

Pakistan Rich in Natural Resources But Poor in their Management

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Pakistan is one of the richest countries in the world in terms of natural resources but also

one of the poorest among them in their management. The country is abundant in the vital resources including that of energy, agriculture, minerals, population, and geography, but unlike the developed countries, these have not been properly exploited due to poor management. This dismayed situation is caused due to several, both chronic and acute, flaws which have led to poor governance of country since its inception except some brief spells of economic prosperity. Prevalent political rivalry and instability, worsening law and order and rampant corruption have catalyzed the situation to resource development impasse. Contrary to economic potential of its natural resources, Pakistan is depending on foreign aid and debt, it is facing deficit in trade, acute energy crisis to run industry, and water stress for agriculture, to name a few challenges.

However, the daunting challenges and the mounting public pressure caused due to awareness of civil society are increasingly influencing the political decision making. Eventually, there is sign of hope for devising effective strategy to exploit the natural resource wealth of the country for its self sufficiency and viable economic development. It is suffice to say that the proper exploitation of this wealth would lead to the prosperity of this nation.

Before discussing what natural resources Pakistan possesses, it is important to understand what constitutes natural resources. These occur naturally within environments characterised by amounts of biodiversity and geodiversity existent in various ecosystems. Some resources like water and agriculture are essential for survival of inhabitants while others like energy and minerals are secondary in nature but essential for economic development. However, efficient management of these resources is vital to achieve prosperity of nation. Natural resource management is a discipline with a particular focus on how management affects the quality of life for both present and future generations. It is interrelated with the concept of sustainable development. Pakistan is blessed with huge quantity of resources but lags in management.

Being situated at one of the best geographic and geostrategic locations on the map of world, Pakistan is affluent in the natural resources. It has enormous energy surplus resource potential of both renewable and nonrenewable, which is greater than that of oil rich countries of Gulf. Among the world's 200 plus countries it has the second largest salt mines, second largest coal reserves, fifth largest copper and gold reserves, seventh largest wheat and rice production capacity. It is the sixth most populous country in the world having large share of young population. Had these resources been properly managed, this country would have been one of the richest economies of world. The detailed account of the natural wealth of Pakistan shows how such great potential has been untapped due to mismanagement.

There are plenty of nonrenewable energy resources like oil, gas and coal in Pakistan. It has more than 436.2 million barrels of oil, according to CIA World Fact Book, and 31.3 trillion cubic feet of proven gas reserves. The current oil production is 65,997 barrels per day while gas production is 4 billion cubic feet per day. Though it is not enough to meet the needs, it can save considerable outflow of currency. Moreover, there is resource potential of 27 billion Barrels of Oil and 282 TCF of gas reserves in the country which has not been explored due to lack of vision and flawed policies.

Pakistan has world's second largest coal deposits of 185 billion tons. These are estimated to be equivalent to 618 billion barrels of crude oil. This is more than twice if we compare it with oil reserves of Saudi Arabia. If it is converted into oil by gasification, it will generate 650 barrels of crude oil which at an average market rate of eighty dollars per barrel, would generate 5.2 trillion dollars. But the policy making elite of the country has not only been oblivious to the potential but also indifferent to the slow pace of efforts to harness this

source for energy production and exports. The energy deficit is badly affecting the industry in country but no any serious initiative is taken for electricity production from coal. China imports its 65 percent of coal requirements but despite being 'all weather friend', this giant energy importing economy does not import coal from Pakistan.

Besides, the geography of Pakistan enriches it with the renewable energy resources. Wind and Solar energy are other unused lifelines of Pakistan. 1046 km long coastal line gives potential of 40000 MW of electricity. The vast lands of Balochistan can be utilized for solar electricity generation. But unfortunately these resources have barely been used due to technological backwardness and lack of innovative policies.

The hydropower potential of the country is also enough to satisfy the needs of energy. Only 33 percent of around 20,000 MW generation capacity is produced from this resource which has the potential of producing 40,000 MW. No concrete steps have been taken to harness this resource mainly because of political differences and distrust prevailing in the country.

The lack of vision and policy planning in utilisation of water resource is also severely affecting agriculture. Despite having one of the largest irrigation systems of the world, Pakistan is facing water scarcity for crops. Storage capacity of water reservoirs is quickly depleting because of annual sediment inflow and a substantial quantum of available water is lost in seepage as the canals have not been cemented. Out of 77 million acres cultivable area, only 55.5 million acres have been ploughed. The country is blessed with four seasons and variety of crops but due to lack of research the productivity remains low.

In addition, being an agricultural country it possesses tremendous scope of animal husbandry. Pakistan's breeds of cow like Sahiwal cow are the best breeds of world. Due care to this area can lead to bulk of exports in dairy products. On other hand, fishing industry has an important role to play in national economy of Pakistan. The coast line of 814 km provides ample opportunity to enhance this industry, but poor performance and poor presentation of our cause in WTO have put this industry at the verge of destruction.

The minerals are also vital natural resources available in great quantity. Pakistan has fifth largest copper and gold reserves in the world. The Riko deq project, copper and gold reservoir, have been estimated to be worth of 260 billion dollars, which is ten times the all financial aid received from USA in last sixty year. But instead of exploiting own resources for economic independence, country has been dependent on foreign aid. How rich Pakistan is, and how poor Pakistanis are! There are other partially untapped resources of rock salts, Gypsum, lime stone, iron, marble, and silica sand in large quantities. These resources have not been exploited due to corruption and bottlenecks in political and bureaucratic culture.

The most important of the natural resources in this globalized world is human resource. Pakistan is the sixth most populous country in the world having large share of 'young population' i.e. 63 percent below age of 25 years, according to United Nations Development Programme. But the failed policies have caused mounting unemployment of 15 percent. The resource which could be used to enhance the economic activity is left to no use which is adding to the increase in poverty. The lack of opportunities leading to the brain drain of talented minds has further worsened the situation.

The above analysis reveals that Pakistan is not poor, but poorly managed country. The factors which have caused the poor management of natural resources include political instability, political indecision making / divergence, lack of vision and planning, flawed policies, bureaucratic bottlenecks and corruption, lack of human resource development, worsened law and order situation. These factors have led not only to the poor management

of natural resources but also to the poor governance of country.

The political instability has been the main cause of such mayhem. Since the independence, no political group in Pakistan has been given enough time to be mature. The military interference in politics and rivalry among political stakeholders are the key features of brief history of this country. This inconsistency has kept the exploitation of natural wealth unattended. The divergence of opinion on construction of water resources has deprived the country of storing the surplus water for agriculture and electricity generation. However, this could be overcome by vision and planning, which is a scarce commodity here. Instead of controversial big dams several small reservoirs could be constructed, had a pragmatic approach prevailed among the decision making machinery.

Coupled with this, the flawed policies of successive governments have caused tremendous problems despite availability of adequate resources. The energy sector is a vivid example of such poor management. The major chunk of the electricity is produced through thermal generation for which almost 80 percent of oil is imported. Whereas the second largest treasure of coal in the world is left unexplored as it contributes only 2 percent of electricity generation. Countries like US, China and India generate electricity by almost 60 percent from coal due to its lower cost. This shows how other countries take cost of electricity generation into serious consideration.

However, it would be unfair to put all the burden of poor resource management on the political factors. The bureaucratic bottlenecks and corruption have been equally responsible for this undesirable scenario. Several hydro power projects, Thar coal project, and oil exploration projects are in doldrums due to bureaucratic bottlenecks. There is no headway in solar and wind energy projects planned by Alternative Energy Development Board. Similarly, corruption has also been extremely detrimental. The standstill in the Riko deq project is an example of this case. Pakistan is ranked at 34 in Corruption Perception Index 2010 by Transparency International, which is a discouraging factor for foreign direct investment.

In addition, the worsened law and order situation has caused severe blow to the economy in general and natural resource management in particular. The volatile situation in Balochistan is harmful to the exploitation of resources. The Gawadar port, despite being located at crucial location, has not been made fully functional. Other projects of mineral exploration are also affected. The terrorism in the northern areas has been harmful for the potential tourism industry.

These factors of poor management have placed Pakistan in an undesirable situation domestically and internationally. The socio-economic situation remains gloomy as the GDP growth rate is one of the lowest in South Asia at 2.2 percent, trade deficit is estimated about \$16 billion, inflation rate continues to be in double digits at 15 percent, population below poverty line is alarmingly around 35 percent, and unemployment is at 15 percent.

Also, it does not enjoy a favorable position among the comity of nations. It is ranked 123rd out of 139 countries in Global Competitive Index; it is at 134th among 192 in Human development Index by UNDP; and it occupies the critical position of 12th in Failed States Index 2011 issued by Foreign Policy Magazine.

The country has been economically dependent on foreign aid and debt, which has adversely affected her standing in international community. However, despite Pakistan's crucial role in west's geostrategic framework and war on terror, the allies end up donating small amounts of grants which make fractions of what could be obtained from exploiting own natural

resources. The external debts and liabilities have nearly doubled from \$ 37 billion in year 2000, to \$ 59.5 billion in year 2011.

Nevertheless, the worst impact so far is the energy crises in Pakistan. There is serious shortfall of electricity, gas and oil. Electricity demand exceeds supply and “load shedding” is a common phenomenon. The shortfall of electricity reaches at 4000-5000 MW which badly affected industry, eventually leading to decreased exports and diminished economic activity.

These adverse implications, of the extremely poor management of resources, on the economy and society in the country, warrant a serious approach and comprehensive strategy to reverse the trend. The pragmatic approach and policy direction can help the country to be able to rely on its own resources instead of dependency.

Pakistani leadership must focus on exploration of natural resources and their scientific management. Properly managed natural resources can become instrumental in national income and its growth. Extensive geological survey is required to discover the resource potential, planning and vision is needed to explore the proved but untapped resources and effective strategy is essential to fully exploit the resources under use.

In order to take maximum benefits from natural resources there is the need of technical education of people involved in resource exploitation and management. The technical education ensures that there is minimum wastage of the resources. Hence, such education should be made compulsory for the people in concerned areas of activity.

On the other hand, the politicians, policy makers and all the stake holders must adopt a rational approach not to politicize natural resources. It should be prioritized as the vital national interest and dealt with as such. The controversies on the management of water and mineral resources must be resolved pragmatically for best interest of the nation.

Last but not the least, worsened law and order situation in Pakistan, which has led to the lack of investment, must be checked. The private firms engaged in resource exploration must be protected by the state. Ensuring the security, would attract investment in the respective areas which would subsequently guarantee the inflow of capital in the national economy and the resource potential could be fully exploited.

It needs not to be emphasised that Pakistan is not poor but poor management of its natural resources has made it so. The enormous natural resources of all kinds like energy, minerals, agriculture, and human could have made this country a wealthy economy. Instead, there been bleak picture of economy and undesirable image outside due to the chronic flaws in vision and policies. Thus, the daunting challenge of poor management of natural resources direly needs to be addressed not only to overcome the perils caused due to it but also to achieve economic self sufficiency and prosperity of the nation. By surpassing this challenge, Pakistan is destined to have eminence place in the world as a stable, growing and prosperous nation.

Source: [Natural Resources of Pakistan and their Mis-management](#)