

Efforts made by the Government in Resolving Pakistan's Energy Crisis: Analysis of Public Opinion in Pakistan in Year 2015 by Abdullah Tajwar, Research Executive at Gallup Pakistan

Abstract: The results of this article are predicated on a Gilani Research Foundation Survey conducted by Gallup Pakistan among a sample of 1822 men and women in rural and urban areas of all four provinces of the country, during June 29 – July 06, 2015 with an error margin of approximately $\pm 2-3$ per cent at 95% confidence level. In the survey, the representative sample was asked the following question: "Some people believe that the current federal government is genuinely trying to solve the energy crisis, while others believe this is all corruption and wastage of time and the government is not doing anything serious to solve the problem of energy crisis. What is your opinion about this?" In response to the question, 54% of the Pakistani public said that some serious efforts are being made to solve the energy crisis while 44% Pakistanis were of the opinion that it is wastage of time and money. 2% of the respondents chose not to answer.

Introduction to Pakistan's Energy Crisis

All development in today's world is driven by energy. The human race has become hopelessly dependent on it. Our modern economy is primarily sustained by energy, particularly energy harnessed by the earth's fossil fuels, namely, oil, coal and gas. Through energy we also obtain electricity, which is the life source of our technologically driven world of the 21st century. It lights our cities, powers our computers, drives our automobiles, sustains our industries and enables further advancement in technology. Needless to say, the importance of energy in our lives cannot be stressed enough. Without it, the Industrial Revolution may never have happened and the world as we know it today would not have existed.

Unfortunately for Pakistan, the demand for energy has far exceeded its supply in recent years. This energy shortfall has hit Pakistan hard, causing Pakistanis to suffer as a result of recurring electricity cuts and industries to shut down due to machinery being unable to operate without a stable power supply. Statistically, the situation is worse. Peak power demand is expected to be nearly 32,000 megawatts by the year 2019, approximately 10,000MW more than current installed capacity. However, actual power production in Pakistan today stands at a mere 12,000 megawatts. Hence, peak demand just four years

from now could be nearly triple the amount of power produced today.¹ However, with an exponentially increasing population and rampant urbanization in recent years, this demand will inevitably increase. At present, the two largest sources of energy production in Pakistan are water and fossil fuels, which produce hydro and thermal power respectively. However, the two main hydroelectric power dams of Pakistan, namely Mangla and Tarbela Dam, have fallen significantly short of fulfilling the demands of an ever growing nation.

Furthermore, as far as fossil fuels are concerned, natural gas has been the fuel of choice for Pakistan since the discovery of reserves at Sui in Baluchistan. Pakistan ranks as the highest consumer of natural gas in South Asia. It has been used in homes for heating and cooking, in the fertilizer industry, in cars as fuel and most importantly, for electricity generation in thermal power plants. Additionally, the exponential depletion of Pakistan's natural gas reserves brought about by the usage of Compressed Natural Gas (CNG) in cars in recent years has led to the government carrying out gas-load shedding in the months of winter, thereby depriving the ever growing population of Pakistan from using gas stoves for cooking and heaters to keep the winter chill at bay. This aggressive consumption of natural gas in prior years has now led to this crisis. As gas reserves deplete, more fuel would subsequently have to be imported in order to sustain Pakistan's ever growing energy demands, thus depleting Pakistan's foreign reserves. However, this import would only make electricity in Pakistan even more expensive for the consumer, thus piling more misery on the public.

When the incumbent government of Pakistan came into power in 2013, its leaders proudly claimed that they would end Pakistan's energy crisis by the end of their five year tenure. However, two years on from the general elections of 2013, the energy crisis still shows no signs of ending. Load shedding is still rampant in all urban and rural areas of the country and the winter of 2015-2016 will also herald the shedding of gas to consumers. Hence, some may argue that the situation has in fact gotten worse, and they may have a point. However, that is not to say that work is not being done with regards to electricity generation. Work is being done on the Neelum-Jhelum Hydroelectric Project despite facing substantial delays. This project, once operational, will add around 1000 megawatts to the national grid. Furthermore, the Government has also been continuously advertising the Pakistan-China Economic Corridor (CPEC) and the various power projects tied to it. Most notable has been the recently inaugurated Quaid-e-Azam Solar Park in Bahawalpur, Pakistan's first solar power plant. Built by the Chinese, it is slated to generate 100 megawatts for now. However, it is planned to increase its generation capacity to 1000 megawatts, in the process making it one of the largest solar power parks in the world.²

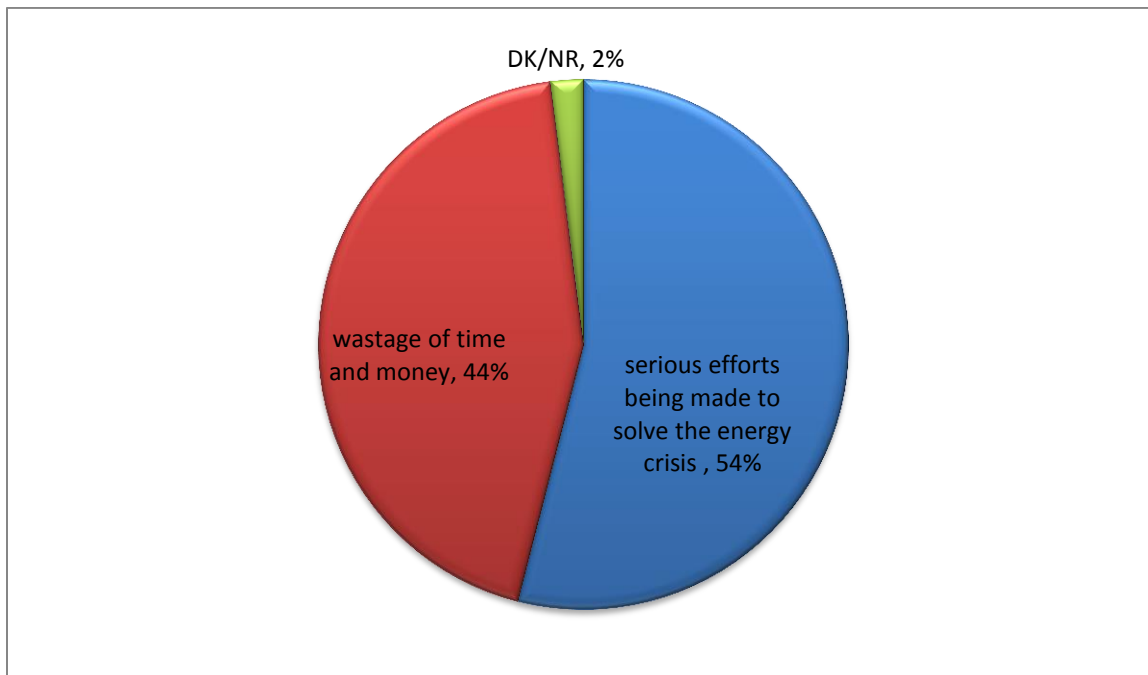
Public Opinion on the Government's attempt to resolve Pakistan's Energy Crisis

Empirically speaking, the majority of Pakistanis also feel that this government is indeed making a concerted effort to solve the energy crisis. In a survey conducted by Gallup Pakistan the end of June 2015, a representative sample of men and women were asked the following question: **"Some people**

¹ (Kugelman 2015, 1)

² (The Express Tribune 2015, 2)

believe that the current federal government is genuinely trying to solve the energy crisis, while others believe this is all corruption and wastage of time and the government is not doing anything serious to solve the problem of energy crisis. What is your opinion about this?" Upon the conclusion of this survey, it was found that 54% of the public felt that the government was making a genuine effort regarding the resolution of the energy crisis whereas a significant minority (44%) felt that the efforts were merely a waste of time and money. The empirical findings of this survey are presented in a pie-chart.



Source: Gallup Pakistan Nationally Representative Survey 2015

As can be observed from the pie-chart, a sizable proportion of Pakistanis are still of the belief that corruption and mismanagement within the government will only cause these efforts to go to waste. It therefore becomes important to analyze the causes behind this negative public opinion. The most obvious explanation lies in the fact that the situation on ground has not gotten better. Despite a myriad of projects announced by the government, almost all of them have yet to become fully operational. Hence, in the absence of tangible results regarding the resolution of this crisis, the public is bound to question the integrity of the government's efforts. The Neelum-Jhelum Hydropower Project, initially slated to be completed by the end of 2016, is suffering from delays due to an acute shortage of funds. Therefore, this project, despite being of immense strategic importance to Pakistan still might not see the light of day for some years yet. Prime Minister Nawaz Sharif, who had visited the site of the dam in 2013, had directed the management team to ensure the completion of the project within the year. Resultantly, a revised plan had been sent to the Government to ensure the speedy completion of the project. However, this speedy completion required a timely disbursement of around 14 billion rupees. However, despite the approval of this plan by the Prime Minister, the Government failed to disburse this

amount for an entire year. By then, costs had risen even more and the project had started running into more problems.³

Conversely, in this same time period, the Government of the PML-N continued to provide seamless funding for the Metro bus Project in Islamabad and Rawalpindi; a project that cost the national exchequer a staggering 44.84 billion rupees.⁴ Giving precedence to a public service project considered by many as massively high-priced and unnecessary over a project deemed to be a national priority clearly points towards a case of wrong prioritization by the decision makers sitting in the government. If a lack of funding was in fact the major impediment hindering the completion of the Neelum-Jhelum Project then working to resolve this issue should have been the foremost priority of the Government, particularly in light of an ongoing energy crisis. Furthermore, there are a number of problems in the existing electricity infrastructure of Pakistan that haven't been fixed by the Government since coming into power in 2013. Pakistan has an inefficient, inadequate and obsolete transmission and distribution network which results in a substantial loss of power before it reaches the final consumer. Furthermore, instances of widespread electricity theft remain unchecked. The major part of the problem lies in governance, or a lack of it. Poor governance, characterized by mismanagement, corruption, and inefficiency is the reason why Pakistan continues to suffer from line losses during distribution, poor decision making regarding prioritization of public projects as well as a shortage of funds for power projects.

Conclusion

The energy crisis in Pakistan needs to be understood not merely as a problem of a lack of power generation capacity. An efficient and effective resolution of this crisis lies in the knowledge of the fact that all the problems associated with the energy shortfall in Pakistan, problems of losses in transmission, theft, poor governance need to be tackled in tandem with increasing power generation in the Country. Though the PML-N Government has initiated or has planned a number of power generation projects, it needs to ensure their timely completion in order to observe a reduction in the massive energy deficit of Pakistan. Moreover, it needs to work on the up gradation and better maintenance of the existing transmission and distribution network and improve the governance of state institutions managing Pakistan's energy sector. To conclude, the Government needs to adopt an integrated approach which addresses all energy requirements instead of focusing on just part of the bigger picture. Only a sincere and concerted effort to this end will result in tangible changes in the energy outlook of Pakistan.

³ (Dawn Pakistan 2015, 3)

⁴ (Dawn Pakistan 2015, 3)

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