

## **Experiences with regional development: Changing challenges and perspectives in Gilgit Baltistan**

The paper deals with my experiences and views on regional development perspectives and challenges in Gilgit Baltistan (GB). What I am sharing with you is a community perspective and my own assessment of the discourse and not necessarily reflects Aga Khan Rural Support Programme's (AKRSP) views.

### **1 Introduction**

Pakistan is a huge country with a population of around 200 million people stretching from the Arabian Sea to the Himalayas and Pamirs. The Country is divided into four major ethnic provinces or regions and additional territories administered by Pakistan, which are outside its constitutional ambit, like Azad Jammu and Kashmir (AJK) and GB. The country has mainly agriculture-based economy with over 70 % of the population living in rural areas.

The discourse on regional development is not a new topic in Pakistan. The notion has been discussed in both the developed and developing regions in the context of rural poverty, rural to urban migration and in dealing with the question of centre to periphery relationships, equitable distribution of resources and also related to the political question of national integration and decentralisation, local and provincial autonomy and of political participation over the years; In Gilgit Baltistan Region, when we talk of regional development it essentially looks at four aspects, mainly external drivers that drive the discourse. They are:

First, political and constitutional; meaning how to integrate a geo-strategically important region with Pakistan through institutional means and participate in national decision making, when the region remains outside the constitutional ambit of Pakistan. In a constitutional void or vacuum, the measures are mostly ad-hoc using instruments of political control and narrowly interpreted security paradigm;

Second, the economic driver; meaning how to create economic incentives to create economic dependency with the central government and national markets and controlled border trade with friendly countries like China, through subsidies and other measures. For example, supply of wheat to GB has long been subsidised, as well as petroleum products. No direct taxation was imposed (though it has started recently in this direction) as well as the government is the biggest employment provider and investor in major infrastructure projects to promote gradual integration of the region with Pakistan;

Third, is provision of needed space to non-state actors including civil society organisations like the Aga Khan Development Network (AKDN) and conservation agencies to promote social development, conservation of natural resources, following bottom-approaches to promote self-reliance, self-sufficiency and addressing issues of poverty and improving quality of life of the rural populations;

Fourth, geo-politics; meaning what happened in the early to late 1970s around Pakistan and closer to GB before the creation of AKRSP in 1982 and what is happening now around GB and the wider region has its implications for regional development thinking. Some key events shall be mentioned here: the India-Pakistan war in 1971, the creation of Bangladesh, a left-leaning Bhutto taking over remaining Pakistan, abolishment of feudal states in Pakistan including GB, martial government in Pakistan, Prime Minister Bhutto was hanged, Afghan spring revolution and the CIA-led Jihad against the revolution and the Soviet intervention, Islamic Revolution in Iran and its impact in the region including GB, and most importantly construction and opening of the Karakoram Highway (KKH) by Pakistan and China in 1979 passing through GB linking Pakistan with China through this only border.

These events have influenced the thinking about regional development. In this backdrop AKRSP was founded in 1982 by the Aga Khan Foundation (AKF) to benefit from the new opportunities and address the old and new challenges posed by the changing geo-political and development landscape with two simple objectives: double the per capita incomes of rural farmers and develop a replicable participatory rural development model. A number of donor partners including the government of Pakistan provided full support to this new program. The approach that AKRSP followed was based on the German rural cooperative model popularly known as the Raiffeisen cooperative model tested in Germany earlier and in some countries in Far East. Dr. Akhtar Hameed Khan from Comilla Academy in East Pakistan and later his ardent student Shoaib Sultan Khan who become the first General Manager of AKRSP tried the model in the mountain area context. The three principles of the cooperative model 'organisation', 'upgrading skills' and 'generating own capital by the poor' was seen as a best fit to the conditions in GB and Chitral (GBC) region. In the late 1970s and mid-1980s, the region was passing through institutional vacuum created by the then Bhutto Government in Islamabad, by demolishing the old feudal states across Pakistan. In Gilgit-Baltistan, there was no proper transition plan in place on how to replace the old system with new forms of modern organisation to manage production and organise labour for communal development and local government; absence of any cash flows in a rural subsistence economy and new productive and management skills that were required to benefit from the opening of KKH and new technologies introduced by AKRSP and the market.



*AKRSP is pursuing community-based development projects since more than three decades. The Sost tunnel to irrigate and cultivate new lands was one of the first efforts in Gojal. Photograph © Hermann Kreutzmann 1 November 1985*

Therefore, in the initial years, the AKRSP development package consisted of trainings, technology transfers and inputs, and supplies in agriculture, forestry and livestock. Other approaches were micro savings and micro credit, secondary community infrastructure including access roads, bridges, irrigation channels, protective works and renewable energy-micro hydels and other technical installations. Other AKDN agencies including Aga Khan Health Service and Aga Khan Education Service were long investing in some areas already and the literacy rate in those areas was comparatively higher than in other districts. However, communities were never mobilised for production after the abolition of the old state systems for almost a decade, hence a vacuum existed, creating hopelessness, despair and confusion. In some respect AKRSP did miracles in the early decades by organising the rural poor into village and women organisations for undertaking bottom up, community-based development. Over 4,700 organisations (Village and Women Organisations) were fostered, reaching out to over 90 % of the households and villages. Poor farmers were enabled to save over 500 million rupees through micro-savings, and more than a billion rupees has been granted as micro credits. Additionally, more than 3,000 small and micro infrastructure projects were realised, and over 65,000 activists were trained in various productive and management skills.

Over the years, the World Bank evaluated the impact of AKRSP at four different intervals. The evaluation concluded that AKRSP has actually contributed immensely towards poverty reduction in the area, per capita incomes doubled, and even tripled. The AKRSP approach was consequentially replicated across Pakistan by the Governments in the form of Rural

Support Programs (RSPs), across South Asia including India by United Nations Development Programme (UNDP), and across Africa and Central Asia by AKF. Together it forms the largest civil society movement, established during the last three decades in the region.

Currently AKRSP is focusing on two pillars. The social pillar rests on strengthening village and women organisations through federating them at union council levels into intermediary local civil society institutions called Local Support Organisations (LSOs) focusing on mainstreaming women, youth and the marginalised groups into leadership positions in LSOs and youth organisations. Additionally, this approach strengthens partnerships with local government systems and supports capacity building of activists, elected tiers and officials. The economic pillar rests on renewable energy, value chain development in key sectors like high value horticulture, gems, tourism and trade. It also pursues youth technical and vocational training and youth entrepreneurship, women social and economic empowerment and livelihood enhancement programs for the extreme poor.

## **2 New Opportunities and Risks**

Of late the central government has provided more institutional and political space to the local people compared to what it was like five to ten years back. The new Gilgit Baltistan Empowerment and Self Governance Order 2009 (GBESG) provides a framework for decentralisation and participatory governance. However, many of the key growth sectors (like energy, forestry, minerals, tourism, taxation etc.) and key decision-making still rests with the centre and is dominated by the GB Council. Weak political leadership, a rotten elite sticking to power, patronisation of sectarianism by state apparatus and corrupt politicians, corruption and lack of administrative and development capacities at local levels also provides the central government with the excuses for following a gradualist and minimalist approaches, besides the question of tied international obligations vis-à-vis the Kashmir dispute.

China's new One Belt One Road (OBOR) initiative and the China Pakistan Economic Corridor (CPEC) is a new opportunity, which in Pakistan is considered a game changer with implications for GB as the road passes through this region. There are also other mega projects related to this like the Diamer Basha Dam, the Bunji Dam, up-gradation of Karakoram Highway, a rail link, broadband access, and allied logistical services that would create new economic opportunities for access to clean and renewable energy, employment creation and knowledge highways as well as information and communication technologies (ICTs).

Like Pakistan, GBC has a youth bulge and a comparatively large literate population. There is increased interest in education, and increased public and private investments in school

education provide new opportunities, and, at the same time, also developmental risks like educated unemployment.

The establishment of the first university in GB - the Karakoram International University (KIU) - is a great hope and opportunity for the future of this region. KIU has the potential to serve as a development catalyst and knowledge hub to promote exchange with national and international partners. The linkages with the University of Central Asia (UCA) and the network of mountain universities will help to foster regional development.

However, there are also risks and challenges connected to the development efforts, such as maintaining the fragile peace and security, and sectarian harmony. In this regard, the continued illegitimate rule by bureaucracy and establishment imposed by Islamabad and denial of the fundamental freedoms and human and constitutional rights to the people of Gilgit Baltistan to govern their own affairs on their own land, is a major challenge and risk for regional security. Others risks and challenges include; increasing socioeconomic disparity between income groups and districts, gender inequality and youth unemployment, the increased pace of rural to urban migration, pressures on urbanised towns for delivery of services, as well as lack of peri-urban development planning can be seen as especially burning issues. Additionally, an increased pace of natural disasters, pressures on water, land and social resources and ruining decades of development investments make the situation even more difficult.

More accessibility means sometimes more outside investments and interests in the land and the area by outside players risking displacement of locals by offering huge sums of money and alienation of local people. There are no laws to protect the basic and customary rights of the local people to own private and communal lands, like it used to be during the British colonial period. The notion of State Subject Rule used to protect the rights of the local people, which is still implemented in the Pakistani and Indian administered Kashmir, but not enforced in Gilgit Baltistan, opening way for Pakistani and other citizens to settle in Gilgit Baltistan and own land especially in urbanised and strategic areas, with huge impact on demography, economy and politics.

Similarly, the CPEC projects, large dams and other projects are driven by external security interests of national and regional actors with no local participation in decision making. Consequentially, these security paradigms mean less ownership, participation, more political restrictions on local voice groups, and even clipping the wings of the civil society actors, which were earlier given space to operate to supplement and complement government efforts.

In conclusion, regional development challenges and perspectives in Gilgit Baltistan is in a continuous flux and is mainly driven by external drivers. Local Civil Society-led bottom-up approaches worked well and even did miracles in fragile and vulnerable regions like GB where the state capacities are weak, resources meagre and population is scattered with least social and natural endowments and huge disparities. However, such interventions have its limitations in terms of legitimacy, sustainability and scaling up good practices and wider ownership of the government machinery and in general by masses.

Therefore there is a need to strengthening the local government system for participatory governance, creating public and private partnerships between civil society and the local governments to promote political participation, equitable development and using local governments as instruments and engines for economic growth at local levels. In order to adapt to and mitigate the risks of natural disasters and climate and global changes at local levels, there is a need to do hazard and vulnerability risks assessments, land-use and town planning and developing framework for peri-urban development to create transitional spaces and economic zones to tackle the issue of rural to urban migration, and to assess the carrying capacities of towns for services and for sustainable development.

Strengthening local civil society sector is key to regional development and need to be nurtured to tackle issues of inequality, youth and women empowerment, poverty, media and legal empowerment, disaster risks and humanitarian assistance, health, education, housing for the poor and other marginalised groups.

Piecemeal approaches by donors and the large development agencies should be avoided. A longer term approach is required, not working only in project modes of touching one issue, leaving it unsolved and moving to the next. There is a need to adopting cluster and multi-input approaches to regional development and addressing issues of rural poverty, migration, youth unemployment, women development and strengthening the capacities of local governments, the private sector and local civil society groups to tackle the issues mentioned above.

Lastly, large civil society and development networks including Aga Khan Development Network (AKDN) need to proactively create space and build confidence of local communities and civil society groups in governing their own affairs, making and taking their own decisions in their own context whether in peace time or in crises situations in order to create local ownership, sustainability and genuine participation without risking crowding out local actors. Local decisions need to be made locally, not in Islamabad, Karachi or anywhere else.