**Abundance and scarcity**

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September 10, 2018

Asked by an opposition leader, an absurd question may appear legitimate and sensible. For more than a decade, Imran Khan essentially asked this question: Why is the government of a country with $1500 per capita GDP (Pakistan) not providing goods and services that are available to the citizens of a country with $40,000 per capita GDP (Britain)?

The PTI also gave an answer that clicked with millions of people: because Pakistan was being ruled by Zardaris and Sharifs and not by Imran Khan. Where opposition is about abundance, government – even of a rich country – has to deal with scarcity. A government has to focus on generating resources and making decisions about who and what should come first.

Last week, the PTI government came head to head with the question of scarcity of two natural resources, natural gas and water. It decided to tackle one problem, that of natural gas, as government and the other, water, as the opposition. It took the much-delayed decision of hiking the price of natural gas and decided to build a dam in five years through crowd-funding or donations. It also made a choice in the realm of human resources: by taking a cowardly retreat and firing Atif Mian, one of the most celebrated Pakistani economists, from the Economic Advisory Council because of his faith.

In his second speech to the nation, Imran Khan formally took over the ownership of the initiative launched by the chief justice of Pakistan and announced that the $12.5 billion Diamer-Bhasha dam needs to be built through crowd-funding in five years because Pakistan is fast running out of water. He reminded the nation that in 1947 every Pakistani was able to use 5,600 cubic metres of water, which has now reduced to just 1,000 cubic metres.

Imran Khan did not tell us where all this water has gone. Have our glaciers melted? Has the pattern of rains changed? Not at all. In 1947, West Pakistan had a population of 33 million while its stands at 200 million today. Since Pakistan’s population has gone up by 500 percent, the amount of water available to a single person has also decreased by the same proportion more or less ie 460 percent.

It was clear from his speech that Imran Khan did not understand this point. He was made to believe that the amount of water available in Pakistan is decreasing and this problem can be solved only by building large dams. Just as the PML-N’s government thought in terms of metros instead of public transport, the PTI government is thinking in terms of dams and not pondering over the problem of availability of water in the country and its fair distribution to citizens.

The worsening situation of the availability of water per capita will not improve even if we build one hundred dams. Pakistan’s population is growing at a runaway pace of 2.4 percent per year. Many Muslim countries in our neighbourhood like Iran and Bangladesh have brought down their population growth rates to 1.2 and 1.1 percent respectively. The population of Khyber Pakhtunkhwa is growing at a pace that is much higher than the national average. The PTI government did not pay any attention to this problem during its five-year rule in that province though population control, as part of health, is a provincial subject.

Large dams may be part of a solution to Pakistan’s water crisis but they are not the only solution or the most perfect solution. Many alternatives are available and experts have elaborated them already. Pakistan can save water many times larger than a dam by adopting efficiency measures and conserving it through other options.

Lastly, can the government raise the amount required for a large dam? The plan unmistakably echoes of the Qarz Utaro Mulk Sanwaro scheme of Nawaz Sharif circa 1997, which aimed at retiring national debt by collecting donations. Two years ago, the finance secretary stated that the State Bank would issue a circular to all banks for directing them to pay back deposit amount of all those who had contributed with qarz-e-hasna to the 1997 scheme.

Can Imran Khan collect donations that could build a large dam? His supporters remind us of the miracle of Shaukat Khanum Hospital. Imran Khan, over two decades, has collected more than 33 billion rupees, which is a huge achievement. But the Diamer-Bhasha dam requires more than 1500 billion rupees and a dam does not enjoy the humanitarian appeal of a cancer hospital.

When he reaches out to supporters for donation, they must ask him about his promise to bring back the $200 billion stashed abroad by corrupt Pakistanis. By realising that promise, Imran Khan can build a separate large dam in the name of each justice of the Supreme Court of Pakistan instead of building only one dam, hopefully in the name of the honourable chief justice. (Donors are also advised to keep their receipts safe).

Let’s turn to the other significant policy decision that I support. Last week, the PTI government decided to hike gas tariffs by an average of 46 percent. If implemented, the price for some sections of domestic consumption may increase by 186 percent, whereas commercial consumers will also have to pay 26 percent more. We are not aware how the government will deal with the serious issue of theft of gas that must go alongside hike in prices.

In June, Ogra had recommended a 300 percent increase for domestic consumers and 30 percent increase for power; commercial, industrial and other sectors will see an increase of 30 percent. The difference lies in the fact that some sectors already pay a higher tariff.

Though the decision was taken on macro-economic compulsions, the socio-economic side of the story reveals how Pakistan works for the most developed areas and most well-off sections of society at the cost of the poorest geographical regions and populations. The subsidy on natural gas is so absurd that a domestic servant has to spend a lot more on cooking her food on firewood than her employer, for whom natural gas is piped all the way from the deserts of Balochistan or Sindh.

The consumption of natural gas has been subsidised in Pakistan ever since the Sui gas field became operational in the mid-1950s. The Sui gas field in the Bugti tribal area meets approximately 45 percent of the country’s total gas production. The Dera Bugti district, where the gas fields are located, is amongst the least developed areas in the country. Balochistan itself did not benefit much from its natural treasures. The royalty fixed for gas drawn from the field area is based on ‘wellhead value’, which remained extremely low till recently.

Though natural gas was discovered in Balochistan in 1952, many districts of the province remain deprived of gas transmission facilities. It was only in 1976 that the province got liquefied petroleum gas (LPG) in Quetta. Later, gas through pipelines was made available in the city. The situation in Sindh’s gas-producing districts is not much different either.

While laying pipelines for distributing gas, the less well-off areas were discriminated everywhere For example, almost every village in central Punjab has piped gas, while in southern Punjab most secondary cities are without any natural gas. In fact, many large cities were connected with gas pipelines very recently.

These huge subsidies mean that resources were transferred from the gas-producing regions – which happen to be the poorest in the country – to the gas-consuming regions, which are the most well-off. Similarly, any untargeted subsidy ends up targeting the rich and powerful at the cost of the poor.

Is Kaptaan thinking in these terms? Is he taking away subsidies from the well-off sections of societies and reallocating them to the poorer sections. It is too early to read too much into one action that Ogra was advocating already. His hasty and cowardly retreat on the Atif Mian case shows that the new government will also be deficient on the courage required to take bold policy actions.

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