


# Economy or environment?

 [paper.brecorder.com/2019/01/10/2-page/757837-news.html](http://paper.brecorder.com/2019/01/10/2-page/757837-news.html)

January 9, 2019

With increasing reliance on coal, Pakistan finds itself stuck in what has been decades long debate: the tradeoff between economic growth and environmental protection. Couple that with increasing urbanization, unsupervised manufacturing processes and industrial activity, and increasing motorization, it makes a perfect recipe for deteriorating environmental health of the country. Latest evidence of this lies in occurrence of smog in a province with the largest population as well as a significant share in industrial activity.

Such a scenario is not new for a developing country vying for economic growth. Signs of smoke were considered good in the past as it signaled industrial activity. It is only recently that China has started taking stock of the environmental concerns against itself (albeit seriously), and same is the case with India though both continue to produce a large chunk of their electricity via coal.

Two kinds of thinking exist in today's world. One is where the developing countries choose economic growth at the cost of environmental protection as they have to focus on industrialization and manufacturing. This perception still exists among many industrialists and business men around the world, and they believe that some level of economic growth needs environmental sacrifice.

A well-documented theory that explains part of this thinking is the Environmental Kuznets Curve, and its inverted U-shape suggests that economic development initially leads to worsening environment, which then begins to improve after a certain level of economic growth. This theory summarizes that the economic growth is good for the environment eventually. But elsewhere in the developed world, like Europe, the debate on the trade-off between economic growth and sustainable development is being considered old-fashioned where countries are favouring environment for a sustainable economic growth. This bunch criticizes that economic growth always leads to improved environment. In their view, targeted government policies and will is required to make economy compatible with the environment.

Both such views are shared by leaders in the country. While environmental protection has emerged of interest in policymaking; in a recent interview with BR Research, Shahzad Saleem, Chairman Nishat Chunian Group said that for a developing nation like Pakistan, cheap energy is a prerequisite for any meaningful industrial development; and granted that it might not be good for health reasons, coal powered generation is still the cheapest.

The question that then begs attention is whether you want to go through what China went through? Or is it the only path to economic growth? If so, the concept of sustainable growth and sustainable development is seriously flawed. If not, then this whole either-or discussion, choosing between energy security, economic growth and environmental protection should be made less tedious by at least chalking a middle ground for an acceptable tradeoff between economic growth and environmental protection. It requires the art of maneuvering and improvising and taking unique steps to balance growth with environmental protection – something that the successive governments in Pakistan have always shied from.

Areas where the government can seriously work include setting rules and enforcing standards like air pollution regulation to cut the incentives for trading off long term benefits for immediate gains. Businesses must be made to avoid unscrupulous practices while dealing with environmental issues. Polluters should be held accountable. Off-grid renewable solutions should be made accessible to reduce emissions. Shift toward greener economic activities where possible, such as services should be encouraged. These are some ways that can help the country avert the environmental crisis experienced by other developing countries. One threat these days is smog, which should be dealt with extreme seriousness. The government has taken some concrete steps to counter the menace, but more on that later.