flaws in evaluation of projects (Kakakhel, 2011).

As early as 1953 a National Planning Board (made into the Planning Commission since 1960) was set up in Pakistan for socio-economic development planning and decision-making. Five years’ development plans were formulated. Subsequently ‘Perspective Plans’ of 10 years or longer duration were also presented. Of the 10 five year plans presented between 1955 and 2013, only the second and third met substantial success. The status and effectiveness of the Planning Commission has also been changing. The Commission was the “nerve centre” of policy making during the Ayub Khan era (1958 – 1969). Zulfiqar Ali Bhutto's tenure (1971 – 77) was a “No Plan” phase, and the status of the Planning Commission declined. Subsequently, the commission's role is recovered but its former status as independent, apex advisory body has come under challenge.


Pakistan has had to develop many of these 'Reform Packages' as conditionality in return for financial support, from the IMF and the World Bank and none have been fully and effectively implemented. It can therefore be said that planning for sustainable development has remained largely unproductive.
ENVIRONMENTAL CHALLENGES AND PROTECTION EFFORTS

Water, air, and soil pollution is rampant in Pakistan, and efforts at reversal of forests depletion, lakes, and mangroves are inadequate. On the other hand, Pakistan’s vulnerability to the negative effects of climate change has become a major concern. Conservative estimates suggest that Pakistan's environmental degradation costs are no less than 6% of the GDP and these costs impact more upon the poor (Martin et. al, 2006).

At the same time, Pakistan has ratified and sought to implement fourteen multilateral environmental agreements (MEA’s), and actively participates in global environment-related events like Commission on Sustainable Development (CSD) and the Governing Council of UNEP. Legal and institutional arrangements for environment protection have been put in place. These include establishment of environmental protection agencies (EPA’s) at federal and provincial levels, National Conservation Strategy (NCS) in 1991, Pakistan Environmental Protection Act (PEPA) 1997, Certification of Environmental Laboratories Regulations (2000), the Revised Environmental Quality Standards (2000), the Pollution Charge for Industry Rules (2001), the Pakistan Biosafety Rules (2005).

The ground reality is that these ever growing environment-related institutions are inadequately financed, poorly staffed, mismanaged, insufficiently coordinated and suffer from lack of oversight. In their present form these arrangements are incapable of controlling the imprudent and unsustainable use of natural resources and growing dangers of pollution (Kakakhel, 2011). This being one of the greatest hurdle for sustainable development in Pakistan.

SOCIAL SECTOR ISSUES AND PROSPECTS

The Human Development Index placed Pakistan at 146th rank out of 187 countries in 2014, having the lowest social indicators in South Asia (HRD, 2015). Completion rate for primary education and public spending on health are the most severe challenges. Significant gender gaps in education, health and employment persist despite slight improvements in some areas. While official statistics claim reduction in poverty, rural populations remain highly vulnerable due to crisis in agricultural sector. Pakistan’s low human development indicators negatively impact its labor force productivity and sustainable development potential.
A combination of unfavorable internal and external developments may have undermined the efforts of successive governments to improve social equity. These include socio-political turmoil, militancy, exponentially high population growth, rapid urbanization, natural disasters and global economic recession. There is need to extending social protection and safety nets for the poorest and improve the quality of education and health imparted by public sector institutions.

SOCIAL SECTOR ISSUES AND PROSPECTS

Within a historical perspective, rate of economic growth in Pakistan has been impressive, despite there being some periods of tardy performance due to political instability, wars, division of the country, unfavorable weather conditions and natural disasters. Economic growth was brought about by industrial and agricultural productivity enhancement, investment in urban areas, remittances from expatriates, and grants from foreign governments.

However, structural flaws in the economy have persisted such as gap between domestic revenues and current expenditure leading to excessive dependence on external capital flows. There has been inadequate mobilization of domestic savings. Efforts to increase tax revenues from direct taxes and boost the export sector have not yielded desirable results. Pakistan's economic, social and environmental woes are driven by the fundamental issue of poor management of physical and human resources. Sustainability thinking may be the only way out of this quagmire.

IV. LITERATURE REVIEW

SUSTAINABILITY: A NEBULOUS CONCEPTION

Development that meets the needs of the present without compromising the abilities of future generations to meet their own needs' (WCED 1987). This is the generally accepted and long standing definition of sustainability [Synonymous with 'Sustainable Development'] presented by the Brundland Commission almost 30 years ago. Since the publication of this report and initiation of public discourse on the subject, the concept of sustainable development has become a multidimensional policy target and has been posited as an action-oriented, ethical rule for decision-makers the world over. Also referred to as 'The Triple Bottom-line', sustainability is
the reconciliation of ‘three pillars': economy, ecology and equity (Jordan, 2008). Despite the cynicism of many scholars for whom the concept is vague and rhetorical (Bawden, 1997; Fortune & Hughes, 1997) and the criticism that the concept draws away attention from political decision making needed to enforce legislation in real conflict areas, as well as disappointments in public discourse regarding meager outcome of sustainability strategies despite three decades of discussion, most authors agree that sustainability has essential implications for the governance of societies in the twenty first century (Hugé et al. 2013; Voß & Kemp, 2015). The adoption by world leaders in September 2015 of the '2030 Agenda for Sustainable Development' with its set of Sustainable Development Goals (SDGs), indicates the current relevance of sustainability approach in spite of apparent boredom of some quarters of the academic community with this concept.

Notwithstanding its significance and popularity, sustainability may seem to be a bewildering concept given its numerous, contested and ever-changing interpretations. However, as the modern world is becoming ever more diverse and complex, flexibility of interpretation can also be seen as a great strength of the sustainability approach. A single interpretation which attempts to be applicable across diverse contexts would be both impractical and dangerous (Bell & Morse, 2008). ‘Constructive Ambiguity’ is a redeeming characteristic of sustainability as it helps to gather many stakeholders in the society behind the same broad goals. Yet, while being a precondition for wide adoption and identification, ambiguity carries a risk of terminological abuse. For example, if sustainability is advocated as a blueprint or predefined end state from which to draw specific or short term governance prescriptions, such a conception would be a vague label which diffuses concrete challenges and reproduces the organizational arrangements which sideline social and environmental concerns. Therefore, sustainability must be recognized by its ‘nebulosityness’ which is a feature commonly found in emerging paradigms (Robinson 2004).
TABLE 2
Distinguishing characteristics of Sustainability Paradigm

<table>
<thead>
<tr>
<th>Description</th>
<th>Rationalist Paradigm</th>
<th>Sustainability Paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philosophy</td>
<td>Maximization of productivity and utility for economic growth</td>
<td>Modulation of economic, social and ecological components of development</td>
</tr>
<tr>
<td>Functionality</td>
<td>Programming and Control</td>
<td>Balancing and Networking</td>
</tr>
<tr>
<td>Focus</td>
<td>Policy Making</td>
<td>Problem Handling</td>
</tr>
<tr>
<td>Goals</td>
<td>Reaching Predefined ends</td>
<td>Nudging evolutionary processes</td>
</tr>
<tr>
<td>Structure</td>
<td>Technical/ Mechanistic</td>
<td>Contextual/ Fluid</td>
</tr>
<tr>
<td>Strategy</td>
<td>Precise targeting, concentrated action, reduction of uncertainty</td>
<td>Changing political force fields, steering iterative and participatory coordination among heterogeneous actors.</td>
</tr>
<tr>
<td>Problem treatment</td>
<td>Cause and effect / linear models yielding piecemeal solutions</td>
<td>Redefinition of problem for interconnected, future oriented action</td>
</tr>
<tr>
<td>Implementation</td>
<td>Good Governance, Firm Competitiveness</td>
<td>Reflexive Governance, Corporate Social Responsibility</td>
</tr>
<tr>
<td>Mechanism</td>
<td></td>
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</table>

FEATURES OF SUSTAINABILITY PARADIGM
As an emerging development paradigm, sustainability offers unique understanding and change in perspective for achieving lasting economic and human progress. As compared to the rationalist political and administrative paradigm with its focus on planning and control, sustainability offers an integrative and systemic approach to problem solving. Differences between these two worldviews are identified in Table 2.

STRONG SUSTAINABILITY VERSUS WEAK SUSTAINABILITY
Two typologies of sustainability based on level of intensity are often discussed in literature namely: Strong sustainability versus Weak sustainability (Rozema et al. 2012). Strong sustainability is focused
primarily on ecological concerns. Emphasizing the existence of critical, non-substitutable natural resources and maximum carrying capacity of an ecosystem, strong sustainability calls for protection of natural environment as a priority.

FIGURE 1
Schematic Representations of Weak and Strong Sustainability (Cheng & Hu, 2010)

Strong sustainability argument implies that the environment is vital for human survival. Environmental degradation maybe irreversible and it will have negative repercussions for the economy and the society; therefore, ecosystem quality must be maintained or improved irrespective of economic cost.

On the other hand, weak sustainability is a consensual approach, suggesting 'the pragmatic integration of development and environmental goals' (Hugé et al. 2013). The interests and views of various stakeholders,
as well as different temporal and spatial dimensions are brought under this overarching conception. For some authors, weak sustainability is a type of economic sustainability where the focus is on allocation of financial and human resources and levels of consumption. It is assumed that environmental quality can be valued in monetary terms and can be traded against socio-economic gain (Bell & Morse, 2008; Liu, 2009). Environmental concerns are not seen as being in conflict with socio-economic modernization.

Of these two typologies, the weak sustainability form is the one that has gained more currency (Bell & Morse, 2008; Hugé et al. 2013). The proponents point out that increased levels of national income lead to higher levels of environmental protection, supporting their argument on the basis of the iconic Environmental Kuznets Curve (EKC)

GOVERNANCE INFUSED WITH SUSTAINABILITY: REFLEXIVE GOVERNANCE

The pragmatic aspect of putting sustainability into practice brings the issue of governance to center stage. In the last three decades since the world started experimenting with this notion, it is more or less established that sustainability is not automatic or preordained but needs to be carefully communicated and managed through governance structures. It is learnt that governing processes are embedded in cultural and political systems and governance arrangements at local, regional and global levels interrelate and interpenetrate with one another (Jordan, 2008).

The concept of governance has traditionally been related to the role of the sovereign state in administering political, economic and social processes and institutions to attain the goal of national progress. For example, the 'Governance and Development' report of the World Bank (1992) stated "(Governance is…) epitomized by predictable, open and enlightened policy making; a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law." In recent years though, bureaucratic modes of governance have become unpopular and forms of governance are evolving which include a broader assortment of public, private, and non-profit organizations than would conventionally have been included within a purely `governmental' framework of governance.
The mode of governance has a deep impact on framing and implementation of sustainability reforms and policies. Different modes of governance include:

1. Hierarchy (centralized/regulatory/governmental)
2. Market (competitive/corporate)
3. Networks (collaborative/participatory/adaptive).

Currently, all three modes co-exist and dominate in different contexts. So, while the hierarchical form may have weakened in the sense that governments directly deliver fewer public services than before, state capacity of surveillance and facilitation of other actors, remains a critical factor for implementation of reforms. Market form of governance offering the advantage of efficiency and economic viability can solve sustainable development challenges through innovative technologies. Finally, network-based modes are currently preferred form of governing in which a network of participating actors is expected to determine how to steer society with minimum intervention from outside the network. When adopting the principles of openness, coherence, efficiency, and proportionality, network-based governance offers workable, indigenous solutions to sustainability problems (Hendriks & Grin, 2007).

Network-based governance being the hot topic of today has been given many other titles in literature such as participatory governance, transition governance, adaptive governance, meta governance and reflective governance. A popular term for governance infused with sustainability consciousness is 'Reflexive Governance' (Voß & Kemp, 2015). This is a style of steering which encourages network members to scrutinize and reconstruct the underlying assumptions, institutional arrangements and practices to address 'recursive problems of modernity' (Hendriks & Grin, 2007).

Reflexive governance is typically conceptualized as a self-critical, creative and interactive process which mobilizes the knowledge and resources of diverse societal actors. It includes appreciation of state-led activity of facilitating socio-technological transitions and modes of network co-ordination to support system innovation. Other characteristics of reflexive governance include: acknowledging ‘ambiguous and contested nature of sustainability’; knowing that perspectives and solutions
are conditional and context specific; accepting that negotiation is required to build legitimacy, rather than being gained through ‘authority’ or ‘neutrality’; recognition that interventions may clash with established interests generating power struggles; and that outcomes of sustainable development depend on wider political discourse (Meadowcroft & Steurer, 2013).

Reflexive governance can enable stakeholders to tackle the so called 'Wicked Problems'. Sustainability problems are often referred to as 'wicked' because they are not easy to define, they can be very controversial, they change over time and various stakeholders conceive their nature, causes and solutions differently. 'Wicked Problems' require comprehensive solutions modified according to ground realities. Solution to wicked problems also involves behavioral change on part of citizen groups in that they would have to take ownership of the reform process. This amounts to discontinuing routines that are irrelevant to the problem, developing, adapting and reviewing new actions in a search for more durable social-ecological relations (Kenny, 2012). Such a solution is offered by Andrews et al. (2015) which they call the Problem-Driven Iterative Adaptation (PDIA) framework. The four core principles of the PDIA framework are as follows:

1. Local solutions for local problems
2. Decision-making that encourages ‘positive deviance’
3. Embedding experimentation in a feedback loops for experiential learning and real-time adaptation
4. Engaging sector champions to ensure that reforms are viable, legitimate, relevant

CORPORATE SOCIAL RESPONSIBILITY: MAINSTREAMING SUSTAINABILITY IN MANAGEMENT

Sustainability concerns are important at both the macro level of society as a whole, as well as the micro level of the firm. At this level, measures of (weak) sustainability consider the speed at which resources are consumed by the company compared to how soon these resources can be regenerated. Corporate sustainability has several other titles such as 'Triple-bottom-line (TBL)', green/sustainable/ethical management practices, and the popular term 'Corporate Social Responsibility (CSR)'. The voluntary conflation of
the 3 Es of sustainability: ecology, economy, ‘beyond legal compliance’ is the distinguishing feature of CSR (Carroll, 1999). Due to its focus on strategic philanthropy, innovation, environmental stewardship and social accountability, CSR has become embedded in management policy. This is despite the fact that evidence for 'Business Case' of CSR is ambivalent (MIT, 2011). While it has become very fashionable for to express concern about CSR, in reality economic bottom line still dominates corporate decision-making (Steger et al., 2007). Therefore, strengthening of 'Business Case' for CSR based on expansion of stakeholder spheres and eco-innovation remains critical for adoption of CSR principles in strategic business operations.

According to Aras & Crowther (2008), Corporate Sustainability has four inter-related equally important dimensions, namely:

1. Societal influence, (social contract and stakeholder influence)
2. Environmental impact (geophysical effect of production)
3. Organizational culture (relationship between the firm and its internal stakeholders)
4. Finance (an adequate profit as a return for undertaking risk).

FIGURE 2
Model of Corporate Sustainability (Aras & Crowther, 2008)

Figure 2 represents these four aspects along the two polarities of organizational performance i.e. internal versus external focus and short term versus long term focus. It shows that sustainable companies recognize
the exigencies of the local and global environment, taking into account present and future needs of a broad array of stakeholders.

Smith & Sharicz (2011) present seven elements deemed critical for satisfactory implementation of the broad CSR concept. These include:

1. Corporate governance
2. Leaders espousing sustainability agenda
3. Business plan for corporate sustainability
4. Organizational sustainability learning
5. Organizational culture for nurturing sustainability
6. Sustainability supporting information systems (IS)
7. Measurement and Reporting on triple bottom line performance

V. COMPARATIVE ANALYSIS

NATIONAL SUSTAINABLE DEVELOPMENT STRATEGY (NSDS) 2012: A TYPICAL POLICY STATEMENT OFFERING FEW DELIVERABLES

In a joint publication of UNDP and Government of Pakistan, the NSDS is presented as the 'Pathway to a sustainable & resilient future' of the country. The 67-page document outlining the NSDS, addresses every aspect of sustainable development from theoretical insights on the subject to current scenario in different areas of sustainable development along with specific strategic solutions to the problems identified. The sheer volume of the information provided would be useful to a scholar investigating the landscape of development activities in Pakistan in terms of the 'weak sustainability' argument, except that as is duly acknowledged, the report is largely based on work already done on the subject by SDPI (Sustainable Development Policy Institute).

The report opens with an inspiring vision statement: 'to evolve a just and harmonious society in the country through promotion of a vibrant and equitable economic growth without overexploitation of natural resources with fair distribution of development dividends to all; in particular to the marginalized, poor and vulnerable in the society and to future generations'. Presented as the state's commitment to further the sustainability cause, such assertions nevertheless seem rhetorical given that similar visions in the past have not amounted to much. The strategy goes on to dedicate
separate chapters to Inclusive Economic Growth, Social & Human Development, and Environmentally Sustainable Development, The Emerging issue of Climate Change and Sustainable Development and Implementation Mechanism. Each chapter has seven to eight sections in which priority areas are discussed in specific detail. In each section, first the context is established, followed by issues and trends and finally seven to eight strategy recommendations and intentions are stated. So overall, the NSDS provides more than 120 strategies to achieve the stated vision. From a theoretical standpoint the strategy deliberates on every relevant theme of sustainable development. However, on a practical level the strategy has hardly any deliverables. The implementation mechanism proposed in the strategy did not materialized as per the timelines provided. At least no news reports to the constitution of 'National/Provincial/Local Sustainable Development Councils ' or Performance Reviews were available online till the presentation of this paper, 4 years after the date of publication of the NSDS. This reflects poor media engagement and reporting inconsistencies. Also there is a lack of credible data which could have helped in mid-term course correction.

The precursor of the NSDS, the National Conservation Strategy (NCS) presented twenty years earlier had presented many similar policies. Mid-term review of NCS in year 2000 revealed that awareness raising and institution building along with strengthening civil society influence on environmental issues were the primary achievements of NCS more so than improvements to the environment and natural resources. It was suggested that to improve outcomes:

- Strategy should be given adopted by the government, the key partners and stakeholders in letter and spirit.
- Instead of top-down and supply driven approach, follow bottom-up and demand-driven strategy.
- Establish a strong and responsive administrative structure.
- Improve monitoring and evaluation of the NCS by developing and operating an effective feedback mechanism.
- Enlarge the scope of financial outlays for meeting objectives of the strategy, including innovative sources of investment and funding.

Further the review suggested NCS-2 to serve as Pakistan's sustainable development strategy. So in fact a completely new NSDS was not
recommended. At the very least the NSDS should have incorporated the lessons learnt from the experience of NCS if it was to be more than just another policy statement. In the case of NSDS, as in cases of similar policy prescriptions, it is difficult to ignore lack of co-ordination among donors and an absence of accountability mechanisms for their interventions. Finally, the lack of political will to deliver on the proposals of NSDS seems to be the greatest hurdle in its execution.

NATIONAL FINANCIAL INCLUSION STRATEGY (NFIS) 2015: AN EMERGING SOLUTION SHOWING PROMISING RESULTS

Launched in May 2015 at an impressive ceremony which included Governor and Deputy Governor State Bank of Pakistan (SBP), Finance Minister of Pakistan, Country director World Bank and Head of the UK’s Department for International Development in Pakistan, the NFIS is an initiative drawing ownership and commitment from senior leadership of the country. The NFIS has a clear goal of 'financial access to 50 percent of the adult population by 2020' with a three pronged approach including, setting up of a facilitating legal & regulatory framework; implementation of policy proposals to enhance credit, credible information and sound infrastructure on sustainable basis; and building partnerships and alliances for capacity enhancement and advocacy of Financial Inclusion agenda. There are eight focus areas namely: Digital Financial Services & Payment Systems; Microfinance; Agricultural finance; Housing finance; SME finance; Islamic finance; Financial Literacy and Consumer Protection; Insurance and Pensions. Within each area the NFIS looks at the specific challenges and defines operational tactics to be undertaken. There is also a 'Frame of Action' which puts all the actions required to meet the NFIS goal within one framework.

The real value of the NFIS lies in the functional capacity of its 'Coordination Structure'. Based on credible data generated through a nationally representative demand side survey (Access to Finance Survey - A2FS), review of progress has been undertaken by the NFIS Council (under chairpersonship of Minister Finance) which has had two formal meetings within the span of a year. Implementation of the NFIS is being
undertaken by Steering Committee (under chairpersonship of Governor State Bank) and various Technical Committees in NFIS focus areas are working diligently on achieving their specific targets. High-Level Follow-up Dialogue of NIFS under auspices of development agencies at international forum has also taken place. More importantly, report of this dialogue is readily available online, enabling scholarship, advocacy and media engagement.

Connected to the Sustainable Development Goals (SDGs) framework, NFIS entails a desire to empower financial consumers and restore their 'Right to Dignity and Fairness'. It focuses on marginalized sections of the society like low-income households (small farmers), women and small and micro enterprises. Important outcomes are already being reported such as doubling of access to formal financial services overall and tripling of women's access since 2008 (A2FS, 2015). The truly remarkable outcome however has been in terms of 'Branchless Banking' or 'Mobile Banking/Financial Services (MFS)'. Pakistan is considered as one of the fastest growing markets for branchless banking in the world. By using mobile phones and engaging small shop owners, this innovative technological system has helped catalyze a business model for low-income households, even in the most remote areas of the country.

The NIFS can be considered as an enabling device for Reflexive Governance. Nevertheless, it cannot be considered as a Sustainability Strategy as it completely misses the environmental component. And it is not even being suggested that the NIFS should include an environmental component. Example of the NSDS proves that an overdose of objectives can render a strategy practically useless. What is being advised here is that the 'Coordination Structure' of the NIFS becomes more environmentally informed and recognizes that social responsibility is incomplete without environmental responsibility. The next initiative being presented in this paper is helping to build such sustainability consciousness.

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE (PIGC): RAISING AWARENESS, BUILDING CAPACITIES

PICG is a not-for-profit company and public-private partnership established since 2004 for training and education on corporate governance.
In addition to the Securities and Exchange Commission of Pakistan (SECP), it is championed by SBP, the three stock exchanges in Pakistan, banking and insurance associations, apex bodies of the corporate businesses and Non-Bank Financial Institutions (NBFIs) as well as the leading business educational institutions. The stated objectives of PICG are:

- To promote awareness of corporate governance and encourage professional interaction among members and stakeholders.
- To enhance accountability of management to stakeholders including employees, customers, suppliers.
- To strengthen compliance by companies to laws and regulations, and promoting self-regulating practices.
- To organize events and publish reports to circulate information and data pertaining to corporate governance and maintain a library to encourage research.
- To strengthen performances of the Institute and enhance the global competitiveness of local companies.

To achieve these objectives PICG is offering several specialized services at nominal cost. For example:

**Director Placement Services:** To facilitate companies with their search of accredited directors thereby helping in appointment of Independent Non-Executive directors.

**Executive Education:** To develop sensitization and behavior for responsible sustainable business.

**Corporate Governance training skills:** Director training program.

**Company Exclusive Director Training.**

**Bank Governance:** Director Orientation Workshop.

**View from the board-room:** Breakfast networking session for sharing board room experience.

**Research publications:** Policy guidelines and surveys.

**Advisory Services:** On best corporate governance practices, with practical recommendations and implementation monitoring.

**Global Network of Director Institutes (GNDI):** To open opportunities for learning and sharing of experiences with international colleagues.

**Events:** Conducting conferences and seminars for advocacy and skill building. For example, 'Conference on Sustainability Reporting, Corporate Social Responsibility and Governance (January 22, 2013)' sponsored by Lucky Cement and JS
Bank and co-sponsored by Attock Refinery Limited and Lotte Pakistan PTA Limited.

These services of the PICG can become the game changers in sustainability efforts. Considering the seven elements critical for CSR implementation, only reporting on TBL performance is not addressed. Besides broadening the membership base, there are ample opportunities to create more alliances between PICG and its current members. For example, some media houses on the membership list can further promote this organization's work. Networking with other government agencies can be done in future. A hurdle being the bureaucratic nature of government in which collaborations are generally avoided. Nevertheless, if initiatives like NFIS and PICG can somehow be linked, that would be an example of reflexive governance.

VI. RECOMMENDATIONS

Development planners and managers of public and private organizations having the intent towards practical uptake and mainstreaming of sustainability approach must realize that real solution of Pakistan's development problems will be 'homegrown'. Hussain (1988) had suggested some solutions which still remain relevant today. Moreover, these solutions fit in well with the Problem-Driven Iterative Adaptation (PDIA) framework as shown below:

- **Solving Local Problems with Indigenous Solutions**
  - Instead of importing expensive, capital intensive technologies, indigenous technologies should be developed which are more suited to local resource availability
  - To fill the energy gap, smaller hydroelectric dams for example in the upper reaches of the Indus between Terbela and Skurdu would have to be constructed.
  - Transport, communications and construction infrastructure networks linking small towns and far off communities.

- **Decision-making that includes diversity of thinking**
  - Decentralization of planning and monitoring from the federal and provincial level to district, village and mohallah level.
  - Inter-ministerial policy planning mechanisms, for ensuring preservation of the fragile natural environment in Pakistan.
Development of professional proficiency and expertise as well as public awareness on environmental issues

- **Experimentation, experiential learning and real-time adaptation**
  - Acceleration in the advancement of small towns and associated small scale industrial clusters for rapid exchange of skill and know-how.
  - Technical training institutes providing qualified workforce which can invent and improve new equipment and machinery.
  - Financial incentives for establishing technologically self-reliant industries

- **Viability, legitimacy and relevancy of reforms to be ensured by Sector Champions**
  - Industrial and Agricultural Catalyst responsible for monitoring the progress of projects at the community level as well as specifying and overcoming project bottlenecks by bringing in support from local professional teams.

In order to harness the dynamism of Pakistan's private sector for fostering sustainability, Akhtar (2014) has suggested the following measures. It may be noted that these are in line with the modern conception of sustainability paradigm, reflexive governance and responsible management:

- Pakistani companies should link with the value chains in the region that have emerged as main drivers of growth in economies of East Asia.
- 80% of the workforce in Pakistan remains stuck in informal sector employment, with little or no social protection and social benefits. Sustainable development is possible only if the private sector can be positioned to promote inclusive growth and contributed towards job creation in the formal sector.
- Business Enterprises must play their part in increasing domestic revenues thereby helping in finance of critical public goods and services, and creating a virtuous circle.
- Attract investment in inclusive businesses and critical industries having potential for job creation and added value through the application of innovative processes and skills.
- Encourage a new stream of confident and innovative young entrepreneurs for developing innovative start-ups in areas such as the environment, education, health and skills. 'Social Entrepreneurs' can greatly benefit from the contribution of private resources, including traditional philanthropy; social venture funding; hybrid or ‘blended-value’ financing mechanisms; employee volunteerism.
- The private sector needs to espouse a longer time perspective in its investment criteria and try to make more effective investments in its production and marketing techniques.
- Private investments in sustainable energy projects for energy efficiency, more energy access, and cleaner energy sources will be critical for supporting the sustainability agenda.
- Businesses should lead in exploiting the potential of recycling and waste management that could lead to the creation of entirely new industries.
- Companies need to look beyond business-as-usual thinking and move towards creative use of technologies to generate wealth. Smart urban centers should be setup through public private partnerships (PPPs) for low carbon industrial development and environmentally conscious pathways for urbanization in Pakistan.
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