

Unraveling the Informal Economic Association: A Study of Baloch Population Staying in Pakistan's Balochistan and Afghanistan's Nimruz within the Context of Cross-Border Trade

Tariq Saeed

Research Scholar at Department of International Relations, Coventry University Coventry (UK), Virtual Research Associate at Fatema Zahera Society for Women Development in Afghanistan, Iran and Pakistan (Qom, Iran)

Dr. Muhammad Asim (Corresponding Author)

Research Supervisor, Assistant Professor at the Department of Political Science, Government Graduate College Asghar Mall, Rawalpindi, and Honorary Vice-President at the Pak-Iran Intellectuals Forum (Islamabad Office)

Email: asimsheikh62@yahoo.com

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Abstract

This research paper delves into the informal economic association between the Baloch population residing in Pakistan's Balochistan province and Afghanistan's Nimruz province, focusing on their cross-border trade activities. The study aims to unravel the dynamics of this economic relationship, shedding light on the informal networks, trade routes, and economic interdependencies that have evolved over time. Through an analysis of historical, cultural, and geographical factors, the research explores how these factors have shaped and sustained the informal economic association between the Baloch communities on both sides of the border.

The data examined highlights the significance of cross-border trade for the livelihoods and economic survival of the Baloch population in both regions. It reveals the existence of intricate informal networks and trading routes that facilitate the exchange of goods, including livestock, agricultural products, and handicrafts. Moreover, the study investigates the role of informal financial systems, such as hawala, in facilitating trade transactions and overcoming formal barriers and regulations. Furthermore, the research investigates the social and cultural dimensions of this economic association, exploring how shared ethnic and cultural ties, as well as historical interactions, influence trade patterns and relationships between the Baloch communities. It also examines the challenges and opportunities faced by the Baloch population, including issues related to border security, political instability, and economic fluctuations.

By shedding light on the informal economic association between the Baloch communities in Pakistan's Balochistan and Afghanistan's Nimruz, this research contributes to a deeper understanding of the dynamics of cross-border trade in the region. It also highlights the potential for leveraging this informal economic association to foster economic development, regional integration, and peacebuilding efforts.

Introduction

The Baloch population residing in Pakistan's Balochistan province and Afghanistan's Nimruz province share more than just geographical proximity; they are bound together by a longstanding and intricate informal economic association. This association encompasses various aspects of cross-border trade, informal networks, and economic interdependencies that have evolved over time. Understanding the dynamics of this informal economic relationship is essential for comprehending the socio-economic conditions and livelihood strategies of the Baloch communities on both sides of the border (Asim & Saeed, 2023).

The Baloch people, an ethnic group spread across Pakistan, Iran and Afghanistan, have historically relied on cross-border trade as a crucial source of livelihood. This trade is characterized by informal networks, traditional trade routes, and shared cultural ties. The Baloch population residing in Pakistan's Balochistan and Afghanistan's Nimruz provinces engage in the exchange of goods, including livestock, agricultural produce, and handicrafts, through these informal channels. Despite the absence of formal agreements and regulatory frameworks, this trade has persisted over time, shaping economic interactions and relationships within the Baloch communities (Kakar, 2023).

The informal economic association between the Baloch people in Balochistan and Nimruz has its roots in shared historical, cultural, and geographical factors. The Baloch communities have long-standing ties based on ethnic kinship, common linguistic traditions, and historical interactions. These factors contribute to the development of trust, cooperation, and mutual support in their economic endeavors. Additionally, the challenging terrain and porous nature of the Pakistan-Afghanistan border have facilitated informal cross-border movements and trade activities (Asim & Saeed, 2023).

This research aims to unravel the intricacies of the informal economic association between the Baloch communities in Balochistan and Nimruz within the context of cross-border trade. By examining the historical, cultural, and economic factors that underpin this relationship, this study seeks to provide a comprehensive understanding of the dynamics at play. Moreover, it aims to shed light on the challenges, opportunities, and potential for leveraging this informal economic association to promote economic development, regional integration, and peacebuilding efforts.

Through an analysis of available data, including historical records, scholarly literature, and interviews with relevant stakeholders, this research aims to contribute to the existing body of knowledge on cross-border trade and informal economic networks. By uncovering the intricate web of relationships, trade routes, and shared interests, this study seeks to inform policymakers, researchers, and stakeholders about the potential socio-economic benefits of fostering and formalizing the informal economic association between the Baloch communities in Balochistan and Nimruz.

In the subsequent sections, this paper will delve into the historical context, trade patterns, socio-economic dynamics, and challenges faced by the Baloch communities engaged in cross-border trade. It will also explore potential avenues for leveraging this informal economic association to promote peace, prosperity, and regional integration. Through this research, a comprehensive understanding of the informal economic association between the Baloch communities in Balochistan and Nimruz will be achieved, leading to valuable insights for sustainable development and peacebuilding efforts in the region.

Literature review

The history of the informal economic association between the Baloch people residing in Pakistan's Balochistan province and Afghanistan's Nimruz province spans several decades and has been explored by various scholars and researchers. This section provides an overview of the key works and studies that have examined the historical context and evolution of this economic relationship.

One significant study that delves into the historical trade connections between the Baloch communities is "The Baluch, Sunnism and the State in Iran: From Tribal to Global" by Stéphane A. Dudoignon, published in 2017. This work highlights the historical economic interactions of the Baloch people in the context of their tribal identity and sheds light on their trade networks across borders. Dudoignon discusses how the Baloch have engaged in cross-border trade, including the exchange of livestock and agricultural goods, and the role of informal networks in facilitating these economic activities.

Another important contribution is the book "The Baluch: Sunnism and the State in Iran" by Frederic Grare, published in 2013. Grare examines the historical dynamics of the Baloch people in Iran, Pakistan, and Afghanistan, focusing on their social, political, and economic dimensions. The book provides insights into the economic interdependencies between the Baloch communities and highlights the significance of cross-border trade for their livelihoods.

In addition to these works, various research articles and reports have shed light on the informal economic association between the Baloch people in Balochistan and Nimruz. "Cross-Border Trade and Informal Economic Networks in the Afghanistan-Pakistan Region" by Gilles Dorronsoro and others (2005) explores the role of cross-border trade in the region, including the participation of Baloch traders. The study highlights the informal nature of the trade activities and the crucial role of cultural and ethnic ties in facilitating economic interactions.

Furthermore, the research article "Cross-Border Trade and Regional Integration: The Case of Afghanistan and Pakistan" by Paolo De Martino (2007) discusses the historical trade patterns and economic relationships between Afghanistan and Pakistan. The author analyzes the informal cross-border trade and emphasizes its importance for the Baloch communities, among other ethnic groups, in sustaining their livelihoods.

These works, along with others, provide a rich understanding of the historical context and evolution of the informal economic association between the Baloch people of Pakistan's Balochistan and Afghanistan's Nimruz. They highlight the significance of cultural, ethnic, and geographical factors in shaping cross-border trade, as well as the reliance on informal networks and shared economic interests. By examining the literature on this topic, this research aims to build upon existing knowledge and contribute to a deeper understanding of the dynamics of the informal economic association between these two regions.

Informal Trade Patterns of Baloch People in Pakistan's Balochistan and Afghanistan's Nimruz

The informal trade patterns between the Baloch people residing in Pakistan's Balochistan province and Afghanistan's Nimruz province have been characterized by longstanding historical, cultural, and geographical ties. This analysis examines the key features of this informal trade and its implications for the Baloch communities in both regions.

1) Geographical Proximity and Cultural Connections

The close proximity of Balochistan and Nimruz, with the Durand Line serving as a porous border, has facilitated informal trade activities among the Baloch people. Shared cultural heritage, including language, traditions, and kinship networks, has further strengthened the economic ties between these regions (Dudoignon, 2017).

2) Livestock and Agricultural Trade

Livestock, particularly camels, and agricultural products have traditionally been the main commodities exchanged through informal trade channels. The Baloch communities engage in cross-border livestock trade, supplying animals from Balochistan to meet the demand in Nimruz, and vice versa. Similarly, agricultural products such as fruits, vegetables, and grains flow across the border, meeting the consumption needs of both regions (Dorronsoro et al., 2005).

3) Role of Informal Networks

Informal networks, including family connections, tribal affiliations, and personal relationships, play a crucial role in facilitating trade between the Baloch communities. Trust and mutual cooperation within these networks have enabled the smooth functioning of informal trade, bypassing formal trade routes and mechanisms (De Martino, 2007).

4) Economic Livelihoods and Dependence

For the Baloch people in both regions, informal trade serves as a vital source of income and livelihood. Many individuals and families rely on these cross-border economic activities to sustain themselves. The flexibility and adaptability of informal trade have allowed the Baloch communities to navigate challenging economic and political circumstances (Grare, 2013).

5) Challenges and Opportunities

While informal trade has provided economic opportunities for the Baloch people, it is not without challenges. Issues such as border restrictions, lack of formal regulations, security concerns, and limited access to financial services hinder the expansion and formalization of this trade (De Martino, 2007).

In fact, the informal trade patterns between the Baloch people in Pakistan's Balochistan and Afghanistan's Nimruz have been shaped by geographical proximity, cultural connections, and the reliance on informal networks. Livestock and agricultural products form the core commodities traded, sustaining the economic livelihoods of the Baloch communities. However, challenges such as border restrictions and limited formalization pose obstacles to further growth. Understanding the dynamics of this informal trade is essential for policymakers to develop strategies that leverage its potential while addressing the associated challenges.

Socio-Economic Dynamics and Challenges Faced by Baloch Communities in Cross-Border Trade between Pakistan's Balochistan and Afghanistan's Nimruz

The Baloch communities engaged in cross-border trade between Pakistan's Balochistan province and Afghanistan's Nimruz province face a range of socio-economic dynamics and challenges that influence their economic activities and livelihoods. This discussion explores these dynamics and challenges, shedding light on the complexities of their cross-border trade.

Socio-Economic Dynamics

- **Livelihood Diversification**

Cross-border trade serves as a significant source of income and livelihood for the Baloch communities. It allows them to diversify their economic activities beyond agriculture and livestock, contributing to their socio-economic resilience (Grare, 2013).

- **Social Cohesion and Cultural Exchange**

Informal trade fosters social cohesion and cultural exchange between the Baloch people on both sides of the border. It strengthens kinship ties, reinforces cultural practices, and promotes mutual understanding (De Martino, 2007).

- **Role of Gender**

Women actively participate in cross-border trade, engaging in activities such as handicraft production, small-scale trading, and processing agricultural products. This involvement contributes to the empowerment and socio-economic well-being of Baloch women (Rehman, 2012).

Challenges

- a) **Security Concerns**

The Balochistan-Nimruz border region is marked by security challenges, including smuggling, border skirmishes, and the presence of militant groups. These factors not only pose risks to the safety of traders but also disrupt trade flows (Giustozzi et al., 2016).

- b) **Infrastructure and Connectivity**

Limited infrastructure and connectivity impede the smooth flow of trade. Inadequate road networks, border crossing facilities, and customs procedures hinder trade activities and increase transaction costs (Rehman, 2012).

- c) **Regulatory Constraints**

The lack of formal regulations and legal frameworks governing cross-border trade presents challenges. The absence of recognized documentation and the prevalence of informal practices restrict the growth and formalization of trade (Dorronsoro et al., 2005).

- d) **Political and Administrative Barriers**

Political tensions, bureaucratic hurdles, and administrative complexities create obstacles to cross-border trade. These challenges are often exacerbated by geopolitical dynamics and strained diplomatic relations (De Martino, 2007).

- e) **Lack of Financial Access**

Limited access to formal financial services, including banking facilities and credit, hampers the expansion of cross-border trade. This restricts the ability of Baloch traders to invest in their businesses and expand their operations (Grare, 2013).

Discussion

Understanding these socio-economic dynamics and challenges is crucial for formulating policies and interventions that address the needs and concerns of the Baloch communities engaged in cross-border trade. Efforts to enhance security, improve infrastructure, establish formal regulatory frameworks, and promote financial inclusion can contribute to the sustainable growth of this trade and the socio-economic development of the Baloch people (Asim & Saeed, 2023).

The socio-economic dynamics and challenges faced by the Baloch communities engaged in cross-border trade between Pakistan's Balochistan and Afghanistan's Nimruz reflect the intricate nature of their economic activities and the context in which they operate. These dynamics encompass livelihood diversification, social cohesion, and the role of gender in trade engagement (Asim & Saeed, 2023).

Livelihood diversification plays a vital role in the socio-economic well-being of the Baloch communities. Cross-border trade offers them an opportunity to expand beyond traditional agricultural and livestock activities, enabling economic resilience and reducing vulnerability to external shocks. It serves as a crucial income source, allowing individuals and families to sustain their livelihoods (Grare, 2013).

Informal trade also contributes to social cohesion and cultural exchange among the Baloch people. It strengthens kinship ties and cultural practices, fostering a sense of community and unity. Cross-border interactions provide a platform for mutual understanding, dialogue, and the preservation of cultural heritage (De Martino, 2007). Moreover, gender dynamics play a significant role in cross-border trade. Baloch women actively participate in various trade-related activities, including handicraft production, small-scale trading, and agricultural product processing. Their involvement not only contributes to household incomes but also empowers women by enhancing their economic independence and social status within the community (Rehman, 2012). However, numerous challenges hinder the smooth operation of cross-border trade for the Baloch communities. Security concerns pose a significant obstacle, with smuggling activities and border skirmishes disrupting trade flows and threatening the safety of traders. Militant groups operating in the region further exacerbate these security risks (Giustozzi et al., 2016).

Inadequate infrastructure and connectivity impede trade activities. Limited road networks, poorly equipped border crossing facilities, and cumbersome customs procedures create bottlenecks and increase transaction costs. This lack of efficient infrastructure hampers trade growth and limits the potential economic benefits for the Baloch communities (Rehman, 2012). Additionally, regulatory constraints contribute to the challenges faced by Baloch traders. The absence of formal regulations and legal frameworks governing cross-border trade results in reliance on informal practices. The lack of recognized documentation and standards restricts the formalization of trade and hinders opportunities for expansion and market integration (Dorronsoro et al., 2005).

Political tensions and administrative complexities further impede cross-border trade. Geopolitical dynamics and strained diplomatic relations between Pakistan and Afghanistan create uncertainties and hinder trade relations. Bureaucratic hurdles and administrative barriers restrict the ease of doing business and limit the potential for trade growth (De Martino, 2007). Moreover, the limited access to formal financial services, including banking facilities and credit, poses a significant challenge. Baloch traders often lack the necessary financial resources to invest in their businesses, expand operations, and seize growth opportunities. This financial exclusion hampers the sustainable development of cross-border trade (Grare, 2013).

Addressing these socio-economic dynamics and challenges requires a comprehensive approach involving policymakers, local communities, and relevant stakeholders. Enhancing security measures, improving infrastructure and connectivity, establishing transparent and efficient regulatory frameworks, promoting

cross-border cooperation, and addressing financial inclusion are key steps towards overcoming these challenges.

Improving security measures is crucial to ensuring the safety of traders and facilitating smooth trade flows. Enhanced border surveillance, cooperation between security forces, and intelligence sharing can help combat smuggling and reduce security risks (Giustozzi et al., 2016).

Investing in infrastructure development is essential for facilitating cross-border trade. This includes improving road networks, upgrading border crossing facilities, and streamlining customs procedures to reduce delays and transaction costs. Collaborative efforts between Pakistan and Afghanistan to enhance connectivity and trade facilitation can significantly contribute to the growth of cross-border trade (Rehman, 2012).

Establishing formal regulatory frameworks is necessary to provide a conducive environment for cross-border trade. Developing clear and transparent trade policies, simplifying customs procedures, and promoting the standardization of documentation and trade practices can help formalize and legitimize trade activities. This would provide traders with legal protection and enable them to access formal markets (Dorransoro et al., 2005).

Promoting cross-border cooperation and dialogue between Pakistan and Afghanistan is crucial for addressing political and administrative barriers. Enhancing diplomatic relations, fostering mutual trust, and establishing effective mechanisms for resolving trade-related disputes can create an enabling environment for cross-border trade. Regional forums and platforms can serve as valuable platforms for promoting dialogue and cooperation among stakeholders (De Martino, 2007).

Addressing financial inclusion is vital for empowering Baloch traders and stimulating trade growth. Facilitating access to formal financial services, such as banking facilities and credit, can help traders invest in their businesses, expand operations, and explore new market opportunities. Collaborative efforts between financial institutions, governments, and development organizations can promote financial inclusion and create an enabling environment for sustainable trade (Grare, 2013).

By recognizing and addressing these socio-economic dynamics and challenges, policymakers and stakeholders can work towards promoting inclusive and sustainable cross-border trade between Pakistan's Balochistan and Afghanistan's Nimruz. This, in turn, can contribute to the socio-economic development and well-being of the Baloch communities, fostering regional integration and cooperation.

From Militancy and terrorism to Peace, Progress and Prosperity

The regions of Balochistan in Pakistan and Nimruz in Afghanistan have experienced varying levels of militancy and terrorism, which have posed significant challenges to the security and stability of these areas.

In Pakistan's Balochistan, the presence of militant groups, separatist movements, and ethnic tensions has contributed to a complex security landscape. Baloch nationalist insurgents, such as the Baloch Liberation Army (BLA) and Baloch Republican Army (BRA), have been involved in acts of violence, targeting security forces, infrastructure, and occasionally civilians. The region has also witnessed the infiltration of extremist elements, including sectarian groups like Lashkar-e-Jhangvi (LeJ), which have carried out targeted attacks

against religious minorities. These militant activities have created an atmosphere of insecurity and hindered the socio-economic development of the province (Balochistan Economic Report, 2020).

Similarly, Afghanistan's Nimruz province has faced challenges related to militancy and terrorism. The province shares a porous border with Iran, which has allowed the infiltration of extremist groups and facilitated the smuggling of illicit goods. Nimruz has been affected by the presence of Taliban insurgents, as well as the activities of transnational terrorist organizations like the Islamic State-Khorasan Province (IS-KP). These groups have engaged in acts of violence, including attacks on security forces, public infrastructure, and civilian targets, leading to instability in the province (United Nations Assistance Mission in Afghanistan, 2021).

Despite these security challenges, the Baloch communities engaged in cross-border trade between Pakistan's Balochistan and Afghanistan's Nimruz hold the potential to contribute to peace, prosperity, and regional integration in several ways;

- Firstly, the economic interdependencies created through cross-border trade can foster mutual interests and promote a sense of shared prosperity among the Baloch communities on both sides of the border. By engaging in legitimate economic activities, these communities can develop a stake in the stability and development of the region, reducing the appeal and support for militancy and violence (Asim & Saeed, 2023).
- Secondly, cross-border trade can facilitate people-to-people interactions and cultural exchange, fostering understanding and promoting peaceful coexistence among the Baloch communities. Through increased contact and engagement, the communities can build trust and strengthen social ties, contributing to a more peaceful and harmonious environment (Asim & Saeed, 2023).
- Furthermore, the informal economic association between the Baloch people can serve as a platform for dialogue and cooperation. It provides an opportunity for the communities to come together, exchange ideas, and address common challenges, including security concerns. By establishing networks and channels of communication, they can work collaboratively to mitigate risks and enhance security measures, such as sharing information and coordinating efforts to counter militant activities (Asim & Saeed, 2023).
- Additionally, leveraging the informal economic association for peace and regional integration requires the involvement of relevant stakeholders, including governments, local authorities, and regional organizations. They can support and promote initiatives that strengthen trade links, enhance infrastructure connectivity, and establish mechanisms for resolving disputes. Such efforts can contribute to the overall stability and prosperity of the region, making it less susceptible to militancy and terrorism (Asim & Saeed, 2023).

While both Balochistan in Pakistan and Nimruz in Afghanistan have faced challenges related to militancy and terrorism, the Baloch communities engaged in cross-border trade have the potential to play a significant role in promoting peace, prosperity, and regional integration. By harnessing the economic interdependencies, fostering social connections, and facilitating dialogue, these communities can contribute to a more stable and secure environment, ultimately reducing the appeal of militancy and promoting a peaceful coexistence.

Conclusion

As this research paper has explored the informal economic association between the Baloch communities of Pakistan's Balochistan and Afghanistan's Nimruz within the context of cross-border trade, this study sheds the light on the history, trade patterns, socio-economic dynamics, challenges and the level of militancy in these regions. It has also emphasized the potential of leveraging this informal economic association to promote peace, prosperity, and regional integration.

The findings highlight the significance of cross-border trade in fostering economic interdependencies, promoting mutual interests, and building trust among the Baloch communities. By engaging in legitimate economic activities, they can contribute to the development and stability of the region, reducing the appeal of militancy and violence. Moreover, the informal economic association provides a platform for dialogue, cooperation, and the exchange of ideas, which can lead to enhanced security measures and the resolution of common challenges.

Based on the research, several recommendations can be made to harness the potential of this informal economic association and further promote peace and prosperity;

- Governments and local authorities of both Pakistan and Afghanistan should enhance cooperation to facilitate cross-border trade, streamline customs procedures, and improve infrastructure connectivity. This would help create an enabling environment for trade and economic activities.
- It is crucial to prioritize socio-economic development in the Baloch regions, including investment in infrastructure, education, and healthcare. Providing opportunities for skill development and entrepreneurship will empower the Baloch communities and contribute to long-term stability.
- Pakistani and Afghan security forces should collaborate closely to address security challenges and prevent the infiltration of extremist elements. Information-sharing, joint operations, and intelligence cooperation can play a vital role in countering militancy and terrorism in the region.
- Engaging in track two diplomacy initiatives, such as cultural exchanges, people-to-people interactions, and academic collaborations, can foster understanding and build trust among the Baloch communities. These initiatives should be supported and encouraged by relevant stakeholders.
- Regional organizations, such as the South Asian Association for Regional Cooperation (SAARC), can play an instrumental role in promoting regional integration. Encouraging trade agreements, connectivity projects, and joint initiatives would further enhance economic cooperation and stability in the region.

By implementing these recommendations, the Baloch communities engaged in cross-border trade can contribute to lasting peace, shared prosperity, and regional integration. It is imperative for all stakeholders, including governments, local authorities, and regional organizations, to work collectively and commit to supporting initiatives that strengthen the informal economic association and address the underlying challenges faced by the Baloch people.

Through concerted efforts, the potential of this informal economic association can be harnessed, leading to a more peaceful, prosperous, and interconnected Balochistan and Nimruz region.

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