Political Economy of Energy Transition in Pakistan in Post-COVID-19 Development Priorities

Can social and environmental aspects be temporarily neglected for the sake of economic development? The answer to this question is layered in nature and carries various facets that have to be holistically considered. A pressing issue for developing governments is the provision of electricity to its citizens at affordable rates to improve quality of life and welfare. To achieve this target, many developing countries have recently shifted to coal-based energy generation; in addition to the traditional hydel mode of energy generation where applicable. The looming danger of climate change, intertwined with the prediction that temperatures around the globe will increase by average 1.5-2°C, is alarming. In this regard, those developing countries that have been shifting to coal would require quick phasing-out action for national and global mitigation efforts (Spencer et al., 2018).

In Pakistan, widespread energy shortages and loadshedding, for the past decade or so, have often been blamed for the crippling state of the economy, particularly the export sector. With chronic losses in the transmission and distribution sector of the country, a weak regulatory sector and underinvestment in the power generation sector, in 2013, the country faced the worst energy shortages up to 6600 MW (Aziz and Ahmad 2015; NEPRA 2018). Later, Nawaz Sharif’s government was re-elected based on promises of a reliable and affordable electricity supply and complete eradication of loadshedding for the nation (Downs 2019). Following up on these promises, the government increased energy supply in the country, mainly through coal. Thus, began the country’s shift towards coal, while the rest of the world including powerful countries like China itself and the United States, shifted away from this pollution-intensive resource.

Nevertheless, the current government has shown its commitment towards meeting their climate change goals, and use of sustainable energy resources. Considering the objectives of the recent Alternative and Renewable Energy Policy 2019, the country needs to have a 20% renewable energy generation capacity by 2025; and at least 30% by 2030, in addition to a 40% share in the energy mix kept for hydel power. Along with providing sustainable supply, the policy also targets better environmental outlook. However, some questions require in-depth investigation in these circumstances, which include the following:

1. What are the current overall policy objectives (i.e. poverty reduction, job creation, etc.,) and how energy policy relates to such objectives? How will these be affected due to the COVID-19 pandemic?
2. What are the current government strategies for the energy mix of the country and what are the efforts for shifting to renewables? What is the role of different stakeholders in phasing out coal-based power plants from the country?
3. What is the role of private sector engagement in the energy sector for producing electricity from renewable sources, as well as strategies and views of phasing-out coal-based power plants?

References

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Panel Organisers

Dr Hina Aslam, Associate Research Fellow, Sustainable Development Policy Institute, Islamabad, Pakistan
Email: hinaaslam@sdpi.org

Mr Kashif Majeed Salik, Associate Research Fellow, Sustainable Development Policy Institute, Islamabad, Pakistan
Email: kashif@sdpi.org