

Economic Strategising of Pak- Afghan Border: Case Study of FATA and Adjacent Five Afghan Border Provinces

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Abstract

Since 1979, Federally Administered Tribal Areas (FATA) and adjacent provinces of Afghanistan (Khost, Kunar, Nangarhar, Paktia and Paktika) have evolved into a militarised zone for different competing blocs, thus remained impoverished and conflict ridden. Today, FATA and adjacent Afghan five border provinces total estimated population is around 6.7 m, average literacy rate among the tribes is hardly 15.5%, while average per capita income of semi-skilled tribal population is \$225 and annual growth rate of the region is .1% to 1.5%. Thus, placing Pak-Afghan border areas in the category of economic periphery (very poor) of the peripheral Afghanistan and semi-peripheral Pakistan. However, this longest porous border located on the confluence of rich Eurasia can be transformed into robust economic zone for the region, benefiting poor tribes, semi-peripheral Pakistan and peripheral Afghanistan if certain steps are taken. Hence, an attempt is made in the paper to explore the issues related to conflict ridden poor Pak-Afghan border areas and discusses its importance in terms of Pakhtun tribal affiliations across the Durand Line and geography that connects South Asia and Central Asia. Several suggestions and strategies are discussed to improve economic conditions of tribes living on the periphery and how it would benefit both Pakistan and Afghanistan.

Keywords: Pak- Afghan Border, Economic Strategising, Pakhtun Tribes FATA.

Introduction

Pakhtun tribes living in FATA and adjacent five provinces of Afghanistan (Khost, Kunar, Nangarhar, Paktia and Paktika) are the most marginalised and impoverished. Therefore, due to many economic reasons and compulsions, these tribes on both sides are closely connected, also, its porous and contiguous border enabled tribesmen to interact for economic activities and needs. Michael Baud and Willem Van Schendel discussed in detail the nature of

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border areas in their work *Towards a Comparative History of Borderland* states that:

*“To them borders are simply national and political construct. A territorial demarcation on maps but in reality misleadingly outlines; as observed that it is very difficult to establish any form of state’s control or power to stop the interaction of people living on peripheries. Some states treat their borders as autonomous rough edges (autonomous and open) and others are not content with autonomy or open borders (argument is in the context of colonial and post-colonial construct of states and their peripheries). Hence, few states for control tried to curb their autonomy by resorting to different measures such as extension of rights, devised developmental schemes and in some instances only integrated elite with a core state and marginalised the population. In few cases, confrontation started between people living on periphery and state. They argued that in border areas cross border economic and commercial activities are always based on already designed network of kinship and friendship such as Pak-Afghan border tribes are interlinked through kinships and centuries old friendships for social and economic reasons, while respective governments on both sides have failed to integrate these areas into their respective economic setup”.*¹

The argument of Baud and Schendel helped us in understanding social and economic relationships of Pak-Afghan border areas’ tribes. These areas inhabited by Pakhtuns on both sides during British colonial period was treated as a frontier, controlled it through oppressive regulations (FCRs) for security and treated it as loose border for social and economic interactions of tribes.² Therefore, border areas were neither politically integrated nor economically empowered due to its militarised buffer status. Unfortunately, after 1947, Pakistan and Afghanistan continued treating their borders as militarised space amongst themselves too. Thus, like many other indigenous and border tribes, Pakistan and Afghanistan has ignored their sub-nations living on periphery in terms of social, political and economic development due to political and other security related constraints. Hence, local tribesmen, ignored by their respective states across the Durand (discussed by Baud and Schendel for borderland people) continued interacting for products, services, trade, and other facilities to survive. Various studies and reports on border areas also demonstrate that both Pakistan and Afghanistan governments at centre tend to ignore sub-nations, living on periphery, due to either social, political and security reasons, or economic constraints.³

After 9/11, Afghan government with foreign assistance attempted to develop border region but unfortunately this region needs huge economic resources and also security situation does not allow them to invest in their respective border region.⁴ Since 2002, Afghanistan has received \$103 b from US to reconstruct and develop her economy; however, out of this funding, \$54 b went to the Afghan National Security Forces due to their security concerns and hardly .04% went to the development of poor areas.⁵ In case of FATA, Pakistan government has awarded “special status” to tribal areas, thus, instead of investing in the development of FATA, it is converted into a security space since 1979.⁶ Although, during War on Terror, US allocated funds for FATA’s development and progress but even those funds were misappropriated and misused.⁷

However, conflict ridden and marginalised Pak-Afghan border can be evolved as model of integrated border area for peace building as well economic growth. It is high time that on North-West border geo-economics should replace geo-politics by peripheral Afghanistan and semi-peripheral Pakistan for peace and prosperity. In the present scheme of political economic affairs, states are classified into core (developed/capitalists), semi-periphery (developing Pakistan) and periphery (least developed Afghanistan). The core states (rich North) with more power (both political and economic) govern and control the world political and economic system that led to economic disparity, inequality and wars amongst nations. Semi-periphery states (developing) in the middle of core and periphery are manipulated by core states, and they (semi-periphery states) take advantage of periphery state due their asymmetrical relations amongst them.⁸ Although, the prevailing arrangement amongst the periphery state (least developed Afghanistan) and semi-periphery (Pakistan) needs to change.

Therefore, it is pertinent to address the needs of poor tribes living across the conflict ridden Pak-Afghan border (periphery of peripheral Afghanistan and semi-peripheral Pakistan). However, certain measures and reforms are also needed to address their immediate problems related to political, administrative and economic issues.

Measures, Reforms Recommended for Peaceful and Prosperous FATA and Adjacent Afghan Five Border Provinces/Wilayatona

In FATA, it is imperative to change the present constitutional, political, administrative, legal and economic system for peace and prosperity. While in the adjacent border provinces/wilayatona of

Khost, Kunar, Nangarhar, Paktia and Paktika certain measures are needed to improve the prevailing system to evolve it as an economic border.

In FATA, Pakistan skewed constitutional arrangement and administrative system has left no space for basic rights, self-rule, progress, investment and development of these areas. There is a need to abolish Articles 246-247 of 1973 Constitution and Special Status, to stop inhuman and undemocratic practices in FATA to enable tribal people to become equal citizen of Pakistan instead of subjects. Article 247(1), put tribal areas under federal control precisely President of Pakistan, leaving no space for self-rule and autonomy like rest of Pakistan's other provincial units, thus with abolishment of these articles/subsections, Parliament and tribal people will be able to legislate for FATA, like the rest of Pakistan. It will also pave way to either merge FATA with Khyber Pakhtunkhwa province or acquire a status of separate province.⁹ Mainstreaming of FATA is possible only with the abolishment of special status, thus, elected and accountable to masses provincial and local government can be formed to address problems of services delivery such as access to clean portable water, sewerage disposal, health and education to enable tribals to adjust themselves to changes occurring nationally and globally.

Article 247(7), excludes tribal areas from jurisdiction of Superior (unless Parliament by law allows it), hence, leaving tribal people at the mercy of President, Governor Khyber Pakhtunkhwa and Political Agents/Sarkari Jirga of agencies.¹⁰ With the abolishment of Article 247(7), Pakistani Superior Courts would be able to protect fundamental rights of tribal people such as life, property, liberty, security and fair trial. Extension of Superior Courts will also provide a forum to file complaints and petition against those institution and offices that are misusing their powers in FATA with impunity.¹¹ Thus, High Court Bench can be established to hear appellate cases from different tribal agencies. Like other settled parts of Pakistan, district judiciary at every tehsil of agency can be formed and Additional Civil Judge along with Civil Judges cum Magistrates can be appointed and empowered to handle civil, criminal and family cases according to the choice of litigants (Pakistan Penal Code or Sharia Law).¹²

For economic reforms and favourable investment environment, it is essential to address the security and law and order situation in FATA through proper management of border. Unfortunately, Frontier Corps in charge of border security got involved in administrative activities such as eliminating poppy

cultivation, rescue operations during floods and construction of roads in the agencies due to absence of infrastructure and specialised teams. In some check posts of border areas, they are regulating trade instead of militants' movements.¹³ Thus, such unchecked and unregulated activities have compromised the management and security of border. It is important that such mal-practices of the border force is checked and curtailed through public institutions. Another important security force, Frontier Constabulary for Frontier Regions security is deployed in other parts of Pakistan, hence left many strategic places unmanned and without security apparatus.¹⁴ This force can be returned back to Frontier Regions to secure peace in the areas and disciplined to deal with militancy.

Levis and Khassadars (force for internal security) can be either properly trained or up-graded to Pakistan Police Services. Another option is replacement with the better-trained forces to assist courts and effectively handle law and order situation.¹⁵ Levi and Khassadar forces are under-paid, poorly trained and ill equipped to deal with serious issues of militancy inside agencies. Hence, it is important to train, facilitate these security apparatuses and bring them under constitutional and civil administration control for better performance and accountability or replace it. Recently, there were several complaints against the informal local militias (formed by tribes in combating militants) that they are involved in arms smuggling, thus sabotaging internal and border security of the agencies.¹⁶ Such issues will be addressed only with the mainstreaming of FATA. With the presence of court system, properly trained and public accountable force, rights and properties will be protected, thus, enable tribals to develop their areas in secured environment and provide peaceful atmosphere for foreign investors too. It is ironic that FATA is treated as a separate federal unit but has no share in National Finance Commission¹⁷ award; hence, share can be awarded to this border area for rapid reforms and inclusive growth.

Similarly, several measures are also needed in the prevailing administrative, judicial and security apparatus of the border provinces of Afghanistan to pave way for peace and economic development. In Afghan border provinces, for transparency, decentralisation, progress and development, there is a need to define powers of Governor (Wali) and elected Provincial Council (Wilayati Shura). The District Council (Woluswalay Shura) elections can take place to evolve accountable and democratic governance mechanism. There is a need to evolve

village council to deal with administrative and governance issues at grass root level. Due to this confused administrative mechanism (some elected, others nominated), border provinces efficiency is badly affected. The present local governance system instead of strengthening elected bodies, strengthen the old informal system of power-holders and patronage, prone to corruption and manipulation that resulted in failure of economic development in the provinces.¹⁸ Hence, it is important to give space to the elected and participatory governance system (provincial and district councils) and make it public accountable rather empowering informal and unelected bodies.

Governors of the border wilayats can act vigilant and competent to pursue the interest of their provinces in the centre. Presently, many of the border provinces are operating without many important departments due to security and insufficient/ill-trained staff. There is a need for capacity building to deal with a complex system of governance. Governor can appoint officials in different directorates, line departments and others on merit and training bases instead of personal and other contacts to make system more efficient and sustainable. Financial planning and budgeting can be framed according to the province needs, hence it is important that peripheral region is allocated funds according to their needs. Financial planning process for each province can be de-centralised for effective use of limited budget and finances. There is a need of involving local governance system in the budget and other financial planning for the better use of revenues and external funds.¹⁹

Afghan adjoining border provinces are also facing serious issues in maintaining security. In fact, most of the developmental projects are stalled due to security related issues. In border provinces, 201 Selab Army Corp and 203 Thunder Army Corp are for there for security on ground but it needs air support too for effective patrolling and accessing hard terrain²⁰, hence air support can be provided to these troubled border provinces. It is also observed that in some very crucial areas, the command lack tactical training and logistic support, hence, such issues can be also resolved for better security. In border provinces such as Khost and Paktia, there are several no go areas, therefore special task forces along with Afghan Border Police with proper intelligence network and training can be deployed to deal and check militants movements and attacks across the border.²¹ There is also a need to establish infrastructure at border provinces on strategic entrance and exit points, in addition border forces can be properly trained in

combating terrorism, literate enough to understand war complexities and for vigilance, tested clean for alcohol and drugs.²²

Provincial Reconstruction Teams invested a major share of funding in the building of Afghan National Police and Justice Department at every province; however, these departments still lack properly trained judges and police officers. Moreover, in border provinces, there are several informal militias and community justice system operating parallel to the formal one, challenging the state formed system. The formal systems of justice and law and order lack trust amongst the masses due to rampant corruption, non-professional behaviour and red-tape mechanism. Therefore, many rely on militia and community justice system for security and justice.²³ This dual system has compromised the security and justice in these troubled border provinces, thus posing threat for the whole region.

Hence, for economic progress and better investment environment in the five border provinces of Afghanistan, it is important to strengthen formal local governance, give special attention to the security, build better and trustworthy justice system by training judges and police department, curb corruption and red-tape mechanism in every department to build respect amongst masses.

Empowerment of FATA and Adjacent Border Provinces with Economic Reforms

Along with constitutional, administrative and judicial reforms, economic empowerment of tribes is very important for mainstreaming and reorientation of Pak-Afghan border economy. Economic changes and reforms are not only vital for peace and stability of militancy hit impoverished tribal belt but is also important to equip them to compete in global economy. Due to militancy and unrest, poverty in the Pak-Afghan border is highest as compared to other parts of Pakistan and Afghanistan. For reorientation of tribal areas economy, several rigorous economic reforms in agriculture, manufacturing and trade are needed to evolve as an economic border. Therefore, concerted efforts must be made to develop these impoverished Pashtun border areas economically to take advantage of its strategic location. By strengthening their agriculture sector, investing in cottage industry and promoting trade, it will not only benefit tribal people but shall also benefit both Pakistan and Afghanistan.

Banking System Needed in FATA and Adjacent Afghan Border Provinces

In Pak-Afghan border areas, there is a need for viable banking system. In FATA, banks are present but do not extend loans due to issues of recovery, absence of land and revenue record and security. As mentioned above that with the abolishment of special status, land record and reforms can be carried out to facilitate tribals with bank loans against their lands and properties.²⁴ Similarly, Afghanistan also needs robust and well-regulated agricultural and commercial banking system in border provinces for development and progress, and it also need to discourage informal practice of Hawala system. Afghan border provinces have no constitutional or other handicap like FATA, however, their major issue is capacity building and infrastructure of banks to assist and facilitate investors. In addition, border provinces need land acquisition and re-settlement of lands to facilitate banks in the extension of loans and funds to tribes. It is important that land issues are settled down and tribes are allowed to borrow money against their lands and properties for agriculture, industrial and commercial activities from banks.²⁵

Strengthening Agriculture of FATA and Adjacent Afghan Border Provinces

Agriculture is a major economic activity in the Pak-Afghan border areas that includes farming, livestock rearing and small-scale agro based cottage industries.²⁶ Hence, it is important that maximum investment is done in the agriculture sector. For better and modern farming, old tools of agriculture can be replaced, irrigation system can be improved, land record and reforms and can be carried out, seed and pesticides can be made available to the tribal farmers. FATA Development Authority (FATADA), identified approximately sixty dam sites, if materialised it will improve not only FATA's irrigation and agriculture but will also help five adjacent border provinces of Afghanistan without getting into water disputes issues.²⁷ In some tribal areas only input is required as apple orchards, developed during British period in Kurram and Waziristan.²⁸ There are several orchards of apple, pomegranate and oranges in Kunar, Paktia and Nangarhar. These orchards on both sides need improvement to compete in the region and improve bilateral trade.²⁹

Along with already available orchards, several other orchards can be developed throughout border areas; produced fruits, with limited resources can be dried, and exported as dry

fruits. Due to small land holding and area in the Pak-Afghan border areas, it is not possible to utilise land for huge cash crops but with less space and less investment, government can provide funds for different varieties of floriculture. Most of the agriculture produce in the border areas is organic; hence, if the governments on both sides pay special attention to the needs of tribal farmers, it can be marketed to the developed states, where there is growing demand for safe and organic vegetables and fruits.

Livestock and poultry is another important source of economic activity in the tribal belt. In case of natural calamities such as floods, draughts and pest attacks, tribal people rely on livestock and poultry. With the help of veterinary experts and facilities, animal husbandry can be improved, thus, converting tribal areas into major producers of meat, milk, animal skins and hides. Government with limited resources can also finance poultry farms and fish ponds. Besides livestock, poultry and fisheries, small agro based cottage industries can be financed with the help of investors. Establishment of cottage industries with less finances and resources on the model of Dutch dairy farms can produce cheese, butter and curd related exotic products such as local made yogurt product known as *krut*.³⁰

After getting positive output from the small projects, governments on both sides can also sponsor huge development schemes for agriculture growth in their respective border areas. In budget, they can assign funds for the irrigation schemes, provide subsidised seeds and pesticides, give agriculture loans for modern farming equipment, allocate finances for agro-based industries, and also build agriculture and animal husbandry institutes in each district to facilitate farmers.³¹ Pak-Afghan governments can also officially patronise and facilitate international trade of tribal areas agriculture products by exporting agriculture goods and commodities to the neighbouring Central Asian Republics. Both states with the assistance of Central Asian Republics and other stakeholders in the region can also arrange training program in the tribal areas on international standards for Good Auditing Practices and Legal Requirements. Pakistan and Afghanistan are agrarian economies, thus many exports are agricultural products. Therefore, it is pertinent to pay attention to agriculture sector development in the border areas to benefit the local people and enhance Pakistan and Afghanistan's exports.

Industrialisation in FATA and Adjacent Afghan Border Provinces

It is also important to bring certain reforms to encourage industrial sector in the FATA and adjacent five provinces of Afghanistan. For promotion of industrialisation in the border areas, it is pertinent to establish and extend banking system of Pakistan and strengthen Afghan banking system. At small level and with limited finances, the government can promote cottage industries of handicrafts, rugs, carpets and jewelry making. The government can provide patronage to the border artisans (male and female) and they can display their work internationally. In addition, both Pakistan and Afghanistan can earn foreign exchange with cost effective tribal traditional handicrafts and enjoy comparative advantage in the international markets.

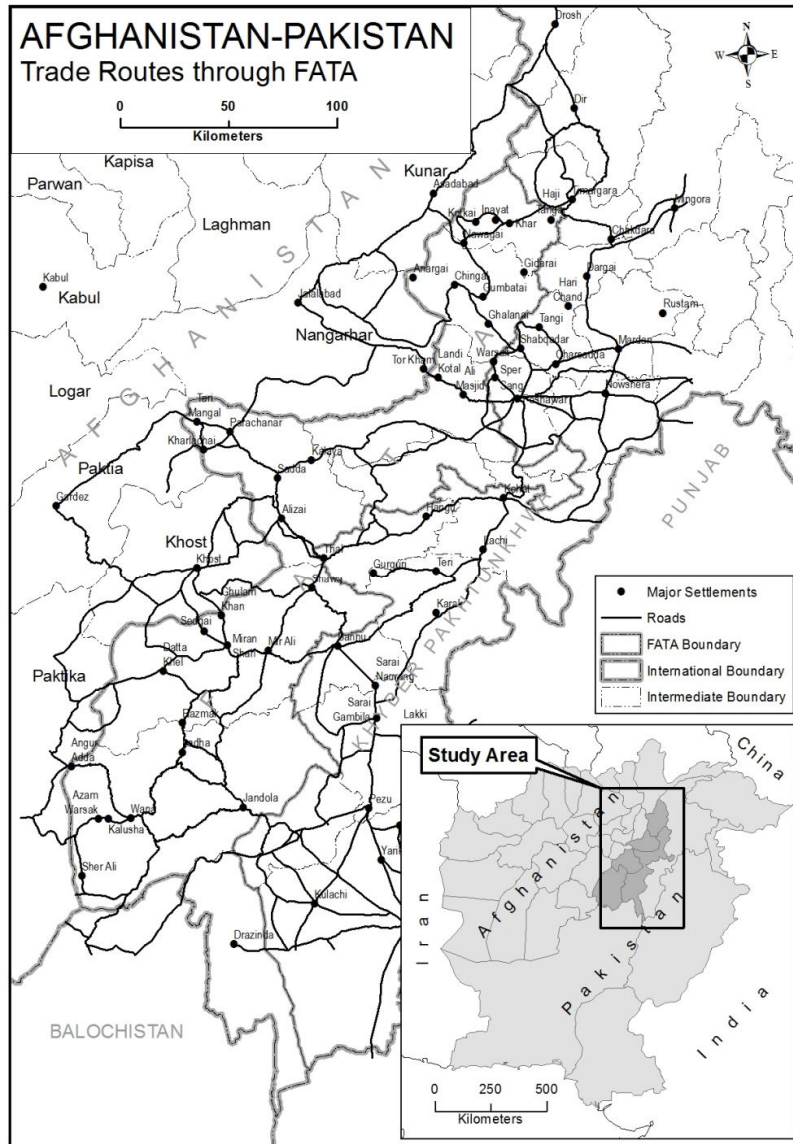
There are 1815 industrial units in the FATA and approximately 100 in the adjacent five Afghan provinces³² but due to security issues, lack of government patronage and shortage of electricity problems, it failed to deliver the desired results. These units can be upgraded with the government loans and finances. Materialise sixty dam projects in the FATA for energy, where possible, solar panels can be installed, biogas and coal can be utilised for cheap generation of energy and electricity for industries in tribal agencies. Governments on both sides need to provide relief and rebate to industrial units by providing them duty free industrial equipment as Pakistan did in Gadoon Amazai Industrial Estate.³³ Pakistan and Afghanistan can also encourage foreign investors by providing guarantees, facilities and incentives. Foreign investment will not only provide investment and employment to tribals but will also expose them to handle advance technology and get training in the production of quality products and enable them to compete in international markets.

United States (US) in 2005 passed a bill in Congress to develop Reconstruction Opportunities Zone (ROZ) in Pak-Afghan border areas on the pattern of Jordan and Egypt models. The major aim of ROZ was to set up industrial units in FATA, earthquake hit Hazara division and border provinces of Afghanistan. In this scheme, it was also pledged that products of these industries would get tax and custom free treatment in the US markets. The project aim was to address militancy through industrialisation of Pak-Afghan border, providing employment to tribal people on both sides and creation of favourable environment for foreign investment by facilitating them with incentives such as tax breaks, rebate on manufactured goods and custom/duty free trade.³⁴ However, due to some unknown reasons ROZ was shelved. The

project can be revived through multilateral arrangements with other different partners in the region and international community can also come forward and invest in the terror hit border region.

Encourage Regional Trade through FATA and Adjacent Afghan Border Provinces

After agriculture, trade is another important means of livelihood in the Pak-Afghan border areas. Through 1965 transit trade treaty, later revised in 2010, between Pakistan and Afghanistan, traders on both sides got engaged in the transit trade, thus provided an opportunity to tribes on both sides to earn profits through formal, transit and informal trade.³⁵ There is an urgent need for multiple reforms in the trade to establish Pak-Afghan border as a major hub of trade and commercial activities. FATA and Afghan adjacent five provinces is a major international trading and commercial corridor, it can be converted into a viable and safer route for South Asia and Central Asia; moreover, it will also help in the generating revenues for locals as well states. In the following map, studied area identified Pak-Afghan trade routes through FATA and adjacent five Afghan border provinces to understand the areas' importance in terms of international trade and commerce.



Source: Authored with guidance of Dr. Ihasanullah Khattak of Geography Dept. University of Peshawar.

In 2010 treaty, there is a provision related to giving transit to Pakistan’s commodities to Central Asia through Afghanistan via FATA. Several routes are identified through tribal belt besides Torkham.³⁶ Through trade, “Asian New Silk Route” can be revived, giving Pakistan and Afghanistan border areas economic opportunity to become an important trade route connecting South

Asia with Central Asia and Europe. Pakistan government can improve the infrastructure, roads conditions and build customhouses in tribal areas to facilitate regional trade and can also convert FATA into export and import zone. Hence, some areas, on both sides of border can be converted into duty free zones to encourage consumers and investors on the pattern of travel retail duty free system such as in Dubai and Bangkok.

Along with regular and transit trade, local produced commodities of tribal areas (agro based commodities, cottage industries and other manufactured goods) can be traded up to Central Asia and Europe. In this case, trade can be promoted through gravity model of trade³⁷, their geographical contiguity, language, culture and common policy of development can strengthen and establish regional trade. The exchange of locally made commodities will not only give relief to the consumers in their respective states but in future can develop a strategy towards greater and better regional trade on the pattern of Latin America Free Trade Areas (ALADI) or Association of Southeast Asian Nations.

Conclusion

Tribes living across the Durand line are suffering since unrecorded time, however British and Russian's "Great Game" for richer subcontinent evolved this area into official militarised war zone, devoid of rights and burdened with too many unpaid duties. Unfortunately, these tribes living across the Pak-Afghan border are victim of both history and geography; shared history with Pakhtun brethrens on the other side of border has put them under too many expectations that are now more of burden than pride. Its geographical placing also transformed these areas' socially, economically and politically, hence they were socially segregated from many positive influences; therefore, even today they are isolated from urban centres of their respective states. In addition, their political issues such as FATA with "special status no self-rule" and border provinces of Afghanistan struggling with informal administrative mechanism has placed them outside the ambit of the constitutional rights and economic development.

These tribes living on the periphery pay in terms of strategic gains with some selective economic benefits for their respective states. Almost 2 billion dollars bilateral trade is conducted through the Pak-Afghan border but its 60% population is living below poverty line, hence the border region is infested with militants and terrorists challenging states. It is pertinent for

the survival of both states that economic reforms is introduced to convert Pak-Afghan border from militarised zone to economic and replace strategic policy with economics strategies. Its shared history and geography should be a pride rather menace for poor tribes living on the Pak-Afghan borderland.

Notes and References

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- ²⁶ Unfortunately, Pakistan and Afghanistan like many developing and least developed states, failed to develop competitive agriculture sector in their respective border region, although both states enjoy comparative advantage in several organic agriculture produce.
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- ³¹ There is no red box on agriculture, in fact developing and least developed countries are accorded Special and Differential Treatment in World Trade Organisation. Such preferences will benefit peripheral and semi-peripheral states.
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