



RESEARCH ARTICLE

Unleashing the Economic Potential of Balochistan: The Dynamic Power of District Hub

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Abstract

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Balochistan, one of Pakistan's largest and resource-rich provinces, faces significant challenges in realizing its economic potential. Despite abundant natural resources, Balochistan suffers from some of the country's worst poverty rates, with the second-highest multidimensional poverty rate after the formerly Federally Administered Tribal Areas. The sparse population across a vast land area poses a significant growth constraint due to low population density, challenging terrain, and high per-unit service delivery costs. The lack of urban clusters exacerbates the problem of regional disparity, with Quetta being the only large city in the province. Nevertheless, Hub district stands out as Balochistan's most productive district, with the agricultural, fisheries, and livestock industries contributing significantly to its economy. Moreover, the district is Balochistan's only industrial and financial center, producing, on average, 90% of the province's industrial output and generating 70% of its tax revenue. As one of the thriving districts of Balochistan, District Hub needs reorganization along with new lines that unleash its economic potential and become the economic growth engine of Balochistan. However, to fully realize Balochistan's potential, further measures must be taken to address the challenges of low population density, logistical difficulties, and regional disparity.

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Introduction

Balochistan is one of Pakistan's largest provinces by land area, covering almost 43% of the country's territory with 374,190 square kilometers. Despite its abundant natural resources, the province suffers from multifaceted poverty. The province's natural resource wealth presents a significant economic expansion and development opportunity.¹ Quetta, Khuzdar, Turbat, and Chaman are some of the largest cities in Balochistan. According to the first population census, only 12.38% of Balochistan's residents lived in urban areas. This number increased to 15.62% in the 1981 census and 23.89% between 1981 and 1998. The most recent census in 2017 revealed that 27.54% of the province's population lived in urban areas, indicating that many people in Balochistan still reside in rural areas.²

Despite its abundant natural resources, Balochistan has yet to reach its full potential due to several obstacles. Although funding from the federal government to Balochistan has recently increased, from 7% in the 6th National Finance Commission (NFC) to 9% in the 7th NFC, the province's socio-economic indicators have remained stagnant due to persistent issues with exploitation and deprivation.³ One possible reason for the underdevelopment of Balochistan is the need for more urban areas in the province. The single significant city in the province is Quetta; except for Quetta, no appropriate urban area can spur economic activities and development. Due to low population density, complex topography, and expensive per-unit service delivery costs, the sparse population throughout a considerable land provides a serious growth barrier. On the other hand, Hub district stands out as Balochistan's most fruitful district, with the industry, agricultural, fishing, and cattle sectors making substantial contributions to the Balochistan economy.

Urban areas have a significant role in the growth of economies. Due to their sizeable population and infrastructure, urban areas tend to foster thriving public and commercial sectors. Currently, nearly 500 cities

¹ Manzoor Ahmed and Khalid Khan, "An Essay on the Political Economy of Fiscal Policy Making in Pakistan," *International Journal of Business, Economics and Management*, Vol. 1, No. 9 (2014), 229-241.

² Pakistan Bureau of Statistics, "Final Results (Census-2017)," January (2023), <https://www.pbs.gov.pk/content/final-results-census-2017>

³ Ibid. 232.

contribute 60% of the world's gross domestic product (GDP), with new economic cores emerging in the South and East Asia, particularly in China, away from the traditional powerhouses of the United States and Europe. However, Pakistan is predominantly an agricultural nation. Nonetheless, over 70% of its economic growth and 90% of its tax revenue derives from cities, highlighting the importance of urban centers to the country's economy.⁴ The district hub could significantly influence Balochistan's economic development after Quetta. Balochistan's commercial and industrial core is District Hub. District Hub, one of Balochistan's most business-friendly towns, generates most of the region's industrial output. The district can manage the issues associated with the development and urbanization of Balochistan due to its unique characteristics. To provide the Baloch people with a conducive urban area where they may enhance their quality of life in terms of jobs, education, and health.

This study aims to examine the economic potential of the Hub district for Balochistan's economic development. The study thoroughly investigated the district's economic conditions, resources, and infrastructure to evaluate its potential as a possible economic center. The methodology of the study is qualitative to trigger the discourse of the potential of the district hub and its importance for the development of Balochistan. Hence, the study seeks to reveal the untapped potential of Hub as an economic and employment center in Balochistan and to suggest to policymakers to determine the main drivers of future economic growth in the district and their contributions to the overall economic development of Balochistan.

The District Hub, Balochistan

The district Hub is in the eastern part of Balochistan. It is a relatively small district with an approximate area of 2,026 square kilometers. On the Balochistan coast, the Hub District was recently constituted as an administrative district. The district was established in 2022 by splitting

⁴ Khalid Khan, Muhammad Abdul Kamal, Saubia Ramazan, Gulawar Khan, Gulzar Ali, and Sheharyar Ahmed, "Impact of agricultural Credit on Livestock Income: A Case Study of District Lasbela, Balochistan." *Sarhad Journal of Agriculture*, Vol. 34, No.2 (2018), 246-250, <http://dx.doi.org/10.17582/journal.sja/2018/34.2.246.250>

Lasbela District into two districts.⁵ The district is divided into five tehsils for administrative purposes: Hub, Sonmiani, Gaddani, Sakran, and Dureji. Each tehsil is further divided into several union councils. The district had a population of 339,640 people as of the 2017 census, with 227,872 (67.09%) living in urban and 111,780 (32.91%) rural areas. Islam, practiced by 97.93% of the population in the district, is the most common religion, while 1.67 percent of the population practices Hinduism. The overall literacy rate was 35.90%, with males having a literacy rate of 45.37% and females having a literacy rate of 25.49%.⁶ The most widely used languages in Hub District are Balochi (58.31%), Sindhi (18.51%), Brahui (15.80%), Pashto (4.08%), and Saraiki (1.22%). In the district, 2.08 percent of the population is multilingual. The district's locals communicate in a variety of languages and practice different religions, making up a diverse linguistic and religious community. Despite its low literacy rate, the district has a rich cultural heritage and the potential for economic growth.⁷

Industrial-based and Connectivity of the District

Hub is a financially and industrially significant region in Balochistan. In addition to the agricultural, fisheries, and livestock industries, Hub is responsible for 90% of the province's industrial output and 70% of its tax revenue. With the aim of fostering economic growth and addressing poverty, the government of Balochistan established the Lasbela Industrial Estates Development Authority (LIEDA) in 1984, marking the initiation of planned industrialization in the Hub and Lasbela districts. LIEDA has subsequently established five industrial parks along the RCD Highway, which connects Hub with Quetta, Gwadar, and Karachi. Because of its ideal position near Karachi and industrial areas, the Hub district is one of Balochistan's well-connected regions.⁸

⁵ Saleem Shahid, "Hub becomes 35th District of Balochistan, *Dawn*, September 4 (2022), <https://www.dawn.com/news/1708293>.

⁶ Government of Balochistan, "Public Sector Development Programs," (2022), <https://balochistan.gov.pk/wp-content/uploads/2021/08/Wise-District-Working-PSPDP-2022-23.pdf>.

⁷ Khalid Khan, Saima Liaqat, Somaiya Rasheed and Ihsanullah Kakar, "Nexus Between Livestock Income and Rural Livelihood: A Case Study of Lasbela, Balochistan." *Journal of Innovative Sciences*, Vol. 4, No. 2 (2018), 90-94, <http://dx.doi.org/10.17582/journal.jis/2018/4.2.90.94>.

⁸ Khalid Khan, "Why is Lasbela Poor?" *Islamabad Post*, July 13 (2022), <https://islamabadpost.com.pk/why-lasbela-is-poor%EF%BF%BC/>.

Among the five industrial estates, over 200 out of the 350 industrial units that were developed are currently operational, generating significant sales and income tax revenue amounting to more than Rs. 11 billion. The infrastructure development of Hub holds crucial importance for the thriving economy of Balochistan, given the district's substantial economic influence.⁹The establishment of LIEDA in 1984 marked the commencement of industrialization in Lasbela. LIEDA's primary objectives include attracting domestic and international investors, creating employment opportunities, and fostering regional economic development. The five industrial estates developed by LIEDA have been equipped with state-of-the-art amenities and infrastructure, including water, gas, electricity, and telecommunications, to incentivize industrialization. This favorable positioning, coupled with accessible infrastructure and facilities, has facilitated an easier launch of businesses for investors, leading to increased industrial output and tax revenue.¹⁰ Notwithstanding the positive impacts of industrialization on the economy, the district's persistently high poverty rates demand attention. It is imperative to identify the root causes of poverty in the area and formulate effective policies and approaches to mitigate it. Prioritizing the enhancement of social infrastructure, encompassing housing, healthcare, and education, is vital in reducing poverty rates. Initiatives aimed at skill development and capacity building among the local population can create job opportunities and foster overall economic growth in the region.¹¹ The district's significant contributions to Balochistan's industrial production and tax revenue render it economically and industrially prominent. The establishment of LIEDA and the growth of the five industrial parks have played a substantial role in advancing the region's economy. However, the district requires a comprehensive plan that concentrates on enhancing social infrastructure and facilitating access to skill-building and training opportunities for the local populace, ultimately reducing poverty and propelling regional economic growth.

⁹ Khan, "Why is Lasbela Poor?"

¹⁰ Ahmed and Khan, "An Essay on the Political Economy of Fiscal Policy Making in Pakistan," 232.

¹¹ Khalid Khan, Gulawar Khan, Mahjabeen Zahri, Illahi Bakhsh Marghazani, and Mohammad Altaf, "Role of Livestock in Poverty Reduction: A Case Study of District Lasbela, Balochistan," *Lasbela, UJ Sci. Technol* (2015), 153-156.

Locational Clout in the District's Political Arena

The Hub's locational advantage is also reflected in its political influence and stability, distinguishing it from other Balochistan regions. The district has traditionally been home to an affluent and politically influential upper class, that has held significant positions in the government. For instance, the Jam dynasty of Lasbela has dominated the area for a long time, and Jam Ghulam Qadir Khan has twice held the position of Chief Minister. The dynasty's tenure in leadership positions has been marked by an intense political presence in the region. Notably, during the terms of Jam Kamal Khan and Jam Mohammad Yousaf as chief minister (from March 2002 to December 2007 and from August 19, 2018, to October 24, 2021, respectively), the district maintained a powerful political position that remained unmatched by any other part of Balochistan. The district's stability and political influence are thus significant, reflecting its location's importance and economic and industrial prowess in the region.

The Endowment of Natural Resources in the District

The Balochistan district Hub has minerals such as quartzite, chromite, marble, onyx, dark green marble, limestone, shale, zinc, and many others. The Duddar Mine, located in the district, stands as one of Pakistan's leading sources of lead and zinc, capable of yielding 1.6 million tons of lead and 3.5 million tons of zinc from an estimated 50 million tons of ore, boasting a 3.2% lead and 7% zinc grade. Refining of the concentrates from this mine takes place at the Hunan Zhuzhou smelter in China, constructed through a joint venture by the Pakistan Mineral Development Corporation and the Metallurgical Construction Group (MCC).¹² Moreover, the district boasts a substantial agricultural sector with crops, such as wheat, maize, and rice, in addition to a vibrant livestock and fishing industry, which support the livelihoods of many of its inhabitants. Karachi and other Balochistan towns receive eggs and chicken products from several district poultry farms. Due to its abundance of natural resources, the region has a large potential for economic expansion, making it an important part of Balochistan's overall economic development.¹³

¹²Khan, "Why is Lasbela Poor?"

¹³ M. Sadiq Malkani, Zafar Mahmood, Sohaib Iqbal Shaikh, and Syed Jawad Arif, "Mineral Resources of Balochistan Province, Pakistan," *Geological Survey of Pakistan*, Information Release 1001 (2017), 1-43. https://www.researchgate.net/profile/M-Sadiq_Malkani/publication/315834485

The Security Situation in the District

Recent security issues in Balochistan have included sectarian strife and terrorist attacks. Despite these difficulties, District Hub's security situation has shown some signs of relative stability and is thought to be better than those of other parts of the province. The local government's pro-active actions, the community's support, and the presence of security personnel in the area are a few of the reasons that have contributed to the region's stability. Notably, the local community's involvement has greatly improved the district's security status. By swiftly alerting law authorities to any suspicious activity, the locals have actively contributed to keeping peace and tranquility. The high degree of community involvement and collaboration has made it possible to identify and address security flaws quickly. The Lasi community, that are native Baloch people, has also been essential in maintaining the district's law and order because of its tranquility. Overall, the military, police, and levies have worked to create a stable environment that allows the locals to live in peace. Although the security situation in Balochistan remains complex and unpredictable, the improved security situation in the district presents a promising outlook for investment and economic activity. It highlights the benefits of sustained efforts to maintain peace and stability for all residents.

The Infrastructure of the District

The District Hub is no exception regarding how the region's infrastructure affects its economy and commercial sector growth.¹⁴ A well-developed infrastructure in a region can bring investment and jobs and improve the quality of life for the people who live there. The essential infrastructure

[Mineral Resources of Balochistan Province Pakistan/links/5a926430a6fdcceff044ac0/Mineral-Resources-of-Balochistan-Province-Pakistan.pdf](https://www.btt.n.org.pk/ojs/index.php/BTTN_Journal/article/view/132)

¹⁴ Christine Kessides, "The Contributions of Infrastructure to Economic Development: A Review of Experience and Policy Implications," *World Bank Discussion Papers*, (1993), https://books.google.com.pk/books?hl=en&lr=&id=tOH0ra5QaoMC&oi=fnd&pg=PR9&dq=The+contributions+of+infrastructure+to+economic+development:+a+review+of+experience+and+policy+implications.&ots=x5pJirzUBi&sig=WtMeJTlnXYcVb3Xb4vWV4KKqcSY&redir_esc=y#v=onepage&q=The%20contributions%20of%20infrastructure%20to%20economic%20development%20a%20a%20review%20of%20experience%20and%20policy%20implications.&f=false

elements are needed for the district center to develop and become the region's primary economic and commercial engine. Building a solid transportation infrastructure is crucial for guaranteeing the smooth movement of products and services across the economy. The district has easy access and a well-connected road network. A dependable communications network, including high-speed internet, phone lines, and mobile network infrastructure, is essential for today's corporate environment. The district business' productivity and efficiency, as well as the quality of life for those who reside nearby, may both be significantly enhanced by this infrastructure. Industrial output needs a steady flow of energy to be available.¹⁵ However, in contrast to other parts of Balochistan, the district has access to a reliable and effective energy source, including electricity, and natural gas, which are essential for business and investment. Hence, a steady energy supply provides a conducive environment for economic growth and industrial productivity. The district's housing, education, and health facilities are manageable. Providing high-quality, economically viable housing, education, and health are crucial for the growth of the District Hub's economic and commercial operations. There are opportunities for attracting and keeping competent employees in a location, for local companies to grow, and for enhancing people's quality of life by providing housing, education, and health facilities.¹⁶

Therefore, to achieve the long-term commercial and economic success goals, the district needs a solid housing, education, and healthcare infrastructure.¹⁷ High-caliber hospitals and educational institutions may draw skilled employees and increase the standard of living in the community. To become the area's most important economic and commercial engine, the government needs to invest in these three crucial areas in the district. These factors will have a long-term impact on how the economy and industries of the area evolve. As the district infrastructure develops, a well-developed

¹⁵ David I. Stern, "The Role of Energy in Economic Growth," *Annals of the New York Academy of Sciences*, Vol. 1219, No. 1 (2011), 26-51, <https://nyaspubs.onlinelibrary.wiley.com/doi/pdfdirect/10.1111/j.1749-6632.2010.05921.x>.

¹⁶ Syed Nawaz Ul-Huda, Farkhunda Burke, and Muhammad Azam, "Socio-economic disparities in Balochistan, Pakistan– A Multivariate Analysis," *Malaysian Journal of Society and Space*, Vol. 7, No. 4, (2015), 38-50, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2706561.

¹⁷ Farkhunda Burke, Salma Hamza, Shahid Naseem, Syed Nawaz-ul-Huda, Muhammad Azam, and Imran Khan, "Impact of Cadmium Polluted Groundwater on Human Health: Winder, Balochistan," *Sage Open*, Vol. 6, No. 1 (2016), <https://journals.sagepub.com/doi/pdf/10.1177/2158244016634409>.

infrastructure will be realized; additional potential factors that may significantly impact include government support, private sector investments, and public-private partnerships. These factors can attract investments, create employment opportunities, and improve the quality of life for the residents.

Water Availability in the District

The district is well known for having an abundant supply of water, which has encouraged the expansion of the area's agricultural and industrial sectors. In contrast to other regions of Balochistan, Hub has an adequate water supply to suit the requirements of its residents and commercial enterprises.¹⁸ The water for the town comes from the Hub River, fed by the streams and springs in the surrounding area. The river consistently provides water that may be used for drinking and irrigation.¹⁹ Besides, some of the region's industries and agriculture depend on groundwater. The substantial investment made by the municipal administration in Hub's water infrastructure has resulted in an improvement in the water quality throughout the district. New wells, boreholes, and improved water distribution systems have increased the quantity of readily available water. As a direct consequence, the Hub's water supply has grown, and its citizens' overall quality of life has been enhanced.

Water and fertile soil allow farmers to cultivate staple foods like wheat, cotton, and vegetables. Hub's food, chemical, and cement industries can only function with access to clean water. Water availability for industry and agriculture is better than other regions of Balochistan. Investment is

¹⁸ Khalid Khan, Ahmed Farhan Saeed, Sanam Wagma Khattak, and Saima Liaqat, "Determinants of Poultry Technology Adoption: Evidence from District Lasbela, Balochistan, Pakistan," *Sarhad Journal of Agriculture*, Vol. 38, No. 330 (2022),

<https://web.p.ebscohost.com/abstract?direct=true&profile=ehost&scope=site&authtype=crawler&jrnl=10164383&AN=160496160&h=QrXgnMIpZEOZFPcN Nkthv2QRapDPVbNIHqRUCbBMuCuWSANC%2b9%2bXFXqruBl8mxTW6lmQ%2bHyXHZGe2faodgMF9A%3d%3d&crl=c&resultNs=AdminWebAuth&resultLocal=ErrCrlNoProfile&crlhashurl=login.aspx%3fdirect%3dtrue%26profile%3dehost%26scope%3dsite%26authtype%3dcrawler%26jrnl%3d10164383%26AN%3d160496160>

¹⁹ Malik Muhammad Akhtar, Abida Dost Mohammad, Muhsan Ehsan, Rabia Akhtar, Jalil ur Rehman, and Zaira Manzoor, "Water Resources of Balochistan, Pakistan— A Review," *Arabian Journal of Geosciences*, Vol. 14 (2021), 1-16, <https://link.springer.com/article/10.1007/s12517-021-06502-y>.

drawn to the district because of its favorable agricultural and industrial conditions and abundant water resources.

Population Demography of the District

Although most of District Hub's residents are of Baloch and Sindhi descent, there are also sizeable groups of individuals who speak Punjabi, Pushto, and Seraiki. Most of the population engages in subsistence activities, including farming, fishing, and commerce, while only a fraction is associated with manufacturing and services. Despite abundant natural resources, the region confronts significant challenges in achieving economic development and reducing poverty. District Hub is a small district in Balochistan, but its diverse population and important economic position give it a pivotal role in the province. Despite the region's wealth of natural resources, several difficulties stand in the way of economic development and poverty reduction. This underscores the importance of interventions to improve the local population's living conditions.

Poverty in the District

Despite having all the elements needed for economic growth, the district is unfortunate since poverty is still widespread, and deprivation is severe. Hence, it is contradictory that most of the population lives in poor conditions and requires access to fundamental indicators of human progress like education and health, while also needing access to jobs and economic opportunities.²⁰ Considering this, it is still hard to pinpoint the causes of the area's pervasive poverty. Nevertheless, analyses have revealed that the district requires a comprehensive development strategy that may transform it into an urban region to fulfill its economic potential fully. The development plan outlines the strategies and policies that will support its main objectives, which

²⁰ Parvez Ahmed Shaikh, Manzoor Ahmed, Hazrat Yousaf, and Javed Ahmed, "The Determinants of Poverty: A Case Study of District Lasbela, Balochistan, Pakistan," *International Journal of Advanced Science and Technology*, Vol. 29, No. 7 (2020), 9688-9700, https://www.researchgate.net/profile/Manzoor-Ahmed-19/publication/342491603_The_Determinants_of_Poverty_A_Case_study_of_District_Lasbela_Balochistan_Pakistan/links/5ef6da94299bf18816ea75a2/The-Determinants-of-Poverty-A-Case-study-of-District-Lasbela-Balochistan-Pakistan.pdf.

are to improve the socio-economic profile, provide essential utilities, build appropriate infrastructure, and foster a more welcoming business environment, to maximize the economic potential of the district and the region.²¹

Hub can grow economically and establish itself as a model Balochistan metropolis. The city boasts a lively culture, artistic scene, talented force, and stable political climate. The local government has taken action to raise the standard of living for its residents by supplying necessities like healthcare, education, and transportation and encouraging public-private partnerships. The district could develop into a center for investment and a role model for other parts of the province. The district is well-positioned to draw in investment and development prospects in the upcoming years because of its advantageous location, abundant natural resources, burgeoning economy, and welcoming investment climate. To fully achieve Hub's potential as a model city in Balochistan, local authorities must continue to boost the economic environment and public services and foster public-private collaborations.

Conclusion

The objective of the study is to investigate the degree to which the District Hub contributes to the economic development of Balochistan. By analyzing the district's available resources, infrastructure, and financial status, the study has identified untapped potential within the district as a focal point for economic activity and employment in the region. Moreover, the study seeks to provide policymakers with a comprehensive understanding of the key variables that are likely to exert significant influence on Balochistan's future economic growth. Additionally, the research considers the impact of industrialization, connectivity, and poverty on the district's economic progress, while emphasizing the crucial role of political stability and strength as influential factors shaping the district's economic prospects.

The District Hub, being one of the less rich districts, has a substantial effect on the local economy. According to the research, decision-makers

²¹ Khan, Liaqat, Rasheed and Kakar, "Nexus between Livestock Income and Rural Livelihood: A Case Study of Lasbela, Balochistan," 93.

prioritize the district's economic development by allocating funds to increase local inhabitants' access to training and education. The provincial and federal governments may also employ strategies like tax breaks and simplified business regulations to promote private sector investment in the region. Such initiatives would help the local economy while also opening job opportunities for inhabitants of Balochistan. The government must also give top priority to initiatives and incentives that promote creativity and support the growth of small and medium-sized enterprises (SMEs). Programs with mentorship, training, and inexpensive education focus may fall under this category. The government may promote the growth of the local labor force through the establishment of apprenticeships and other training programmes, therefore encouraging higher economic activity and job creation. This study's conclusion emphasizes the District Hub's enormous unrealized economic potential, which can greatly impact Balochistan's overall economic development. The government must focus workforce development, increase the district's business-friendliness, and launch infrastructure redevelopment projects to fully achieve its potential.