



## The Architecture of a Grievance: A Thematic Analysis of Governance Failure and the AJK Electricity-Tariff Dispute

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### Abstract

This research analyzes the mass 2024 social mobilization in Azad Jammu and Kashmir (AJK), led by the Joint Awami Action Committee (JAAC), as a critical case study demonstrating a fundamental failure in governance structures. The primary grievance concerns high electricity tariffs in the region hosting the Mangla Dam. This study posits that the dispute is not merely economic but is symptomatic of a profound political and institutional crisis stemming from a fractured social contract. A qualitative, desk-based thematic analysis methodology is utilized, examining a curated body of documents. This corpus includes AJK's constitutional and legal frameworks, federal regulatory orders, judicial rulings, and the JAAC's 38-Point Charter of Demands. The investigation is structured by a conceptual framework that integrates theories of the social contract, operationalized governance failure, and the hydroelectric resource curse. Findings indicate the governance failure rests upon three interconnected foundations. First is persistent institutional ambiguity, which fosters a "black hole" of legal accountability between AJK and federal bodies. Second is a fundamental narrative conflict that pits the state's technocratic "national logic" (focused on cost recovery and uniform tariffs) against the movement's moral "extraction narrative" (rooted in historical sacrifice and distributive justice). Third is a 60-year-old policy vacuum, originating from an obsolete 1960s compact for the Mangla Dam's displaced population that has not been superseded by a contemporary benefit-sharing agreement. This study concludes that the JAAC's demands, especially for electricity at its "cost of production," represent a rational effort to compel a renegotiation of this fractured social contract. Consequently, the crisis cannot be remedied with temporary financial subsidies, as these merely address symptoms. A lasting resolution necessitates a new, permanent political and institutional compact to restore state legitimacy.

**Keywords:** Azad Jammu & Kashmir (AJK), Distributive Justice, Governance Failure, Resource Curse, Social Contract

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## Introduction

Unprecedented social and political mobilization occurred in Azad Jammu and Kashmir (AJK) during the spring of 2024. A grassroots coalition, the Jammu and Kashmir Joint Awami Action Committee (JAAC), comprising civil society, traders, and activists, initiated a near-total "wheel-jam" and "shutter-down" strike that paralysed the region. This event was the climax of a year-long protest movement that had expanded from local demonstrations into a region-wide challenge to the area's administrative and economic governance. The unrest was immediately precipitated by two primary factors: demands for subsidized wheat flour and, more significantly, protests against exorbitantly high electricity tariffs.

While apparently economic, these triggers represent only the surface-level symptoms of a more profound, structural, and historical grievance. The mobilization is not a simple response to inflation but rather a deep-seated expression of a governance crisis. This crisis has fused economic hardship with a long-simmering crisis of political legitimacy. As HRCF Fact Finding Report (2024) rightly describes, the "politics of grievance" has reached a critical juncture.

The central paradox stimulating this grievance is both simple and profoundly ironic. AJK, despite hosting the Mangla Dam, one of Pakistan's most significant hydroelectric sources, finds its citizens burdened with the same high, uniform national electricity tariffs as the rest of the country. This tariff, determined by the National Electric Power Regulatory Authority (NEPRA), is based on a national average that accounts for the high cost of imported furnace oil and natural gas used in remote thermal power plants. The population of AJK is thus placed in an unsound situation, generating inexpensive, clean hydropower for the national grid while simultaneously being billed for costly imported thermal energy. This "Mangla Dam paradox" constitutes the emotional, political, and economic nucleus of the JAAC's demands.

This crisis stems from a structural governance failure that rests on three interconnected foundations. The first is a persistent institutional ambiguity embedded in the legal and constitutional relationship between AJK and the federal government of Pakistan. This ambiguity creates a "black hole" of responsibility, leaving no single entity accountable (Gillani, 2023). The second foundation is the absence of a modern resource-benefit-sharing framework, meaning the original agreement for

the Mangla Dam's displaced population has not been updated to reflect contemporary principles of host-community rights. The third foundation is a fundamental split in governing narratives that pits a federal, top-down logic of "national integration" (such as a single grid and tariff) against a local, bottom-up narrative of "resource extraction" and "distributive injustice" (HRCF, 2024).

The national context for this dispute is Pakistan's persistent energy crisis, frequently characterized by a devastating "circular debt." The federal government, often influenced by International Monetary Fund (IMF) conditionalities, has pursued a "cost recovery" policy through a uniform national tariff. This policy, administered by NEPRA, treats all of Pakistan's electricity distribution companies (DISCOs) uniformly, transferring the "true cost" of generation to all consumers. This represents the "national logic" that the AJK government and protestors are facing. Anwar & Saeed (2023) argues, Pakistan's energy governance has historically been centralized and technocratic, frequently neglecting local political and social realities. The AJK crisis is a prime illustration of this systemic flaw. The federal state views AJK's electricity department as merely another underperforming DISCO with significant line losses and poor recovery. Conversely, the people of AJK perceive a federal state profiting from their resources while withholding the benefits.

This disconnect is deeply rooted in the history of the Mangla Dam. Constructed in the 1960s as a key component of the Indus Waters Treaty, the dam was a monumental engineering achievement vital for Pakistan's agricultural and industrial progress. This national success, however, demanded an immense local price. Social-impact studies, including Kayani (2012), document that the project displaced over 100,000 people and submerged vast areas of fertile land, including the original Mirpur City. This history of displacement reinforces a powerful "sacrifice" narrative, a collective memory that Pakistan's development was built upon AJK's land and water. The grievance is thus not merely about a monthly bill; it is about the perceived betrayal of this foundational sacrifice. When the descendants of these displaced "affectees" are billed a tariff that includes "fuel adjustment charges" for imported oil, it is widely regarded as a profound moral and political injustice (Kayani, 2012). This is where the issue transitions from a simple dispute into a "governance failure."

The legal and constitutional framework is the primary cause. As Justice Gillani (2023) details, AJK's constitutional status is unique and exists within a complex, often ambiguous, relationship with Islamabad. Key instruments, such as the AJK Interim Constitution of 1974 and subsequent amendments, have established overlapping jurisdictions. In response to protestor demands, the AJK government points to the federal government (WAPDA, NEPRA, and the Ministry of Water & Power). The federal government, on the other hand, directs responsibility back to the AJK government for its own finances and bill collection. This "institutional ambiguity" is not an accidental flaw but rather a central feature of the system (Gillani, 2023). It generates a vacuum of accountability where no single entity possesses both the authority to resolve the problem and the duty to answer to the citizenry.

This legal ambiguity perpetuates a "policy vacuum." As Ahmed (2021) criticizes in his analysis of hydropower and its "socio-political fallout" in AJK, the region experiences an extractive development model. The advantages of hydropower "flow out" to the national grid, while the social and ecological costs are borne locally. The original Mangla agreements are decades obsolete, and no significant effort has been made to implement a modern "Host Community Benefit-Sharing" framework, which is now a global standard for such infrastructure projects. The JAAC's central demand for electricity at the "cost of production" from the dam is a populist yet rational attempt to externally impose this absent benefit-sharing framework through popular will (Ahmed, 2021).

This study's analysis of the public record asserts that the AJK electricity-tariff dispute is the consequence of this structural governance failure. This failure is predicated on three pillars: persistent institutional ambiguity, the absence of a modern resource-benefit-sharing framework, and a fundamental split in governing narratives. This framework, which citizens perceive as extractive rather than representative, validates a "micro-resource curse" dynamic (Hancock & Sovacool, 2018) at the sub-national level. Ultimately, it demonstrates how a governance crisis, when left unaddressed, transforms into a profound crisis of state legitimacy (HRCP, 2024).

The persistent and escalating conflict over electricity tariffs in AJK, which culminated in the 2024 mass mobilization, highlights a critical failure in governance. This deficit is not a simple economic disagreement but a profound structural problem. It is rooted in the paradox

of a resource-generating region, host to the Mangla Dam, being compelled to bear the high costs of a uniform national tariff. This dynamic has fostered a politically destabilizing sense of distributive injustice and exposed a severe incongruence between the state's administrative framework and the socio-economic realities of the citizenry, thereby undermining public trust and eroding state legitimacy.

This study's principal objective is to deconstruct the framework of this governance failure. It endeavors to identify the precise institutional, legal, and discursive elements that formulate and perpetuate the AJK electricity grievance. The research aims to evaluate the conflicting narratives between the state and the protest movement, investigate the specific points of institutional ambiguity and the resultant accountability vacuums, and scrutinize the historical lack of a contemporary resource-benefit-sharing agreement. And it ponders on the following two questions:

How do state, institutional, and protest-movement documents construct and frame the problem of electricity tariffs in AJK, and where do these frames fundamentally clash?

What specific failures of governance, such as in institutional accountability, policy frameworks, or benefit-sharing mechanisms, are revealed through a thematic analysis of the public record on the AJK electricity dispute?

To analyze this systemic breakdown in state-society relations, the study employs a conceptual framework resting on three interconnected theories; i.e., the Social Contract, Governance Failure, and the Hydroelectric Resource Curse. By utilizing these lenses, the analysis elevates the electricity dispute from a mere localized disagreement to a theoretical explanation of a profound breakdown in regional governance. The first concept, the "social contract," is viewed as a dynamic, understood agreement between the state and its citizens (Hobbes, 1651; Locke, 1689; Rousseau, 1762). Within this framework, the populace of AJK grants legitimacy to both the regional and federal governments in exchange for security and essential public services. The current dispute is interpreted as a contestation over this implicit agreement, revealing two conflicting logics: a federal emphasis on national unity and uniform policy (NEPRA, 2023; Anwar & Saeed, 2023), and a local narrative predicated on historical sacrifice and distributive justice (Kayani, 2012).

The second pillar of this framework is "governance failure," defined as a systemic and structural breakdown (Gillani, 2023) that manifests through institutional ambiguity, an accountability vacuum, and a policy vacuum. Institutional ambiguity is identified where legal texts, such as the AJK Interim Constitution of 1974 and the 13th Amendment, create overlapping or disputed financial responsibilities between regional and federal entities. This ambiguity facilitates an accountability vacuum, a "black hole" where institutions can deny responsibility, leaving no single entity answerable to the public. Furthermore, a policy vacuum is evident in the historical non-existence of a modern "Host Community Benefit-Sharing" mechanism within the original Mangla Dam agreements (Ahmed, 2021). Finally, the "hydroelectric resource curse" (Hancock & Sovacool, 2018) explains how large-scale hydroelectric projects can generate negative dynamics, such as the centralization of power and inequitable revenue sharing. In the AJK case, the Mangla Dam represents a potential "blessing" transformed into a "curse" through socio-political fallout (Ahmed, 2021) and a persistent politics of grievance (HRCP, 2024). This dynamic underscores a perceived distributive injustice (Rawls, 1971), asserting that the equitable allocation of societal resources has been breached. Consequently, the call for electricity at its "cost of production" is viewed not as a technical appeal, but as a rational and potent claim for the just distribution of a local resource (HRCP, 2024).

This research uses a qualitative, desk-based design, adopting an in-depth, interpretive case study framework of the AJK electricity tariff dispute. The principal aim of this methodology was not to gather primary field data but to conduct a systematic analysis of the existing, publicly accessible textual data that shapes and defines the grievance. The core analytical method employed was a thematic analysis of a decisively selected "corpus" of documents to deconstruct the "architecture" of a governance failure, as it permits a rigorous examination of the official, legal, and public narratives that comprise the dispute.

The data for this research was derived from a body of primary and secondary documents. These sources were chosen to offer a comprehensive perspective on the dispute, encompassing the official state's rationale, the institutional frameworks, and the counter-narratives articulated by the protest movement. The first primary source included the legal and policy documents, including the AJK Interim Constitution, 1974, and its 13th Amendment, the WAPDA Act, 1958, the official

tariff notifications issued by the National Electric Power Regulatory Authority (NEPRA), and the Pertinent decisions from the AJK High Court that address WAPDA and resource rights. And the second primary source contains the key textual artifacts produced by the protest movement itself, The 38-Point Charter of Demands by the Jammu and Kashmir Joint Awami Action Committee (JAAC).

Furthermore, academic articles and reports were utilized to corroborate and provide context for the primary source data. The scholarly literature shaped the analysis by furnishing theoretical and historical context. Moreover, reports from impartial organizations were used to construct an accurate chronology of events.

### Literature Review

This study is positioned at the nexus of three distinct yet complementary fields of academic literature: the socio-political and economic grievances concerning hydropower in Azad Jammu and Kashmir, the broader legal and institutional structures governing AJK and Pakistan, and theoretical literature on resource governance and the "resource curse." A review of these fields reveals the foundations of the AJK electricity dispute while simultaneously identifying the specific gap this research aims to address.

### The Politics of Grievance and Hydropower in AJK

The most recent and directly pertinent scholarly efforts have initiated a deconstruction of the 2024 unrest. HRCP Report (2024) "The politics of grievance" stands as the foundational text, offering an immediate and penetrating analysis of the May 2024 protests. HRCP Report (2024) posits that the unrest was not a spontaneous reaction to inflation but a "political" event, rooted in the complicated relationship between electricity tariffs, federalism, and a profound sense of injustice. This research is pivotal because it elevates the discourse from simple economics to the domain of governance and state-society relations. It pinpoints the tariffs as the triggering factor for a set of older, more significant grievances regarding AJK's association with the federal state, thus preparing the ground for an analysis of governance failure.

This political grievance is substantiated by a well-documented history of "socio-political fallout" originating from hydropower development, as Ahmed (2021) details. This study, which predates the 2024 crisis, criticises the hydropower development model in AJK as fundamentally extractive. Ahmed (2021)

underscores that although the region is pivotal to Pakistan's energy security, the advantages of this development, including revenue, electricity, and industrial expansion, have predominantly been channeled to Pakistan's industrial hubs. Alongside, the significant social, economic, and ecological losses have been localized, affecting the communities within AJK. This establishes a conventional "peripheral" dynamic, wherein the host region endures the negative outcomes of development without being party to its benefits. This analysis offers the historical and structural framework for the JAAC's demands, giving credibility to their narrative of resource exploitation.

Studies examining local socio-economic impacts provide concrete, empirical authentication for this political and structural grievance. Kayani (2012), through their focused study on the Mangla Dam Raising Project, supply the micro-level data illustrating this grievance. Their research transitions from the political to the personal, enumerating the tangible effects on the livelihoods of the "affectees" in the Mirpur district. They quantify the land loss, agricultural disruption, and insufficient compensation that have characterized the local experience of the dam over decades. This research is vital as it validates the "sacrifice" narrative, which is foundational to the JAAC's moral claim. The grievance is not just an abstraction; it is embedded in the landscape and the general public's economic memory. This collective body of literature (HRCP, 2024; Ahmed, 2021; Kayani, 2012), when synthesized, firmly establishes the AJK crisis as a specific, historically-rooted, and empirically-grounded grievance directly linked to the Mangla Dam.

### **The Legal and Institutional Frameworks of Governance**

Justice Gillani's (2023) legal and political examination of the AJK Constitution offers a comprehensive review of the distinctive and intricate legal status of Azad Jammu and Kashmir. Gillani (2023) precisely outlines the constitutional relationship between AJK and Islamabad, detailing the overlapping jurisdictions and institutional ambiguities that characterize the region's governance. Although not focused on energy, this work is essential for this paper's analysis of "institutional ambiguity." It articulates the legal framework, including the AJK Interim Constitution of 1974, the AJK Council's role, and the federal government's powers, which establishes the very "black hole" of responsibility central to the electricity dispute. This provides the legal foundation for comprehending how both the AJK and

federal governments can credibly disown ultimate responsibility for the tariffs.

This particular legal ambiguity in AJK is embedded within a nationally dysfunctional energy governance system, as Anwar & Saeed (2023) has described. Anwar and Saeed's research on Pakistan's energy sector offers the macro-level context, depicting a governance structure that is centralized, technocratic, and frequently incoherent. Anwar & Saeed (2023) contends that powerful interests have historically captured Pakistan's energy governance, which is preoccupied with "cost recovery" and large-scale generation projects, while almost completely disregarding the political, social, and distributive aspects of energy policy. This national structure, focused on a uniform tariff and resolving the circular debt, is ill-equipped to manage the unique, localized political realities of a region like AAJK. A crisis becomes not merely possible, but inevitable, when the rigid, centralized, and technocratic national system described by Anwar & Saeed (2023) is imposed upon the unique, ambiguous, and politically sensitive legal environment described by Gillani (2023).

### **The Hydroelectric Resource Curse**

The "Mangla Dam paradox" in AJK serves as a classic illustration of what Hancock and Sovacool (2018) term the "hydroelectric resource curse." This seminal study is pivotal, as it broadens the conventional "resource curse" thesis, which had been almost exclusively applied to oil, gas, and minerals, to encompass renewable energy, particularly large-scale hydropower. Hancock and Sovacool (2018) contend that, counter to a dominant "green" narrative, massive hydroelectric projects frequently reproduce the same adverse outcomes associated with fossil fuels. These projects tend to centralize political and economic power, are vulnerable to corruption and mismanagement, cause significant social and environmental disruptions, and seldom distribute their benefits equitably to local host communities. This lens aligns perfectly with the AJK case. It offers a potent academic concept to articulate how an asset (the Mangla Dam) can be perceived as a detriment by the local populace, thereby validating the "extractive" narrative espoused by the JAAC.

This review of the present literature uncovers a significant gap, which the present study directly confronts. The existing work is largely fragmented into distinct areas. One body of work (HRCP, 2024; Ahmed, 2021; Kayani, 2012) offers a rich, descriptive portrayal of the specific grievance in AJK. A separate set of studies (Gillani, 2023; Anwar & Saeed, 2023) outlines

the systemic failures within law and governance. A third area (Hancock & Sovacool, 2018) supplies a theoretical designation for the phenomenon.

Critically, no single study to date has synthesized these three scholarly streams. Research has not yet employed the legal (Gillani, 2023) and governance (Anwar & Saeed, 2023) frameworks in conjunction with "resource curse" theory (Hancock & Sovacool, 2018) to conduct a systematic, document-based analysis of the AJK crisis as a specific case study of governance failure. This paper addresses this void by transcending a mere description of the problem. Instead, it utilizes a thematic analysis of primary documents, including protest charters, legal texts, and policy statements, to deconstruct the very architecture of the grievance. In doing so, it connects the narratives articulated by the protest movement with the institutional failures that precipitated them.

### **Analysis and Findings: The Three Pillars of Governance Failure**

The qualitative thematic analysis of the public document corpus, a collection spanning constitutional texts, federal statutes, regulatory orders, judicial decisions, and the JAAC's Charter of Demands, uncovers a profound and multi-layered governance failure. This deficiency is not a simple, isolated problem but rather a complex architecture of systemic dysfunction.

The analysis identified three dominant, interconnected themes that serve as the pillars of this failure:

- Institutional Ambiguity and the Black Hole of Responsibility.
- The Clash of Narratives: "National Logic" vs "Extractive Reality."
- The Missing Framework: An Outdated Social and Economic Compact.

These themes, which emerged organically from the textual data, collectively explain how the AJK electricity dispute escalated from an economic grievance into a profound crisis of state legitimacy.

### **Institutional Ambiguity & The Black Hole of Responsibility**

The most immediate and structural deficiency identified in the documents is a governance system seemingly engineered to avoid accountability, a sheer violation of the "Social Contract". The legal and constitutional framework regulating the relationship between AJK and the federal government of Pakistan is a complex network

of overlapping jurisdictions, disputed authorities, and undefined responsibilities. This ambiguity, rather than being an incidental flaw, operates as a functional black hole where responsibility for the electricity crisis is perpetually deflected, denied, and disavowed.

The foundation of this ambiguity rests in the AJK Interim Constitution, 1974. As Gillani (2023) explicates, this document establishes a distinctive, pseudo-sovereign political entity that remains, in practice, profoundly integrated with and reliant upon Pakistan's federal structures. An analysis of this constitution, particularly put side by side with the WAPDA Act, 1958, uncovers the problem's crux. The WAPDA Act, a federal statute, establishes WAPDA's authority over its installations (such as the Mangla Dam) and its role as a principal generator for the national grid. Conversely, the AJK Constitution yields power over defence, foreign policy, and other key areas to Pakistan, yet it also establishes its own legislature and judiciary. As evidenced by an AJK High Court Judgement (Writ Petition No. 53/2023), this local judiciary asserts its jurisdiction over land and the rights of its citizens, even in opposition to federal bodies.

This legal grey zone is the precise space where the accountability vacuum materializes. The AJK government, when challenged by the JAAC, can credibly declare its powerlessness. Its official statements, reflected in media reports, consistently emphasize that the tariff is determined not in Muzaffarabad but in Islamabad by a federal body, NEPRA. An examination of a representative NEPRA Tariff Determination (e.g., S.R.O. 1365) validates this. This document is a federal order applying a "uniform tariff" across all distribution companies (DISCOs) in Pakistan, with the AJK Electricity Department classified as one such DISCO. The AJK government's position is, therefore, factually accurate: it does not control the price. Inversely, the federal government, when faced with the protests, can also disclaim responsibility.

Juxtaposed with the "social contract", which emphasizes that the state is an artificial construct made by men, and is ultimately answerable to the men, the AJK gov't's position, reflected in official statements, is that the AJK government bears responsibility for its own bill collection, administrative efficacy, and subsidy management. This federal argument, reinforced by the national energy governance framework (Anwar & Saeed, 2023), posits that the AJK Electricity Department is a failing entity characterized by substantial line losses

and poor cost recovery, and the federal treasury cannot be expected to subsidize this inefficiency indefinitely.

The 13th Amendment (2018) to the AJK Constitution, which was supposedly intended to grant greater autonomy to the AJK legislature, has merely compounded this black hole. While it devolved certain powers from the AJK Council to the AJK Assembly, it failed to resolve the fundamental ambiguity surrounding federal institutions like WAPDA or regulatory bodies such as NEPRA. It effectively assigned financial responsibility to AJK without simultaneously granting it authority over the primary economic resources within its territory.

This dynamic constitutes the "governance failure" as defined in the conceptual framework, creating a "constitutional catch-22." Where the AJK Government asserts, "We cannot lower the tariff; NEPRA sets the price." And the Federal Government/NEPRA counters by saying, "We cannot make an exception for AJK; the tariff is uniform and based on national cost recovery."

The result is that no single institution is politically answerable to the people of AJK for the electricity tariffs they incur. The grievance is perpetually deflected between Muzaffarabad and Islamabad, cultivating public frustration and solidifying the perception of a state that is both omnipresent in its power to levy charges and entirely absent in its responsibility to be accountable. This vacuum provided the fertile ground for the protest movement's growth, positioning the JAAC as the sole entity articulating a clear, although external, claim of responsibility.

### **The Clash of Narratives: National Logic vs Extractive Reality**

The second pillar of the governance failure, which stems directly from the institutional ambiguity, is a fundamental rift in the language employed to characterize the dispute. The thematic analysis of the document corpus unveils two conflicting "narratives" or "frames" utilized by the state and the protest movement, respectively. These narratives are not merely divergent opinions; they constitute two conflicting interpretations of the social contract, predicated on entirely different sets of facts, histories, and moral claims.

The national narrative is evident in the official, technical, and legal documents originating from the state, including NEPRA's tariff determinations and federal press statements. The language within these documents is consistently technocratic, apolitical, and economic. A NEPRA S.R.O., for example, does not give

any reference to history, sacrifice, or justice. Instead, it employs terms like "fuel adjustment charges," "cost of generation," "T&D losses," and "circular debt." Its foundational logic is centered on cost recovery. And The federal government's reaction to the crisis, exemplified by the announcement of the Rs. 23 Billion subsidy package in May 2024, further solidifies this frame. The package is expressly labeled a "subsidy," a term that denotes a financial grant or aid from the central government to a dependent territory.

This narrative, as contextualized by Anwar & Saeed (2023), represents the logic of the national grid, IMF conditionalities, and centralized economic planning. It regards AJK as a single component within a complex national apparatus. Within this framework, AJK's demand for preferential treatment is perceived as irrational, populist, and a menace to national economic stability. The state's interpretation of the social contract is explicit: all citizens are obligated to pay the uniform cost to maintain the national system's solvency.

While the Extractive narrative is located in the JAAC's 38-Point Charter of Demands and is articulated through the "politics of grievance". This framework is not technical; rather, it is moral, political, and profoundly historical. The charter's principal demand, for "electricity to be provided at the cost of production from the Mangla Dam," serves as this narrative's cornerstone. This constitutes a direct and radical denial of the "national uniform" logic. It is an assertion of distributive justice, contending that a resource's price should be linked to its origin, not to a national average inflated by thermal plants in Punjab and Sindh.

The charter's additional demands reinforce this "extraction" frame, explicitly calling for, (a) Rights and Royalties for the Mangla Dam "affectees". This provides the critical connection. The document links the 2024 tariff dispute to the 1960s displacement, positioning the current crisis as the most recent event in a 60-year history of exploitation. This directly utilizes the "sacrifice" narrative documented in studies on the dam's local impact (Kayani, 2012). (b) An end to "special privileges for the elite". This frames the conflict not merely as AJK versus Islamabad, but as the populace against a corrupt political class (both local and federal), which is accused of benefiting from this "extractive" model.

This narrative exemplifies a "hydro-political" grievance (Ahmed, 2021). It posits a social contract founded on locality and history. From this perspective, the contract was initiated when the people of AJK "sacrificed" their

lands and towns for the dam's construction (Kayani, 2012). The state's obligation, consequently, is not to uphold a uniform tariff but to honor that foundational sacrifice by equitably sharing the resource's benefits.

This "clash of narratives" represents the central "contestation of the social contract." The state's provision of a "subsidy" is interpreted as an affront by the movement, as it reinforces the precise dependency they oppose. Conversely, the movement is not requesting charity; it is demanding "rights." The state perceives a technical issue of cost recovery, whereas the movement perceives a political and moral problem of distributive injustice. This division is so profound that the two parties are incapable of meaningful dialogue, as they are, in effect, communicating in two different languages derived from two disparate realities.

### **The Missing Framework: An Outdated Social & Economic Compact**

The third and most foundational pillar of the governance failure is the reason why the institutional ambiguity and the clashing narratives are so fiery. The analysis reveals that this conflict is raging within a policy vacuum. The crux of the problem is that the original compact for the Mangla Dam is a 1960s-era agreement concerning displacement and compensation, and it has never been modernized into a contemporary framework of resource governance and benefit-sharing.

Historical documents, such as the Mangla Dam Inoperative Transfers Act, 1962, and the academic histories show the original agreement was purely transactional. It was an agreement to acquire land and compensate (often inadequately) the displaced population. It contained no provisions for long-term, multi-generational "Host Community Benefit-Sharing," which has since become a global standard for major infrastructure projects. There was no clause that entitled the people of Mirpur or AJK to a share of the revenue, a quota of the electricity, or a discounted "host" tariff. The agreement was about relocating the people, not partnering with them.

This 60-year-old policy vacuum is the root of the entire crisis. The JAAC's 38-Point Charter is, in effect, a "de facto" attempt to author this missing benefit-sharing framework. The demand for "electricity at the cost of production" is the central "clause" in this new compact that they are trying to force upon the state through popular mobilization.

This presents a perfect, localized case study of the "hydroelectric resource curse" (Hancock & Sovacool, 2018). As the theory predicts, and as Ahmed (2021) documents in the AJK context, The benefits "flow out", the costs are localized, and the governance is centralized and non-responsive. The cheap, renewable electricity from Mangla Dam powers the national grid, benefiting industrial and population centers in Punjab and beyond. While the original costs (displacement, loss of land) and the new costs (high tariffs, "socio-political fallout") are all borne by the local host community in AJK. And the governance structure (WAPDA, NEPRA) is centralized in Islamabad and is institutionally oblivious to the local political reality.

The state, when confronted by the JAAC's demands, has no mechanism to deliver a just and sustainable solution because one does not exist in law. The state possesses only two tools; Financial Patchwork, and Coercion. For example, The Rs. 23 Billion subsidy package, which is a temporary, transactional fix. It treats the problem as an expense to be managed, not a right to be honored. It does not fix the underlying structural failure. And the use of police force and arrests, which was the initial response to the protests.

Neither of these tools can resolve the grievance because they both fail to address the central "policy vacuum." The JAAC is not asking for a subsidy; it is asking for a new compact. Until such a compact, a modern, legal, and permanent benefit-sharing framework, is negotiated and implemented, the "politics of grievance" (HRCP, 2024) will remain the dominant feature of AJK's political landscape.

### **Conclusion**

The AJK electricity tariff dispute represents a textbook case study of a systemic breakdown in state-society relations and the collapse of the foundational social contract. By examining the conflict through the lens of the social contract, it becomes evident that the implicit agreement between the state and its citizens has been fundamentally breached by the state. Under this contract, the populace of Azad Jammu and Kashmir (AJK) grants legitimacy to both the regional and federal governments, expecting in return the provision of security, order, and other essential public services. However, the data reveals a different image, as in how this agreement is interpreted by the opposing parties. The federal government, adhering to a national governance model and regulatory determinations from NEPRA, emphasizes a logic of national unity and

economic stability. From this perspective, AJK is viewed as an integral component of the federation, necessitating a uniform tariff to ensure the financial solvency of the national grid.

In contrast, the demands by the Joint Awami Action Committee (JAAC) advocate for a contractual logic based on the historical sacrifice and the principles of distributive justice. The movement argues that the social contract was breached when the state failed to adequately compensate the region for its foundational contribution to national development, specifically the land and water resources yielded for the Mangla Dam. This creates a rise in tension where the state's demand for uniform payment clashes with the regional demand for resource recognition. The JAAC's demands are, in effect, a forceful attempt to redraft the terms of state legitimacy, making it conditional upon the equitable distribution of local resources rather than national economic uniformity.

This crisis is further continued by a significant governance failure that is structural and not incidental. This failure is manifested through three distinct indicators: institutional ambiguity, an accountability vacuum, and a policy vacuum. The institutional ambiguity is deeply embedded within the legal and constitutional architecture of the region, including the AJK Interim Constitution of 1974 and the subsequent 13th Amendment, 2018. These documents fail to clearly allocate power and financial responsibility between the AJK government and federal entities such as WAPDA and NEPRA, leading to overlapping and disputed jurisdictions. This ambiguity enables an accountability vacuum, characterized as a black hole where all relevant institutions deny responsibility for the public's grievances. When the AJK government points to federal regulators and federal regulators point back to regional administration, no single entity remains answerable to the citizens, effectively shielding the state from political repercussions while the grievance festers.

This institutional breakdown is intensified by a historical policy vacuum regarding the management of regional resources. Analysis of historical documents reveals a persistent non-existence of modern, robust "Host Community Benefit-Sharing" mechanisms within the original Mangla Dam agreements. This omission has continued from the project's inception to the present day, leaving the region without a legal framework to claim the benefits of the power it generates. The result is an extractive relationship that reflects the dynamics of this hydroelectric resource curse. While large-scale

hydroelectric projects are often framed as national blessings, they frequently generate negative consequences for the host community, including the centralization of political power and inequitable revenue sharing. In the case of AJK, the Mangla Dam and its impounded water have been transformed from a potential blessing into a source of destabilization and conflict.

The "politics of grievance" identified in the region is a direct display of this curse, illustrating how the extraction of primary benefits from a region can lead to severe socio-political conflicts. This leads to the concept of distributive justice, which asserts that the equitable allocation of a society's resources has been fundamentally breached. Within this context, the JAAC's call for electricity to be provided at its "cost of production" is revealed as a rational and potent claim for justice rather than a simple technical appeal. It represents a grassroots effort to rectify a perceived injustice where the local population bears the environmental and social costs of a resource while the economic benefits are exported elsewhere.

A critical overview of these findings suggests that the state cannot resolve the AJK crisis through mere temporary subsidies or transactional concessions. Such measures fail to address the underlying architectural flaws in the governance system. A sustainable resolution requires a fundamental redrafting of the institutional and policy frameworks that define the relationship between the center and the periphery. This includes clarifying constitutional ambiguities to close the accountability vacuum and instituting a modern benefit-sharing mechanism that recognizes the rights of the host community. Until the state addresses these structural failures and honors the spirit of the social contract by ensuring distributive justice, the region will likely remain caught in a cycle of grievance and instability. The 2024 unrest serves as a definitive signal that the previous mode of extractive governance has reached its limits of legitimacy.

Ultimately, this study asserts that the crisis cannot be remedied through temporary financial packages or subsidies, which merely address symptoms. A lasting resolution necessitates fundamental structural and political reform: the negotiation of a new, permanent, and legally binding agreement that defines responsibility and implements a modern framework for resource-benefit-sharing. Only by rectifying the "architecture" of the grievance, rather than just its economic consequences, can the state begin to

reconstruct the public trust and political legitimacy that have been so deeply undermined.

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