

Economic prospects of Gilgit Baltistan

PART I

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This article is part of a series to raise general awareness about the economic conditions and potential of the provinces and territories which do not have the same advantages as the other advanced parts of the country. The first article on Balochistan's development was published a few months ago. This one is focused on Gilgit Baltistan (GB) .

GB in the northern part of the country circumscribed by four of the world's highest Mountain ranges, is indeed adorable for its natural beauty . The convergence of three world's highest mountain ranges, Himalayas, Hindu Kush and Karakoram (K2) takes place in GB. Most of the highest peaks lie in the Karakoram mountain range in this province. . 90% area of GB is mountainous, 4% is forest and 4.2% cultivated waste and the cropped area is about 1.2% of the total area. This cropped area sustains about 2 million sparse population spread thinly over a vast terrain in the ten districts from the Chinese border in the North to KP province in the South. Population density is as low as

24 per kilometer square and distances and isolation are the prominent feature. Harsh long winters virtually shut down all economic activities accelerating migration to the rest of Pakistan. At the same time GB holds the lifeline of Pakistan as its glaciers contribute 70% of water of the river Indus and its forests protect the water shed of the River. Glacier melting is one of the grave risks threatening the existing pattern of food production, energy generation and water usage in Pakistan. The recent torrential rains with the speed , intensity and ferocity and dispersal within a short period of time not only in GB, KP but also Sindh and Balochistan provinces (from Sulaiman range of mountains) have not been witnessed before . The losses of thousands of lives , displacement of almost 33 million people , vast crop and livestock destruction has not only brought great grief to the people of Pakistan but also testified to the growing menace of risks arising from global warming. Climate change risks are very much in action and have to be tackled effectively .

Two major public policy interventions have made a major difference to the lives of the ordinary citizens in GB. These are the construction of Karakorum Highway (KKH) and the Rural Support programs (RSPs). In absence of economic opportunities the fragmentation of the population had taken place not only through wide geographical dispersion but also due to ethnic and sectarian

divisions . The three main sectarian communities of Sunnis, Shias and Ismaili did not trust each other and collaboration among them was quite erratic, sporadic and infrequent. .The mountain valleys of GB that were inaccessible to vehicular traffic have been opened up after the construction of Karakoram Highway (KKH) which has made a tremendous impact by integrating the local economy with the larger national market . The KKH has exposed the region to modern ideas, lifestyles, techniques of production and improved connectivity to other parts of the country. It was indeed an extraordinary feat of human ingenuity and endeavor to build 630 km all weather roads in the most difficult terrain infested with heavy landslides and faced with the logistic nightmare to move equipment and heavy machinery to the sites and to provide shelter and food to the thousands of workers from different cultures . Khunjerab Pass the terminal point of the highway is the highest paved international border crossing in the world and the highest point on the KKH. Finally, after loss of many human lives the KKH was able to connect the province with the rest of the country as well as China. Once it was seen that each of the ethnic and religious groups benefitted from the opening up and the development programs the tension did subside but has not been fully eliminated. Poverty incidence has declined and is limited to certain districts, nomads and non-indigenous population . There are still many hiccups

and constraints to the full blooming of this integration. For example, air links to Skardu and Gilgit have been established and private aviation companies allowed charter flights but airport facilities have yet to be upgraded . KKH has not only allowed trekkers, hikers, climbers from all corners of the world but also attracted tourists from other parts of Pakistan. The present CPEC project to rebuild Thakot to Raikot part of the KKH would further reduce the time taken and also help in the construction of two large Diamer-Bhasha and Dasu Dams which fall within the span of 279 km of the reconstructed road. Four lane Hazara Motorway from Hasan Abdal to Thakot has already resulted in time saving as well as safer driving.

Conservation of cultural heritage and forts such as 700 year old Balit Fort in Hunza Valley, 900 year old Alit Fort, restoration of Shigar Fort and Khaplu Palace have further added to the attraction of GB.

One of the early interventions aimed at boosting socio-economic development in GB was taken up by the Aga Khan Rural support program (AKRSP) as early as 1982. At that time this remote, isolated mountainous and rugged region was inhabited by most of the population living below the poverty line. Development elsewhere in the country were bypassing the people in GB.. Small land holdings in a harsh ecosystem with very little exposure to modern techniques of production,

almost no access to inputs and limited marketing opportunities faced grave situation in eking out livelihoods for themselves and their families .As the area where the population was vast while the size of the population small and terrain highly demanding the costs of laying basic infrastructure and connectivity such as roads, highways, bridges etc. exceeded the benefits to the communities. As a larger markets of adjoining KP and Punjab were not accessible the rural farm communities were faced with surplus produce that ended up being wasted. Educational, Health services, Agriculture , and local infrastructure such as irrigation channels were the main area of focus of AKRSP and their success in reducing poverty and raising incomes was acknowledged widely by national and international agencies such as the World Bank based on sound data collection and analysis. . The positive experience of AKRSP motivated the Government to set up a GB Rural Support Program (GBRSP) on the similar lines to supplement the efforts of AKRSP. 6000 Community organizations (COs) have been established under AKRSP and GBRSP throughout the country . These are quite active in mobilizing local resources through savings and carrying out activities that are responsive to the needs of the local communities . Small farmers and are given micro loans for agriculture inputs to increase the yields and small entrepreneurs to sustain and expand their businesses. Local Support Organizations (LSOs)

provide technical support to the community organizations. Compared to the top down government sponsored projects those undertaken by the local community organizations are cost effective and are also well maintained by the COs.