

The energy crisis

EMERGING in 2006-07, Pakistan's energy crisis still haunts the country — be it lengthy load-shedding, the growing demand-supply gap, energy insecurity, increasing reliance on imports and circular debt. In recent years, it has become more complicated both in dimension and intensity.

Has there been any effort to determine what went wrong? Apparently not. The energy crisis did not take us by surprise; from a surplus of power in 2001 to a deficiency in 2006, the period was long enough for us to have taken action. The crisis has been cultivated by years of negligence and wrongdoing. Senior Wapda officials were raising the alarm as early as 2003, only to be snubbed by key decision-makers. The Nandipur power project is a classic example, speaking volumes for how successive regimes since 2007, when the project that was set to become operational, have jeopardized it.

Has there been any effort to evaluate the impact of the energy crisis on Pakistan's GDP and macro-economy? It does not seem so. The energy crisis has cost the national economy dearly, not only the loss to GDP in terms of missing energy due to the demand-supply gap but also the loss to industrial and commercial activities due to load-shedding and flight of capital from the country. Safe estimates suggest that it has cost the national economy over \$100 billion.

Has there been any account produced to determine the consequent deindustrialization and flight of capital? Again, no. The crisis has played havoc with our industrial activities. In industrial cities such as Karachi, Lahore, Gujranwala and Faisalabad, thousands of factories have shut down or are operating at the bare minimum level, which has resulted in huge flight of capital as investments have shifted elsewhere. What a shame that it was not just more advanced countries like Canada, Malaysia and UAE that saw a major influx of Pakistani investors, but countries such as Bangladesh and Sri Lanka too.

Ten years on, are we any closer to solving the issue?

Has there been any effort to analyze the impact on micro-level socioeconomic? No. The crisis has heavily dented the socioeconomic fabric of society, reportedly resulting in the loss of thousands of jobs mainly due to skewed industrial and commercial activities. With those affected often being the sole breadwinners of their households, the situation has led to dire socioeconomic implications for millions of people. In the absence of any social welfare support, being pushed towards crime and other forms of moral corruption has been the unfortunate, inevitable outcome for many.

Have lessons been learned? No. With vision and commitment, challenges can be turned into opportunities. And opportunities have definitely arisen, but only for certain individuals rather than the masses or the country at large. Many who have been observing closely argue that the energy crisis is another example of how crises are crafted to serve vested interests.

The entire energy sector, in terms of administration and functions, needed to be overhauled; malpractices and wrongdoings that caused the crisis to be corrected; and projects and deals transparently handled. But the state of affairs shows that little has changed; in fact, strong efforts are needed to ensure transparency and merit. Moreover, reckless decision-making must be avoided. It is unfortunate that powerful lobbies still appear to be dictating key energy decisions.

Has any goal-oriented policy and road map been developed to drive Pakistan towards a sustainable energy future? Efforts here too have been sparse. The diverse and complicated nature of the crisis demanded a paradigm shift in the modus operandi: a holistic and coherent energy policy, a goal-oriented approach and an implementation road map. But the situation is without direction. Various ministries, departments and cells still work haphazardly without any meaningful coordination. No value-engineering behind the projects is emerging. Important issues — an imbalance in the energy fuel mix, addressing our energy security by lowering the reliance on imports, and the lack of utilisation of cheap and indigenous hydropower and renewable resources — do not appear to be challenges that cause concern to the authorities.

But the energy crisis can be resolved. Pakistan has the potential, capacity and opportunity to overcome this challenge. Our existing power plants, currently underperforming for a wide range of administrative and technical reasons, need to run optimally. Vast, untapped indigenous resources including

hydropower, renewable and fossil fuels can help with energy security and affordability.

Energy conservation, the cornerstone of energy strategies across the world, has to be embedded in the national energy fabric, not just in letter but also in spirit. Our human resources are competent enough to rise to the occasion. What is really missing is the combination of vision, strategy and commitment on the part of policymakers.