

¹Intra-State Conflicts and Development Strategies: The Baloch Insurgency in Pakistan

G. Shabbir Cheema
Director, Asia-Pacific Governance and Democracy Initiative
East-West Center, Honolulu, Hawaii

Introduction

Intra-state conflicts have been endemic in Pakistan since its independence in 1947. The most disastrous for the country was the civil war in former East Pakistan (now Bangladesh). The concentration of political power and government-initiated programs and investments in the western part of the country and the increasing regional disparities led to the alienation and resentment of the people in the eastern part. The triggers for the intra-state conflict were the unwillingness of the military regime to hand over power to the democratically elected leader from East Pakistan and long periods of military rule that deprived the country of democratic mechanisms to reconcile political and economic differences. Another long-simmering intra-state conflict in Pakistan is Balochistan – the largest province of the federation in area and the smallest in population. The demand of the local Baloch population for regional autonomy, their resentment at the slow pace of provincial economic development, the influx of people from other provinces, and the exploitation of the extensive natural resources of the province without equitable distribution of benefits have led to political and social tensions and the insurgency. Four waves of violent unrest took place in 1948, 1958-59, 1962-63 and 1973-77. In early 2005, tensions in Balochistan again increased, with numerous clashes reported between security forces and the Baloch tribesmen.

¹ I would like to thank William Ascher, Natalia Mirovitskaya, Adnan Aliani, Ahmed Bilal Mehboob, and Cameron Lowry for their useful comments on an earlier draft.

The Pakistani experience suggests that there were two main determinants of the intra-state conflicts: (1) development strategies and approaches that led to uneven development and institutionalized exclusion of various groups and regions from benefits accruing from government-initiated programs, and (2) military dominated governments in about half of Pakistan's 62 years history that deprived citizens of political mechanisms to express their grievances and resolve differences. Other causes include the feudal structures characterized by unequal patterns of land ownership, the manipulation of ideological and ethnic differences by politicians both at the national and regional levels for short-term political gains, and the failure of political leadership to provide the societal vision and mobilize citizens for the public good.

This chapter examines the impact of development strategies (independent variable) and democratic governance (intervening variable) on intra-state conflicts in Pakistan. After describing the main elements of development strategies and their impacts during various phases, the chapter discusses the evolution of the Baloch insurgency, the demand of regional autonomy and the extent of economic and social disparities between Balochistan and other regions of the federation. Also examined are the government responses and insurgency management strategies and the recently introduced Balochistan Empowerment Package launched by the newly elected democratic government.

Pakistan's Development Strategies and Their Impact

Since independence, Pakistan's development strategies have undergone through five phases: (1) centralized economic growth up to 1965, (2) increased state intervention in the national economy with populist approach in the 1970s, (3) rapid economic growth with greater intervention by the military in the 1980s, (4) the phase led by democratic

governments from 1988 to 1999 and later the military–led Musharraf Government that focused on policy package which is generally associated with the “Washington Consensus,” and, (5) development strategies followed by the newly elected democratic government in the context of political instability after the demise of the Musharraf regime and an alarming rise in terrorism and political violence (Hamid 2008: 47-52; European Commission 2006: 4-6; Government of Pakistan 2003: 4-7).

During the 1950s and 1960s, the strategy was focused on the promotion of industrialization through import substitution policies and central planning with leading role of government in the economy. The government established public enterprises in the manufacturing sector and subsequently sold many of these to the private sector. A system of multiple exchange rates was set up to encourage exports. Centralized planning was introduced with heavy investment in the western part of the country where the newly independent state had a relatively better developed infrastructure, seat of the federal government and economic growth poles (Hamid 2008, 47-52).

The development strategies followed in the 1950s and 1960s accelerated economic growth leading to the world-wide recognition of Pakistan as one of the development “success” stories. The economic growth, however, was not equitably distributed among different constituent units of the federation. There were pronounced differences in income levels, investments in infrastructure, economic opportunities and access to basic social services between the western part of the country (West Pakistan) and the eastern part (now Bangladesh). This led to political alienation and resentment on the part of the population in the eastern part. The military-dominated governments in the 1960s that deprived the citizens of the opportunities for political participation further

increased alienation among the population of the poorer regions, especially in East Pakistan and the area which is now called Balochistan. Political unrest in the late 1960s forced the military government to hold free elections, which resulted in the victories of the Awami League and the Pakistan Peoples Party in the eastern and western parts of the country, respectively. Unwillingness of the military to cede power to the Awami League, which had a majority in the Parliament, led to the civil war, intervention by India, and subsequently the independence of Bangladesh.

One of the lessons learned from the international experience in promoting pro-growth strategies in the 1950s and 1960s is that during the early years after independence such strategies worked more effectively in homogenous societies such as the Republic of Korea than in multi-ethnic and multi-lingual societies such as Pakistan. While there is no doubt about the efficiency of pro-growth strategies, heterogeneous societies are in greater need of democratic mechanisms for political bargaining during the initial years of political integration than homogeneous societies. The absence of balance between political development and economic development proved to be counter productive to national integration in Pakistan.

The second phase of development strategies (1972-77) was initiated by Zulfikar Ali Bhutto, the popularly elected leader after a decade of military-led governments. Major investments were made in mega-projects including steel mills, the Tarbella Dam, and the nuclear program. The private-sector-led growth strategy was reversed. The new strategy focused on heavy-industry-based industrialization led by the state. The Bhutto government nationalized the engineering, cement, and chemical industries, as well as the oil refineries. Other industries that were nationalized included shipping, banking, life

insurance, and power utilities. The government monopolized the export trade in rice and cotton, and initiated the public sector investment program in heavy industry (Hamid 2008: 47-52).

The above and related policies pursued by Bhutto led to the end of the first growth cycle of Pakistan, with an increase in fiscal and current account deficits. High level of government intervention in the economy including nationalization of selected industries led to the decrease in private investment. The decline in growth could also be attributed to the first oil crisis, the large-scale public investment program, and a large increase in the development expenditures including the expansion of investments in basic social services and heavy investment in large projects of national importance. The military expenditure was another drain on national resources. The dismissal of elected government of Balochistan increased political alienation and conflicts in the region, to be discussed in later section of the chapter.

The military-led government of Zia-ul-Haq, which came into power in 1977, reversed some of the populist policies pursued by the Zulfikar Bhutto government. Zia-ul-Haq denationalized some of the industries and liberalized trade. But he continued the public sector investment program, the state ownership of the banking sector, and restrictions on imports and zoning regulations for sugar mills.

The Zia-ul-Haq period was characterized by rapid economic growth due to a set of factors - large capital inflows from the United States, other Western countries, and international financial institutions following the Soviet invasion of Afghanistan, a sharp increase in workers remittances from the oil rich Middle Eastern countries, and many years of bumper crops leading to increase in exports, especially of cotton and textiles.

This phase of Pakistan's development, however, had many negative effects as well. It led to an inefficient and unbalanced industrial sector, consisting of state-owned industries producing steel, fertilizer, and cement. It contributed to a growing fiscal and current account deficit which was financed through domestic borrowing and inflow of foreign assistance. Heavy sanctions imposed on Pakistan by the United States in response to the continuation of the Pakistani nuclear program after the end of the Soviet invasion in Afghanistan led to the balance-of-payment crisis. This led to the end of the second cycle of economic growth (Hamid 2008: 47-52). During this period, the Baloch insurgency continued to simmer. However, the intensity of conflict was curtailed by Zia ul Haq because his alliance with the Islamic political parties in Balochistan that had formed the provincial coalition government.

The fourth phase began in 1988. Democratic governments from 1988 to 1999 and later the military-led Musharraf Government introduced various policy reforms. These governments implemented privatization, investment deregulation, trade liberalization, financial liberalization, and tax reforms. However, they failed to maintain adequate fiscal discipline and were at various points forced to implement stabilization programs.

During the Musharraf regime, growth levels were higher than during the earlier democratic governments led by Benazir Bhutto and Nawaz Sharif. However, growth began to slow down after Musharraf's ouster from power. Pressures on the balance of payments, high inflation, and severe shortages of energy at an alarming scale demonstrated that the short-term growth during his regime was not sustainable. This could also be attributed to the period of political instability after the declaration of emergency by Musharraf, political unrest in the country, and mounting the Taliban

insurgency. As discussed in the later section of the chapter, the use of force to establish the authority of the government in Baloch dominant areas of the province led to increased conflict between the Baloch nationalists and the central government.

The newly elected government in 2008 was faced with multitude of political and security challenges limiting its ability to cope with economic management and ensure investor confidence. According to the 2009 Economic Survey of Pakistan, the global economic slow down, decreasing foreign direct investment, the security situation and an energy crisis severely affected Pakistan's economy (Government of Pakistan 2009, pp.1-4). The government resorted to multilateral and bilateral sources for its financing requirements, adding to its external debt. To support the stabilization program, the government entered into a 23-month stand-by loan agreement with the IMF to finance approximately 7.6 billion. (IMF Survey Magazine November 2008, 9. 1)

The July 2010 catastrophic floods in Pakistan have created an unprecedented humanitarian crisis in a nation already struggling with poverty, political instability and violent militancy. The floods have left some 1,500 people dead, 4 million homeless, 8 million in urgent need of basic necessities and over 20 million directly affected, including the loss of assets and income. The extent of damages to infrastructure and the economy are staggering. Half of Pakistan's cash crops, including cotton, sugar and rice, have been wiped out. About 70 percent of bridges and roads in the affected areas have been destroyed. The losses have been estimated to be about \$43 billion. (Cheema, 2010, pp. 12) Given the magnitude of this worst disaster in the world during the past 50 years, the state is going to face tremendous challenges in designing and implementing development strategies.

Over the past 60 years, many parts of the country have been transformed from rural to semi-industrial economy with increasing migration from rural to urban areas. Yet, various periods of growth have not benefitted equitably all provinces of the country, especially Balochistan. Karachi metropolitan region and major urban centers in Punjab led industrialization of Pakistan while most other parts of the country continue to be less developed (World Bank 2008).

The fiscal resource distribution among the four provinces of Pakistan has been one of the determinants of federal-provincial government tensions over the years and the intrastate conflict in Balochistan (Ahmed, Mustafa and Khalid 2007, pp. 11-16; Pakistan Institute for Peace Studies 2008, pp. 179-185; World Bank 2008, pp. 189-200). Most revenues were collected by the central government and then redistributed vertically between the federal and provincial governments and horizontally among the provinces. Population has been the sole distribution criterion adopted in all of the National Finance Commission (NFC) awards from the divisible pool. Other critical factors such as infrastructure, poverty level, revenue generation and environment have not been criteria. Due to this lack of consensus between the federal and provincial governments, interim awards and grants benefiting larger provinces have been the norm. Another consequence of the present criterion is that the central government has been "overstretching" itself by expanding its activities to include road construction and rural development, which are the provincial subjects. In some of the recent awards by the NFC, provinces have been given more resources and development funds, which has encouraged fiscal decentralization. Despite being federally constituted, the NFC has not succeeded in providing rational and equity-oriented criteria for resource distribution.

The present government, however, recognizes the need to incorporate factors other than the population size into the criteria – including backwardness and development gaps, rural-urban disparities, natural resource endowment, poverty, population density, area and environmental considerations. The recent NFC Award announced in December 2009 is the first effective response to this issue in Pakistan's history. (Arshad Ali, 2010, 1-4) Over the past 62 years, Pakistan's development strategies have largely been growth-oriented, with inadequate attention to the reduction of interregional disparities and the promotion of pro-poor growth. Even the pro-growth strategies, promoted by various military-led governments could not have been sustained due to political instability following the demise of military regimes. Many factors have determined the unsustainable growth and continuing regional and intra-group economic and social disparities. According to Hussain (2008, pp. 1-2), these include the following:

- An elite-based power structure, denying the majority of citizens adequate access to high quality education, health facilities, land, the judicial system, and high wage end of the labor market;
- Institutional constraints on the access to resources and decision making;
- Patron-client relationships with the democratically elected governments for rent-seeking, which reduces incentives for enterprise, innovation, and savings;
- Constraints on poor farmers, including higher prices on their inputs, lower prices on their outputs, and highly unequal land ownership.

But the most critical development challenge facing the country is unbalanced development among different regions of the country, especially backwardness of

Balochistan. Disparities in income and access to services have led to political alienation and on-going intra-state conflict among different groups in the province – the Baloch, Punjabis, Pashtun and other groups. While the infusion of large scale development funds is likely to increase income disparities in Baluchistan as has happened in other provinces, greater economic prosperity in Baluchistan would be conducive to the reduction of political alienation in the province provided it is accompanied by participatory mechanisms to engage the Baloch communities in designing and implementing development projects.

As in the other developing countries, competition between those arguing for national integration through central actions and those demanding regional autonomy and identity on the basis of ethnicity has been pronounced throughout Pakistan's history. During early years of Pakistan, the centralizing forces held an upper hand, reflected in such major policies as the introduction of Urdu as the national language, the introduction of Five Year Plans designed and monitored by the Federal Government, and the merger of various provinces in the western part of the country to create one unit called West Pakistan with approximately the same population size as East Pakistan, the second unit of the Federation. The 1973 Constitution recognized regional autonomy, but the military-led governments that followed continued the centralizing trend in political, economic and administrative decision-making in the country.

Experience suggests that ethnicity and regional disparities are inter-related determinants of intra-state conflicts in Pakistan. (Waseem 2000; Cohen 2004; Wirsing, 2008) In addition, ineffective governance and absence of representative institutions over long periods of time have increased the perceptions of interregional disparities, and led to

the absence of the political culture of tolerance and reluctance of different groups to forge compromises.

In the case of former East Pakistan (now Bangladesh) for example, attempts to impose Urdu as the single language of the country led to the language riots in 1952. West Pakistan's political and economic domination and low representation in military and civil service contributed to the political alienation of the Bengalis against the central government and civil war.

In Sindh, the native Sindhis opposed Punjabi settlers in rural areas and perceived threat to the Sindhi language from Mohajirs (refugees from India after Partition). They also pointed out inadequate access to services and income disparities vis-à-vis Punjabis and Muhajirs.

In Balochistan, the annexation of Balochistan States in 1948, the demand for political autonomy, and the dismissal of elected governments in 1973 and 1988 created alienation among the Baloch population. The case of the Baloch insurgency below shows the complexity of designing and implementing development strategies in the context of the regional disparities of income and access to services and the identification of the population with ethnicity. Impacts of some of these strategies on the resentment of the Baloch population are also examined.

Evolution of Baloch Insurgency

Nationalism and quest for identity have been the predominant features of Baloch politics over the past 100 years (Breseeg 2004; Barohi 2009; Naseer 2009). From the 13th to 15th century, Baloch population moved from smaller units of clans to tribes and

"territorial differentiation" and started to assimilate other segments of ethnic groups including Iranians, Punjabis, Sindhis and Pashtuns. Some scholars refer to Baloch today as a "trans-state nation" in view of their presence in Pakistan, Iran and border areas of Afghanistan (Breseeg 2004: 375-76). Baloch nationalism represents a combination of movements to oppose alien domination, gain self-rule in the homeland and preserve cultural identity.

Though ethnicity constitutes key element of the Baloch nationalism, tribal rivalries have historically divided the Baloch national movements. This weakness has been used over the years by the central government in its policy of "divide and rule." Also there has been a contradiction between the movement's traditional leadership and the "relatively developed society it seeks to liberate" (Breseeg 2004: 377).

The Baloch are divided into two major groups – those who speak Balochi or its dialects, and a non-Balochi speaking group including those from Sindh and Punjab and Brahuis of Eastern Balochistan. Though the two groups are different linguistically, they accept one another as Baloch with common ancestry partly because many of the Baloch leaders come from the second group. Historically, the characteristics that united all Baloch groups were their belief in common culture, their common history, and and Sunni Islam. The most critical factor uniting these groups is the "tribal culture" as the basis of their social and economic organization. Grossly inadequate participation of the Baloch population in the national economy of Pakistan had further strengthened their perception of separateness from the other mainstream groups of the country i.e. Punjabis, Pashtuns and Sindhis. Geography, including difficult mountain and desert terrains, enabled the Baloch population to protect their independence historically, which also strengthened

their nationalism. Scarcity of water and harsh climate forced them into nomadic or semi-nomadic life styles. Breseeeg argues that Baloch nationalism is very different from the Punjabis and Persians because of two factors – a separate historical past in the region, and a different cultural and linguistic entity (Breseeeg 2004: 381).

Before the British, the Baloch ruled not only Balochistan but also other parts of the region including parts of Sindh and Sistan (now in Iran). In the 1840s, the British started their occupation of Eastern Balochistan in order to protect their spheres of influence in Afghanistan and the Persian Gulf region. Tribal areas under "Sardars" (tribal chiefs) were given complete autonomy, with the "Sardar" acting as the feudal lord.

The British intervention in the region, especially in the beginning of the 1920s, led to the spread of the modern doctrine of nationalism among the Baloch. Because of internal divisions among the tribes and social class structures, the Baloch nationalist groups were fragmented, impeding the formation of unified positions among them. It also enabled governments to exploit their divisions and resort to the "divide and rule" policy. In 1928, the British facilitated Iran's incorporation of Western Balochistan to counter Soviet expansion, while in Pakistan they assisted the annexation of Eastern Balochistan to Pakistan. This division and the incorporation of the Baloch population in two states became the primary cause of intra-state conflict between the Baloch population and centralizing nationalist regimes in Iran and Pakistan. The Pahlavi Dynasty in Iran sought a modern, secular state under the Shah and crushed any revolt from Western Balochistan. Because of internal divisions and the social structures including the *Sardars*, the Baloch population could not be mobilized to challenge the central authority in Iran. Most revolts were tribal in nature and were suppressed by force. During the British period, the *Sardars*

in Balochistan were given subsidies as well as complete control over internal tribal affairs. In return they agreed to give the British military access to Afghanistan and the control of the frontier.

The Baloch nationalist movement picked up momentum after the British decided to grant independence to India and Pakistan. In 1948, the Baloch nationalists were struggling for independence. However, the *Sardars* forged an alliance with the Muslim League led by Mohammed Ali Jinnah, the founder of Pakistan. Some have argued that "the reactionary tribal elite could not join the Khan (of Kalat State) who wanted to introduce modern institutions instead of protecting the tribal and feudal system" (Breseeg 2004: 387). From 1952 to 1955, Kalat and other states in Balochistan were given semi-autonomous status as Balochistan States Union. With the declaration of West Pakistan as a single unit/province in 1955, this arrangement ceased to exist. When the One Unit system was abolished after the independence of East Pakistan (now Bangladesh), former British Balochistan and the Balochistan States Union were merged into a separate province of Baluchistan.

The history of the Baloch insurgency after the independence of Pakistan centered on the federal government's policy to merge the Baloch identity into Pakistani identity (often with force), and the Baloch continued demand for greater autonomy, Baloch identity, and control of Balochistan's resources. In 1948, the Khan of Kalat and Mohammed Ali Jinnah, the Governor General and founder of Pakistan, signed the Instrument of Accession, even though it was opposed by both houses of the Kalat State. The Agreement promised full autonomy to the Baloch tribes on all subjects except defense, external affairs and communication. The unwillingness of successive governments in Pakistan after the death

of Jinnah to implement the Agreement has been one of the main root causes of the Baloch insurgency.

As the table below shows, the Baloch insurgency has been simmering for the past 62 years, with periods of upsurge in violence and use of military force to suppress violence.

Table 1: Evolution of Baloch Insurgency: Year and Key Events

Year	Key Event
1948	Pakistan's army invasion to suppress revolt in Kalat by Agha Abdul Karim, forcing him to take refuge in Afghanistan
1955	The creation of One Unit leading to the merger of Balochistan with other provinces to form West Pakistan and the perceived by the nationalists loss of Baloch identity
1960	Military action by central government to suppress uprising led by Nawab Nauroz Khan Zarakzai
1970	The first general elections in 1970 leading to victory for the nationalists in the National and Provincial Assemblies; signing of the 1973 Constitution by Ghaus Baksh Bizenjo even though many of the Baloch tribes were not satisfied with the Constitution; dismissal of the National Awami Party (NAP) government of Sardar Ataullah Mengal by Prime Minister Z.A. Bhutto after only nine months in office as they "crossed swords over the extent of provincial autonomy granted in the constitution"
1973	Dismissal of Baloch nationalist government in Balochistan by Bhutto charging the provincial government with lawlessness and collusion of Baluch separatists with foreign governments for the separation of Baloch and Pashtun territories
1977	Zia ul Haq general amnesty for political prisoners. Some leaders went in exile
1977-88	General elections, the Baloch nationalists got together and formed the Balochistan National Alliance (BNA) led by Nawab Akbar Bugti; nationalists remained locked in struggle with Pakistan People's Party (PPP) government at the federal level; the democratic process provided a platform the nationalists; continued simmering of the grievances
1999	Military coup led by General Musharraf; eventually a state of violent confrontation with the federal government; The issues: the construction of Gwadar port, rocket attack on Musharraf during his visit to Balochistan, a full fledged military operation in the Baloch dominated areas such as Dera Bugti

2005-2008	Serious insurgency challenge to the writ of the Government and subsequently more military operations in the region
-----------	--

Sources: Pakistan Institute for Peace Studies 2008; Naseer 2009; Barohi 2009.

Though the Baloch insurgency is as old as the State of Pakistan, over the years significant changes have taken place both within the Balochistan and its external environment (Pakistan Institute for Peace Studies 2008; Wirsing 2008). First, there is an emerging Baloch middle class whose interests collided with more powerful and well established Pashtuns. Over the years, the Baloch middle class increased its share in the transport sector. Modern intelligentsia replaced the traditional intelligentsia in the province. Urbanization increased the access of women to social services such as education and health. Second, one of the most significant changes has been the civil wars and political violence in Afghanistan over the past few decades which led to the influx of refugees that brought many more Pashtuns to Balochistan affecting the demographic balance. Third, the influence of Islam-oriented parties expanded due to their alignment with the military-led governments in the central government. Finally, the federal government launched many development projects in Balochistan, which brought new groups of professionals from other regions of the country as well as provided more opportunities to the local population.

The above changes in the society affected the context of the Baloch insurgency in several ways. First, they weakened the hold of the traditional *Sardars* on their "subjects." By 1993, for example, the Balochistan National Movement (BNP), a largely middle class party, had won two national assembly and six provincial assembly seats. Second, , while the *Sardars* continue to be the focal point for the Baloch insurgency because of strong perceptions of the Baloch population that the past development strategies had not

equitably benefited the indigenous people, in practice, the tribal loyalties continue to play a "constantly diminishing role" in the political process in Balochistan. (Breseeg 2004: 396)

Balochistan is facing multiple and overlapping insurgencies and conflicts – separatist, ethnic and religious (Pakistan Institute for Peace Studies 2004: 135-50). The most serious insurgency has been led by nationalist groups in the Baloch dominated areas in Balochistan as well as in Baloch areas of Sindh and Punjab. Between 2006 and 2007, over 1,700 terrorist attacks were carried out by nationalist insurgent groups. Sectarian and pro-Taliban groups are active in Pashtun areas and also have influence in some of the other areas (Pak Institute of Peace Studies, 2008, 151-158). Pro-Taliban and Al-Qaeda groups are present in the border areas with Afghanistan as well as in central Balochistan including Quetta, the largest city in the province. Recently Taliban and Al-Qaeda who had been active in FATA area are extending their influence in Balochistan as well. Due to war in Afghanistan, 3.2 million Afghan refugees settled in Pakistan, out of which 26 percent settled in Balochistan. But the most serious insurgency that has challenged the writ of the government over the past few years has been led by the Baloch insurgents.

Table 2: Balochistan Terror Attacks 2007

District	Total Terror Incidents	Killed	Injured
Dera Bugti	102	47	223
Kech/Turbat/Mand	19	6	9
Sibi	19	5	11
Lasbela/Hub	23	37	73
Kohlu	82	14	32
Khuzdar	41	3	7
Quetta	102	65	152
Total Other	148	44	58

Districts

Source: Pakistan Institute for Peace Studies 2008

While the level of conflict has varied from one period to another over the past 62 years, the political autonomy for Balochistan has been the core demand of the Baloch nationalists since the establishment of Pakistan.

Demand for Provincial Autonomy

The 1973 Constitution was a landmark event because it was signed by some of the Baloch nationalist leaders and both the Chief Minister and the Governor of Balochistan. However, the dismissal of the elected provincial government in 1973 by Zulfikar Ali Bhutto reignited the demand for political autonomy. Other parties support the demands of nationalists but are unwilling to challenge the authority of the Federal Government to get their demands accepted.

In terms of their ideology, the political parties in Balochistan could be divided into three categories – Baloch nationalist parties, Pashtun nationalist parties, mainstream political parties with representation in all provinces of the country and religious parties. In 2008 elections, the two mainstream parties – Pakistan Muslim League (Nawaz) and Pakistan People's Party Parliamentarians won majority of seats in both national and provincial assemblies, indicating weakening of the nationalist parties. The table below shows the ideologies, representation and support base of various political parties in Balochistan in the 2002 and 2008 elections.

Table 3: Ideologies and Representation of Political Parties in National and Provincial Assemblies

Party Name and Ideology	Representation in Parliaments (2002 elections)		
	(2008 elections)		
	NA	Senate	PA
Jamhoori Watan Party (JWP) / Nationalist	1	1	4
	-	-	-
Balochistan National Party (BNP-Mengal group) / Nationalist	1	1	2
	-	-	-
Baloch Haq Tawwar (BHT) / Nationalist	-	-	1
	-	-	-
National Party (NP) / Nationalist	-	1	5
	-	-	1
Balochistan National Party (BNP Awami) /Nationalist	-	1	3
	1	1	5
Pakhtoonkhawa Milli Awami Party (PkMAP) / Pushtoon	1	2	4
	-	-	-
Jamiat Ulema-e-Islam (JUI-Fazi ur-Regman group) / Religious	6	6	13
	2	6	7
Jammat-e-Islami (JI) / Religious	-	-	-
Pakistan Muslim League (Nawaz Sharif group) / Political	4	10	22
	4	10	18
Pakistan Muslim League (Nawaz Sharif group) / Political	1	-	-
	-	-	-
Pakistan People's Party Parliamentarians (PPP) / Political	-	-	2
	4	-	7

Source: Abstracted from Pakistan Institute for Peace Studies 2008

Over the years, the Baloch demand for autonomy has been affected by several contextual factors. (Breseeg 2004, 159-164; Pakistan Institute for Peace Studies 2008, 375-397). First, the military-led governments often used force to curtail the demand for autonomy and challenge to the state authority, which further intensified conflict. Second, the goals of Pashtun nationalists are different than those of Baloch nationalists: the former want either more representation within Balochistan or the merger of the Pashtun

dominated areas with the Northwest Frontier Province (NWFP). Third, two parties have emerged with religious ideology and close alignment with the military. Fourth, the national-level parties – including the Pakistan People's Party and the Nawaz Muslim League – continue to gradually expand their representation in view of the expanding middle class and the urban and immigrant population in the province. Finally, the demographic structure of the province has changed with migration from the NWFP, Sindh, and the influx of Afghan refugees, considerably reducing the majority of the Baloch in the province.

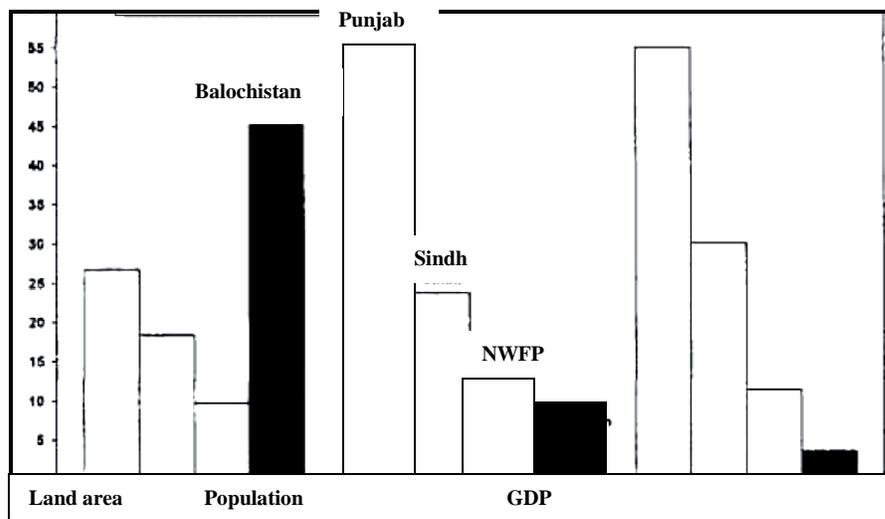
The nationalist political parties and insurgent groups in Balochistan have been on the forefront of the demands for political autonomy and greater control over the provincial resources. Some of the nationalist insurgent groups now claim that they are struggling for the independence of Balochistan. Major insurgent groups active in different parts of Balochistan are Baloch Liberation Army (BLA), Balochistan Liberation Movement (BLM), Baloch Resistance Army (BRA), Baloch Liberation Front (BLF), Bugti Tigers and the Baloch National Army (BNA). Most members of the insurgent groups are the most radical elements of the nationalist parties and have roots in earlier insurgencies.

Economic and Social Disparities

Balochistan is a resource rich region, with extremely low density and multi-ethnic population. It covers about half of Pakistan's land area but has only one twentieth of the country's population and a twenty-fifth of its economy. As per the 1998 census, the ethnic composition is 54.7 percent Baloch and 29.0 percent Pashtun. The Pashtun leaders

however claim that the percentage of the Pashtun population is between 40 to 50 percent. In response, the Baloch state that these numbers include Afghan refugees who have received false documents. Balochistan is rich in natural and locational resources. It has two-thirds of the national coastline, which gives access to abundant fish resources. The province is well suited for trade with Iran, Afghanistan, Central Asia and the Persian Gulf states.

Graph I. Balochistan as share of Pakistan along three dimensions, 1998



Source: Population Census 1998

For the past four decades, Balochistan has been supporting Pakistan's industrialization by providing cheap natural gas to Pakistan's economic centers. It also has large deposits of coal, copper, lead, gold and other minerals, which are important to the growth and development of the country. However, economic and social disparities between Balochistan and other federal units of Pakistan, especially the Punjab, continue to feed the Baloch discontentment and insurgency. A recent Joint Report by the World Bank, Asian Development Bank, and the Government of Balochistan concluded that

series of factors had "destined Balochistan to the periphery of economic and institutional development" (World Bank 2008: 2).

Balochistan has ' the slowest growth record of any province in Pakistan, worst infrastructure, severe water shortages, and the weakest fiscal base. It has the highest incidence of poverty, lowest social indicators and weak state institutions. It is the most backward region of Pakistan, far removed from various hubs of its economic activities. Balochistan provides 40 percent of the country's natural gas which enables the federal government to earn about Rs. 95 billion every year. However, it gets only Rs. 6 billion in return. The Baloch nationalists claim that the federal government buys gas from Balochistan at Rs. 27 per million cubic feet while the Punjab gets Rs. 280 and Sindh - about Rs. 200. Sui gas was explored in 1953 in Balochistan. Yet, about 90 percent of the area of Balochistan is still without this facility.

Another grievance of the Baloch nationalists is about the distribution of resources from the federal divisible pool. The fact that the National Finance Commission (NFC) Awards have been based entirely on population basis had a negative effect on Balochistan. The table below shows the provincial share of National Finance Awards. The most recent 2009 National Finance Commission Award attempts to resolve this issue.

Table 4: Provincial Share of National Finance Commission Awards

Province	Punjab	Sindh	NWFP	Balochistan
1970	56.50%	23.50%	15.50%	4.50%
1974	60.25%	22.50%	13.39%	3.86%
1990	57.88%	23.28%	13.54%	5.30%
1990*	1000	700	200	100

1996**	500	500	100	100
--------	-----	-----	-----	-----

*Special Annual Grant to Provinces in Million Rs

** Matching Grants under 1996 Award in Million Rs

Source: National Human Development Report UNDP 2003

There are glaring disparities in employment of the Baloch population (Pakistan Institute for Peace Studies: 2008). While 50 percent of the laborers working in the gas companies in the province are local, only 3 percent are in the management cadre. In the Oil and Gas Development Corporation, which is managing the gas fields in Dera Bugti, only 12 of the 3000 employees are from Balochistan. Balochistan is under-represented in the federal government agencies and departments, and many positions allocated to the province by the central government remain unfulfilled due to the non-availability of qualified personnel from the Baloch population. The provincial government is usually short of cash, even though over the past few years the federal government has initiated about 40 mega-projects in the province. Yet, the Baloch generally perceive this as an incursion of outsiders to exploit their resources, with unanticipated and negative consequences for the Baloch population. For example, licenses given to foreign trawlers including a 40 year fishing contract awarded to a Singaporean company have negatively affected the livelihoods of the Baloch fishermen. The construction of the Gwadar port will lead to the relocation of some of the fishermen settlements. The persistent view among the Baloch is that programs initiated by the central government – such as the award of arable land - benefit the Punjabis and other immigrants more than the indigenous people (Pak Institute for Peace Studies, 2008, 9-11).

As compared to the other provinces of the federation, Balochistan's long term growth performance has been the weakest. For example, from 1972/73 to 2004/2005, its

economy grew 2.7 times as compared to 3.6 times in Sindh and NWFP and 4.0 times in Punjab (World Bank 2008: 7). In 2004, Balochistan's per capita income level was \$400 which was only two thirds of Pakistan's level. The number of rural poor in Balochistan increased from 1.5 million people in 1998/99 to 2.1 million in 2004/05s, though poverty levels declined in urban areas.

Public spending and budgetary resources in Balochistan have significantly increased over the past ten years. Compared to 1996, the per capita expenditure in the province increased by 40 percent in real terms to Rs. 5100 per capita in 2005/06. Though public spending increased in all provinces, Balochistan continued to lead all provinces in expenditure in per capita terms, even though the Baloch nationalist parties do not recognize this fact in view of their political alienation. However, Balochistan continues to face challenges – public expenditure management, deficiencies in public financial management and procurement; fiscal devolution to improve service delivery.

Wide gaps concerning social development between Balochistan and other provinces narrowed from 2001 to 2007 (World Bank 2008). Improved national economy during the Musharraf government increased the resource flow through the National Finance Commission Award and increased central government investments such as the Gwadar Port, the expansion of the national highway network and the Kachhi Canal Irrigation Project. Yet, in 2007, Balochistan scored the lowest among all provinces of Pakistan with regard to indicators for education, literacy, health, and water and sanitation. Only two in five children in the 5-9 age group were enrolled in primary school. Even though more resources through the national projects were channeled through the province, it did not lead to the reduction of trust deficit between the Baloch nationalists and the

federal government because of a lack of consultation between the local population and the government in the process of designing and implementing the projects.

Balochistan has a labor scarce economy with little crop production, no industry except for near Karachi, and services that largely cater to local demands. However, other provinces of Pakistan have a labor abundant economy, with growth poles in intensive agriculture, manufacturing, banking, energy and telecommunication. The remoteness and geographical diversity of Balochistan provides a development context which is different from other provinces.

Effective delivery of and access to services are essential to improve living standards of the population and expand economic opportunities. Yet, the geographical diversity and remoteness of Balochistan makes it more expensive vis-à-vis the densely populated areas. The World Bank Report suggested the following to cope with this situation (World Bank 2008). The public administration systems and processes at the district and local levels must be reformed—they are extremely weak and thus have not been able to ensure that basic education and health services reach the poor. In the educational sector, the government needs to build more public schools and improve school infrastructure and teacher qualifications. In the health sector, the need is to address the low utilization of public health services, lack of resources, inadequate coverage of essential services in remote areas, the lack of skilled women. More than 46 percent of the households do not have electricity.

The feudal structure of Balochistan including the dominance of "Sardars" poses a serious challenge to socio-economic changes in the province. One point of view is that the *Sardars* are not interested in the modernization and development of the masses, but

want to exploit the tribal loyalties for their personal benefits. The other point is that the *Sardars* want both economic and social development of their respective areas as well as to maintain the Baloch identity and tribal affiliation. In either case, one of the constraints facing the *Sardars* is their own internal disintegration and rivalries that often enable the Federal Government to divide them.

Government Response and Insurgency Management

To varying degrees, successive governments in Pakistan have used combinations of responses to cope with the rising Baloch insurgency – cooption of tribes to gain their loyalties, use of force especially when the government's legitimacy is challenged, sharing of revenues with the provincial government emanating from the exploitation of gas and other natural resources, and launch of the centrally planned socio-economic development projects including mega-projects such as the port of Gwadar.

After independence the federal government's strategy to control and enhance central power was to co-opt local *Sardars* and use force to subdue others who defied the central control. In some ways, the same process was followed in many post-independence developing countries as they tried to forge national integration out of ethnic, linguistic and regional diversities.

During the military-led governments of the 1960s the Baloch alienation continued to increase due to heavy use of force, the arrest of prominent Baloch dissidents, and the lack of effective participatory mechanisms to engage local leaders. The Baloch population also opposed the inclusion of three Pashtun majority districts from the Northwest Frontier Province (NWFP) into Balochistan and separation of a few Baloch

majority areas from Balochistan into Punjab and Sindh. The demarcation of the new boundaries resulted in reduced Baloch majority in Balochistan.

The unanimous approval of the 1973 Constitution led by Z. Bhutto, was a landmark event in the political history of Pakistan. The National Awami Party (NAP) that included prominent Baloch leaders and had won the 1970 elections held in Balochistan agreed to endorse the Constitution. However, the nationalist leaders believe that Bhutto as well as the successive leaders at the national level did not respect the democratic norms and principles of representative democracy. For example, Bhutto dissolved the National Awami Party Government in Balochistan, accusing the Baloch leaders of undermining the state in collaboration with foreign countries, i.e. Soviet Union and India. But no proof of foreign involvement was provided. The banning of NAP in 1975 led to more proactive roles by the radical elements of the Baloch population, including the Balochistan People's Liberation Front, the Balochistan National Army, and the Baloch Students Organization. With 80,000 troops, the military was able to restore the centralized control but at the cost of civilian lives and increasing Baloch alienation.

When General Zia came to power in 1977, he withdrew the army and released thousands of Baloch leaders and activists. At the same time, he made alliances with the Pashtun Islamic parties to counter-balance the power base of the Baloch nationalists and promote the military's agenda in Afghanistan in cooperation with the United States to defeat the Soviet Union. The result of that policy today was that the Baloch nationalists had to deal with two adversaries – the dominant federal government and military-supported Pashtun Islamists.

During the democratic interlude in the 1990s, Balochistan witnessed alliances among three sets of political actors – those from the two predominant national political parties (Pakistan People's Party and Nawaz Muslim League), those from the Baloch nationalist parties; and those from Pashtun-based Islamic parties. During this period, various Baloch leaders assumed the positions of Chief Minister and Governor and continued their demands for greater autonomy and share of the provincial natural resources. Because of these representative mechanisms, the situation in the province did not lead to conflict in the 1990s.

During the seven years of military-led governments under Musharraf (1999 – 2007), Baloch alienation increased and Baloch insurgents openly began to challenge the authority (writ) of the government in many parts of the province (International Crisis Group 2006). Three contextual factors define the response of the Musharraf regime to the Baloch insurgency – the geopolitics and energy security, the requirements of the economic growth strategies such as the need for external investments, and the initiation of mega projects. After the "Sardars" openly challenged the authority of the central government launching attacks against the civilian and military officials. Musharraf used the use of force to suppress the challenge (Wirsing 2008; International Crisis Group 2006).

Over the years, the geostrategic importance of Balochistan has increased because of its location to the proximity to Afghanistan and land and air routes vital for trade and energy development (Wirsing 2008; Ahmad 1992). With the improvement of relations between India and Pakistan, the feasibility of various proposals for energy pipelines were studied, including one from Iran to India through Pakistan.

Balochistan has also assumed greater military strategic importance. Gwadar Sea Port was considered by the security establishment in Pakistan as the best alternative naval base in case of a conflict with India. It was also considered of strategic importance to China because over 60 percent of Chinese oil imports pass through the nearby port of Hormuz. Chinese investments in Gwadar will give strategic depth to China which is considered as a concern by India and to some extent by the US. However, heavy investments in mega projects such as Gwadar further inflamed the local population because of the lack of adequate consultations with the local population and relocation of Baloch population from some of the coastal areas.

The responses of successive governments in Pakistan did not yield positive results vis-à-vis the social, economic and political integration of the Baloch dominated areas into Pakistan. The experience suggests that the resentment of the Baloch population against the central government emanates largely from three factors i.e. the continued backwardness of the region vis-à-vis other parts of the country, the exploitation of the region's natural resources for the benefit of other provinces, and the perception of local population that centrally-initiated development projects benefit outsiders who have migrating in large numbers to Balochistan over the past 62 years. Successive governments in Pakistan have failed to convince a large segment of Baloch population about the benefits which are accruing to the Baloch population as a result of the development projects supported by the central government. This lack of understanding on the part of the local population has been due to the feudal nature of the Baloch society and the absence of effective and democratic mechanisms for consultation between the government and the Baloch leadership at the regional and local levels. For example,

during President Musharraf's regime, several mega projects were initiated. Instead of gaining the support and good will of the local population, these increased the resentment of outsiders. Even when democratic institutions were introduced, the political leadership at the national level governed the region through "one person democracy", as was the case with the former Prime Minister, Zulfikar Ali Bhutto, who dismissed the elected government in Balochistan.

Over the years, the trust deficit between the Baloch nationalists and the Federal Government has increased due to excessive use of force leading to political prisoners and "missing persons", population displacement due to conflict and some of the mega-projects, and dispute over royalties and the provision of gas and oil exploited from the province. The construction of more military cantonments, differences over mega-projects such as Gwadar port construction, and poor structure and performance of security forces has worsened the conflict. Also the central government has continued to establish a highly centralized system of government which is in conflict with the aspirations of less populous federal units such as Balochistan.

Experience in Balochistan suggests that greater investments in Balochistan and the utilization of its resources are essential but not sufficient to promote peace, stability and economic development in the province. The most critical factor is the engagement of the nationalist political parties and groups in decision-making affecting Balochistan. In this regard, the recently launched Balochistan Empowerment Package by the democratically elected government is the most comprehensive multi-faceted set of actions to transform relationships between the Baloch leadership and the federal government.

Baluchistan Empowerment Package

The elected government that took over after the 2008 elections gave priority to resolve the issue of Balochistan. After coming to power, PPP apologized to the people of Balochistan for injustices done to them by past governments. A parliamentary committee was established to draw up the Empowerment Package in consultation with all parties. The Government launched the Aghaz-e-Haqooq-e-Balochistan (Balochistan Empowerment Package). It consists of a set of proposals to be discussed and approved by the joint sitting of the Parliament. After discussion in the Parliament, a resolution is to be passed approving the proposals on which there is an agreement. This is to be followed by enactment of laws by the Federal Parliament and the Balochistan legislature to be implemented by the Government.

The Balochistan Empowerment Package includes five categories of proposals (Pildat 2010)

Constitutional Issues – The proposals in this field are (1) to increase the provincial autonomy through deletion of the concurrent list in the Fourth Schedule of the Constitution; (2) the revision by the National Finance Commission of the criteria for distribution between provinces of the Balochistan share of the pooled taxes and resources; and (3) implementation of the relevant articles of the constitution dealing with the work of the Council of Common Interest and National Economic Council and defining policies and principles to be followed in matter of electricity, natural gas and broadcasting and telecasting.

Political Issues – The proposals related to political issues are (1) the release of political workers and the return of political exiles other than those charged with "heinous crimes

or involved in acts of terrorism"; and (2) initiation of political dialogue with all stakeholders including those inside and outside the parliamentary system.

Administrative Issues – The main proposals related to administrative matters are the establishment of a Commission of Inquiry in respect of missing persons, judicial inquiries into the murder of certain Baloch leaders and ceasing of all operations by the Federal agencies except those related to fight against terrorism. Other recommendations include the replacement of the Pakistani Army by the Frontier Corps in the Sui area, stopping the construction of cantonments in the Sui and Kohlu area, authorizing the Frontier Corps to perform the law-and-order role under the supervision of the Chief Minister of Balochistan and granting of a special quota of scholarships for Baloch students from the Higher Education Commission.

Economic Issues - The most significant components of the Balochistan Empowerment Package relate to the economic matters and include (1) a uniform price of gas throughout Pakistan for calculating the gas development surcharge; (2) the allocation for poverty to be in proportion to the percentage of people living below poverty line in each province; (3) greater shares of revenues and profits from gas exploration and production to be given to the Provincial Government and the concerned District Government; (4) supply of gas on priority basis to the residents of the district where gas fields are located.

There are specific recommendations about employment opportunities for Balochistan, including the creation of 5000 additional jobs for the province and the prescription of Balochistan quota in the rules for employment in Government and its agencies.

There were several recommendations concerning mega-projects, including the consent and approval of the provincial government before initiating any new mega-project; special development packages for the districts of Sui and Kohlu, and the protection of local fishermen by keeping fishing trawlers out of a 33 kilometer zone along the coast. Other recommendations were to allocate one billion rupees by the Federal government for the rehabilitation of internally displaced persons in Dera Bugti, to construct small dams in the province, appointment of local candidates for positions in the Gwadar Port and greater control of Gwadar by the provincial government by appointing the Balochistan Chief Minister as the Chairman of the Gwadar Development Authority.

The Package also provides for monitoring mechanisms for the implementation of the recommendation- including oversight by the Parliamentary Committee on National Security and the Senate Standing Committee for the Establishment. The Federal and Provincial governments are required to present quarterly reports before the both houses of Parliament dealing with the status of implementation and certification from the Federal Minister of Inter-Provincial Coordination about the amount spent on the implementation of proposals.

The Balochistan Empowerment Package is a land-mark document that aims to transform the Federal Government's relations with Balochistan. It is comprehensive and multi-faceted. It is based on agreements among almost all of the political parties represented in the National Assembly. It presents a new model for the distribution of the divisible resources from the Federal Government. More importantly, it recognizes provincial autonomy as the core issue driving the Baloch insurgency.

As follow-up to the Balochistan Empowerment Package, in December 2009 the four provinces agreed on the historic seventh National Finance Commission Award (NFC) with the active support and participation of the federal government. The provinces agreed on the distribution of financial resources allocated to them from the federal divisible pool on the basis of a four point formula – population, backwardness (poverty), revenue (generation and collection having equal weight), and inverse population diversity i.e. create allocation for the population in remote areas. Weight given to population is 82 percent in the horizontal distribution formula, backwardness 10.3 percent, revenue 5 percent and inverse population density 2.7 percent.

Table 5: NFC award at a glance: Vertical Distribution of Divisible Pool

Federal share	2010-2011	2011-2015	Provincial Share	2010-2011	2011-2015
	44%	42.50%		56%	57.50%

Horizontal Distribution

Province	7 th NFC award	6 th NFC award
Punjab	51.74%	53.1%
Sindh	24.55%	24.94%
NWFP	14.62%	14.88%
Balochistan	9.09%	7.17%

Weight allocated to four indicators for horizontal distribution

Population	82%
Poverty/Backwardness	10.3%
Revenue collection/generation	5.0%
Inverse Population Density	2.7%

Source: Dawn (daily newspaper), Islamabad, December 12, 2009

The use of multiple criteria for the allocation of resources from the divisible pool has taken place for the first time in Pakistan's history. The willingness of Punjab, the largest and the most prosperous province of the federation, to share funds from the

federal tax pool on multiple criteria will inevitably have positive impact on less populous provinces, especially Balochistan which is the most backward and most sparsely populated. The three other provincial governments agreed to cut their shares in order to increase the share of Balochistan. Under the award, the share of Balochistan will increase from the existing 7.17 percent to 9.09 percent. The province will receive arrears of the gas development surcharge due since 2002. The NFC decided that the well-head price of gas would be equal in all provinces, which has been one of the demands of the Baloch nationalists.

The federal government also increased the share of provinces under the vertical distribution of funds from the divisible pool to 46 percent in the first year of award (2010 – 2011) and to 57.7 percent during the next four year of the award period. This was a significant increase because the share of provinces in the pool under the sixth NFC award was 47.5 percent. The federal government also agreed under the 7th Award to reduce charges for the collection of taxes from 5 to 1 percent, which will increase the transfers from the divisible pool to the federating units.

Constraints. There are many limitations of the Balochistan Empowerment Package (PILDAT 2009). First, the recommendations on the constitutional issues need to be adopted by both houses of the Parliaments to be followed by the enactment of appropriate legislation by the Federal and Provincial legislatures. This will take time. For example, the deletion of the concurrent list in the Fourth Schedule has to be approved by the two-thirds majority in the National Assembly and the Senate. Also, about three-fourths of the provincial and district government expenditures are being met through

resource transfers through the federal government. It will take time to ensure financial autonomy of the Province.

Second, multi-stakeholders negotiations about political issues are hampered by the absence of the real opposition to the federal government from the present democratic parliamentary system and their unwillingness of some of the nationalist Baloch leaders to participate in negotiations till their demands are met. Even if negotiations with extra-parliamentary forces were to take place, the pending issue would be how to honor and implement the agreements with the forces outside the parliamentary system. In some cases new elections at the provincial and district levels may have to take place.

Third, many of the recommendations about the administrative matters were also made by the Parliamentary Committee on Balochistan in 2005 under the Musharraf Government. The perception of the Baloch nationalist leadership is that if earlier recommendations were not implemented, what guarantee is there that the new ones will be? Also, in view of Pakistan's War on Terror, it would be impossible for the federal government to limit the flexibility and options of its armed forces in the province.

Fourth, while the recommendations dealing with economic issues are the most significant and far reaching, shrinking federal resources due to terrorism and intra-state conflicts in other parts of the country might impede the Federal Government from fulfilling its commitments.

Finally, the 2010 floods have set the country back many years and billions would be needed to rebuild the infrastructure throughout Pakistan including in Balochistan.

Conclusion

The lack of sustained economic growth and the rising disparities among regions and groups in the context of ethnic tensions have been the root causes of intra-state conflicts in Pakistan since its independence in 1947. Short periods of economic growth have been interrupted by political instabilities and economic slow-down. Policies and programs designed centrally to reduce economic and social disparities among the units of the Federation have not been effective, leading to the continued political alienation among smaller provinces. Though the Pakistani identity is strong among the citizens, centrifugal forces in smaller provinces such as Balochistan continue to identify with the ethnicity and the region. Unlike such countries as Malaysia, People's Republic of China and South Korea where citizens have a stake in the expanding economies and all regions are growing despite expanding regional disparities, the absence of sustained economic growth in Pakistan has limited economic opportunities for all regions and increased the sense of deprivation especially in the poorest regions of the country.

Ineffective governance and the frequent interventions by the military in the political process have made the situation worse, depriving the country of democratic mechanisms to reconcile differences among states in the Federation. Though the military-led governments have facilitated short periods of economic growth, they have played havoc with the institutional infrastructure of the country, including the Constitution and democratic institutions. Institutional weaknesses are the greatest constraints today on the state capacity for political reconciliation, economic management and safety and security of citizens.

The simmering Baloch insurgency in Pakistan over the past six decades is a prime example of the failure of the central authority to recognize the Baloch quest for identity and regional autonomy, the lack of consultations with local leaders and the Baloch population in designing and implementing development programs, and inadequate investments to reduce poverty and improve access to social services in the most backward region of the country. The government response to the Baloch insurgency over the years has consisted of use of force to suppress insurgency, exploit the tribal loyalties and divisions within the Baloch society, initiate development projects funded through the federal government including mega-projects such as Gwadar sea port, and invest in the exploitation of gas and natural resources of the province for Pakistan's industrialization.

The Balochistan Empowerment Package launched by the democratic government in 2009 is a landmark event in the federal-state relations. If enacted, it is likely to have profound impact on the Baloch insurgency because of its comprehensiveness in dealing with the core grievances of the Baloch population dealing with constitutional, political and economic matters including the new National Finance Commission Award, autonomy for Balochistan, and granting the province equitable share from its gas and other natural resources. However, the constraints on the implementation of the Package are numerous – the catastrophic floods in 2010 that have devastated the economy and infrastructure of the country, continued violence and instability in neighboring Afghanistan, weaknesses of the present political order at the Federal Government level with weak political institutions, and the reluctance of some of the exiled leaders to accept the writ of the government and engage in political reconciliation. With Balochistan's new

geo-strategic position, the stakes are high, forcing the elected government to follow a new approach to the Baloch insurgency.

References

- Ahmed, Iftikhar, Usman Mustafa, and Mahmood Khalid. 2007. National Finance Commission Awards in Pakistan: A historical perspective. Islamabad: Pakistan Institute of Development Economics.
- Ali, Arshad, "National Finance Commission Award: A Way Forward", Institute of Strategic Studies, Islamabad, 2010.
- Barohi, Abdul Rahman. 2009. Balochistan Aur Pakistan (Balochistan and Pakistan). Quetta: Pakistan Kalat Publishers.
- Breese, Taj Mohammad. 2004. *Baloch nationalism: Its origin and development*. Karachi: Royal Book Company.
- Cheema, G. Shabbir, "U.S. Response to Pakistan Floods is an Investment in Trust" East-West Center Wire, July 2010 PP. 1-2.
- Cohen, Stephen Philip. 2005. *The idea of Pakistan.*, Lahore: Vanguard Books.
- European Commission. 2006. Pakistan country strategy paper. European Commission: Islamabad
- Government of Pakistan. 2009. *Economic survey of Pakistan*. Islamabad
- Government of Pakistan. 2005. Accelerating economic growth and reducing poverty: The road ahead. Islamabad.
- Government of Pakistan. 1999. Population census 1998. Islamabad
- Hamid, Naved. 2008. Rethinking Pakistan's development strategy. *The Lahore Journal of Economics*, Special Issue, September 2008, 47-52.
- Hussain, Akmal. 2008. Unstable growth & poverty in Pakistan. *Daily Dawn*, 28/2/2008.
- International Crisis Group. 2006. Pakistan: the worsening conflict in Balochistan, *Asia Report* No. 119 – September 2006, 3.
- Naseer, Gul Khan. 2009. Tarekh-e-Balochistan (History of Balochistan). Quetta: Kalat Publishers.

Pakistan Institute for Legislative Development and Transparency (PILDAT). 2009. Aghaz-e-Huqooq-e-Balochistan Package: An Analysis, Background Paper. Islamabad: PILDAT.

Pakistan Institute for Peace Studies. 2008. *Balochistan: Conflicts and players*. Islamabad: Pakistan Institute for Peace Studies.

United Nations Development Program. 2003. Pakistan Human Development Report 2003. Islamabad: United Nations Development Program.

Waseem, Mohammed. 2000. The Political ethnicity and the State of Pakistan. Paper presented to the International Conference on the Nation-State and Transnational Forces in South Asia, December 9-10, in Kyoto.

Wirsing, Robert G. 2008. Baloch nationalism and the geopolitics of energy resources: The changing context of separatism in Pakistan, <http://www.StrategicStudiesInstitute.army.mil/>

World Bank. 2008. Balochistan economic report: From periphery to core. Report No. 40345 – PK May 2008, 2.