

# Mega Projects in Balochistan

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## **Introduction**

“Government spending Rs 120 to 140 billion on mega projects in Balochistan - this will usher in an era of prosperity in the province and people will reap its benefits”, report of speech by President General Pervez Musharraf, 29<sup>th</sup> March 2006, Gwadar, Balochistan.<sup>1</sup>

“There are people who say that there is lack of facilities for Balochistan, but today the budget for development of Balochistan is far bigger than even Punjab. Rs.135 billion are being spent on it. All mega development projects are being constructed in Balochistan: Coastal Highway, Gwadar Port, Meerani Dam, Subukzai Dam, and a road from Gwadar to Rato Dero linking it with Indus Highway, Quetta’s water scheme, a railway line from Gwadar to Kandahar. We have all development projects in Balochistan”<sup>2</sup>, report of President’s address to Pakistani community in USA on 22<sup>nd</sup> Sep 2006.

“Alhumdulliah today around 120 to 140 billion rupees are being spent on Balochistan for mega projects and this we will continue doing”, report of speech by President General Pervez Musharraf, 29<sup>th</sup> March 2006, Gwadar, Balochistan”<sup>3</sup>.

As the above quotes indicate, “Mega Projects”, or large civil-engineering based infrastructure projects such as highways, dams, canals and ports, figure prominently in the federal government’s vision for Balochistan’s development. Mega Projects are presented as the only way in which the grievances of Pakistan’s largest but least populated province could be compensated for decades of neglect.

The aim of this paper is to examine government claims about the financial outlay on Mega Projects in Balochistan and its supposed benefits for the people of the province. The paper questions some of the “headline” claims of the federal government, and raises points for further investigation for technocrats, politicians, and development experts in Pakistan.

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<sup>1</sup>[www.presidentofpakistan.gov.pk/PRPressReleaseDetail.aspx?nPRPressReleaseId=1858&nYear=2006&nMonth=7](http://www.presidentofpakistan.gov.pk/PRPressReleaseDetail.aspx?nPRPressReleaseId=1858&nYear=2006&nMonth=7)

<sup>2</sup><http://www.presidentofpakistan.gov.pk/SearchSummaryResults.aspx?Keywords=Adress+to+USA+comunity&imageField5.x=0&imageField5.y=0>

<sup>3</sup><http://www.presidentofpakistan.gov.pk/SearchSummaryResults.aspx?Keywords=Gwadar&imageField5.x=0&imageField5.y=0>

Section 1 uses official government data to analyze the magnitude of the financial claims – such as those referring to allocations of Rs 100 to 140 billion – and the distribution of resources to various development projects. It is found that only two projects (Gwadar port and Kachhi canal) account for over 80 per cent of the funds allocated for the province. Sections 2 and 3 examine these two projects, respectively, in further detail. Conclusions and questions for further investigation are offered in Section 4. The paper is based on official published data, other published and unpublished secondary material, and selected fieldwork done by the authors over the last three years in different parts of Balochistan.<sup>4</sup>

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<sup>4</sup> Some of the research for which this fieldwork was undertaken can be reviewed on [www.researchcollective.org](http://www.researchcollective.org)

## **1. Overview of Mega Development Projects in Balochistan**

Balochistan is widely acknowledged to be the poorest province of Pakistan. It covers around one-half of the land area of the country, but accounts for just 5 per cent of the total population. Its economic development faces severe challenges in terms of water scarcity, persistent drought, remoteness, and under-developed infrastructure. In addition its political history is dominated by insurgencies and counter-insurgencies, and perpetual public mistrust in the federal development policies.

Balochistan is rich in minerals and its eastern districts account for a large part of the natural gas output of Pakistan. Other mineral resources such as coal, copper, and gold are also important, particularly in the north and northwest of the province. The central uplands and south-central plains have tremendous potential for marble quarrying. High value crop farming is limited to the Kachhi plains area and the south-central plains, while fruit orchards are important in the north, and the central uplands. The coastal region of the province has rich potential for marine development. Livestock rearing was traditionally a key source of livelihood, but its importance has declined due to long periods of drought.

One common view held by the federal government about Balochistan's economic development is that tribal social organization acts as a hindrance to progress. It is also assumed that the province's ethnic diversity – that is, the presence of Baloch, Brahui and Pashtun communities – gives rise to intra-provincial conflict and rivalry. The tribes and sub-tribes dominate the ethnic and national politics of province. According to this view Balochistan's economic backwardness is due to its social backwardness. The solution, therefore, is outside intervention in the form of Mega Projects that will mitigate grievances of local population and also break the stranglehold of tribal and ethnic politics over the people.

According to the Government of Balochistan, there are currently ten federal government schemes or projects in the province that qualify as “Mega Projects”. These are listed alongwith their estimated budgets in Table 1. The official data indicate, therefore, that a total amount of over 104 billion rupees has been budgeted, to be spent cumulatively, on development projects in the province over a number of years. It is worth noting that by contrast, the amount budgeted in the current year under the provincial government's own PSDP was under 10 billion rupees – and it is doubtful if the entire amount will actually be made available or utilized. It is apparent, then, that the federal government is interested in infrastructure development in Balochistan, even if it is unwilling or unable to mobilize or empower the provincial government for this purpose.

The list of schemes identified officially as federal Mega Projects in Balochistan and the amounts allocated for them reveals that there is an emphasis on large-scale infrastructure. Two of the identified schemes – water-course improvement and Access to Justice, respectively, #9 and #10 in Table 1 – do not fall under the

category of “large-scale civil engineering” projects. But these two taken together account for just over 6 billion rupees – leaving 98 billion rupees as the amount committed for genuine Mega Projects. Of the remaining eight project four including Kachhi Canal, Mirani Dam, Sabakzai Dam, and RBOD – are related to irrigation and drainage, two are national highways (Coastal Highway and the Gwadar-Khuzdar Highway), one is a seaport (Gwadar Deep Sea Water Port), and one is an urban water supply system (Greater Quetta Water Supply and Environmental Project).

Table 1: Federal Government Mega Projects in Balochistan

	<b>Name of Scheme</b>	<b>Cost in Million</b>
1	Kachhi Canal	31,204
2	Mirani Dam	5,861
3	Sabakzai Dam	1,010
4	Balochistan effluent disposal into RBOD(ROBOD-III)	4,485
5	Coastal Highway	15,010
6	Gwadar-Khuzdar Highway	16,640
7	Gwadar Deep Sea Water Port Ph-1	16,380
8	Greater Quetta Water Supply & Environmental Project	7,965
9	National program for improvement of water courses in Pakistan Balochistan Share	5,060
10	Access to Justice Program (Provincial)	1,000
	<b>Total</b>	<b>104,615</b>

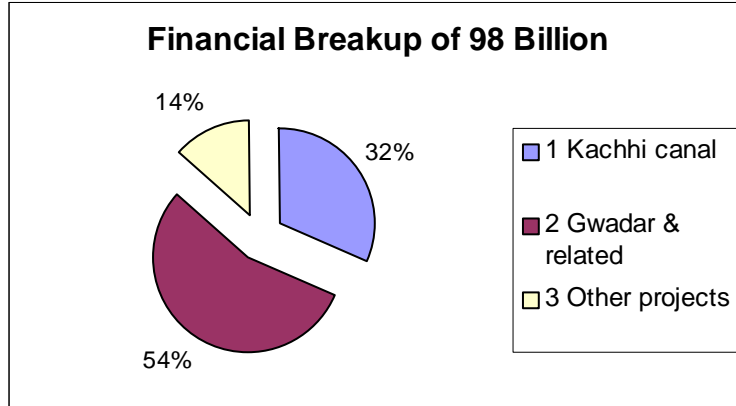
Source: Balochistan: an overview of development. Govt: of Balochistan P&DD 2005

While the number and range of these projects appears to be varied, a closer examination reveals that just two Mega Projects dominate the entire list. The Kachhi Canal, costed at over 30 billion rupees accounts, for nearly a third of the entire federal allocation for Balochistan Mega Projects. Then there are three, and possibly four, Mega Projects directly related to Gwadar port that are costed at around 53 billion rupees, over around half of the total sum of 98 billion rupees. The Gwadar-related projects include, obviously, the Gwadar Deep Sea Water Port (Rs 15 billion), the Coastal Highway (Rs 15 billion), the Gwadar-Khuzdar Highway (Rs 16.6 billion), and possibly, the Mirani Dam (Rs 5.9 billion).

Figure 1 gives a graphic illustration of the distribution of the financial commitment to the federal government’s Balochistan Mega Projects. It is Gwadar and Kachhi Canal taken together account for 86 per cent of total proposed outlay, and all the other projects account for just 14 per cent. This analysis belies the impression, therefore, that the federal government is actively and vigourously pursuing Balochistan’s all-round economic development. It is undeniable that both these projects, particularly the Gwadar port and related projects, are of great economic potential. At the same time, it is sobering to note

that if these two projects are taken out of the picture, the present period does not differ significantly from other periods in the province's development history.

Figure 1: Breakdown of Financial Allocation to Balochistan Mega Projects



The following two sections examine the Gwadar port and Kachhi Canal projects in greater detail and pose questions about the potential benefits and beneficiaries.

## **2. Gwadar Sea Port and Related Mega Projects**

Four out of the eight identified federal government Mega Projects in Balochistan are directly or indirectly connected to the development of the Gwadar port and its connection with other parts of the country.

### **Gwadar Port**

The Gwadar Deep Sea Water Port project itself is budgeted to cost Rs 16.4 billion. The construction of the Coastal Highway linking Gwadar with Karachi was a necessarily pre-requisite for the construction of the port itself. Prior to the construction of the Coastal Highway there was no paved road linking Gwadar with Karachi, and even the unpaved roads were along long routes circumventing various hills of the Makran Range. The Rs 15 billion Coastal Highway, therefore, can be seen as being integral to port construction itself.

The official rationale for the development of Gwadar port is that it will have real commercial and strategic significance in the development of the province and country. It will be an additional port that will handle growing trade and shipping traffic. It is claimed that the port will ultimately serve the land-locked Afghanistan and the Central Asian states. It will handle freight destined for the Gulf region, and also connect the fast-growing Chinese economy with the Middle East. As a first step it is envisaged that Gwadar port will provide new opportunities to local people and to the people of other provinces of Pakistan.

For this rationale to have any substance Gwadar port must be connected with the rest of the country and other parts of the region with efficient modern roads and communications infrastructure. While there might be substance in the long-term economic potential of Gwadar, there are a number of challenges that will need to be overcome. Firstly, it seems unwise to locate a port in a region that is not yet economically integrated with the rest of the province, let alone the country as a whole. Secondly, all of the sources of raw material, labour, capital and markets are located far away from Gwadar. The economic viability of Gwadar, therefore, depends only on it emerging as a transit hub.

Gwadar might also act as a hub in the supply of gas and oil from Central Asia and Iran to South Asia and other regions of the world. For its economic viability to be guaranteed, however, there will need to be agreement with all of these countries on gas and oil pipelines and terminals, and this remains a distant prospect at the moment.

There is an alternative view that the development of the Gwadar port is motivated not so much by any clear economic logic, but the strategic need for Pakistan to have an alternate port to Karachi, in the case of conflict with India. The existing two ports – Karachi and Bin Qasim – are close to the Indian coast and there is a fear that they might be blockaded in the event of a conflict.

“During the 1971 India-Pakistan war, India's blockade of Karachi had a serious impact on the Pakistani economy. Again in 1999, during the Kargil conflict, India threatened to blockade Karachi port. That Gwadar--provides "Pakistan with crucial strategic depth [vis-a-vis India] along its coastline”<sup>5</sup>.

Gwadar might then act as a reserve port in order to maintain supply lines to Karachi and Punjab in case of a naval blockade by India. In fact during the Kargil conflict in 1999 India gave veiled threats of a naval blockade – these must have figured prominently in the strategic rationale for Gwadar.

Whether the rationale for Gwadar is economic, strategic, or some combination of the two, it is important to ask how its economic impact – benefits and costs – will be distributed. The total population of Gwadar district including Pasni, Jiwani and Ormara was 185,498 according to the 1998 Population Census. Gwadar municipal committee had a population of around 45 thousand people.<sup>6</sup> Fishing and fish trade are the main traditional occupations of communities living in Gwadar. The provincial government of Balochistan occupies 12 nautical miles opened for local communities for fishing. Many houses in settlements of local fishing communities (for example in Surbandar, Pishkan and Gwadar city area) are traditionally made of *peesh* mat and wood, and are located near fish harbours.

Socio-economic hierarchy in Gwadar can be understood through the identification of various kinship groups. The Rais, Kohadai, Kalmatis, Sangurs, and Shahzadas belong to traditional ruling communities. Currently these same groups tend to dominate land ownership and the fishing industry. The Khojas are the traditional financiers of the fish trade. The working classes have traditionally comprised Medhs, Darzada, Push, Maqsoodi and Naqeebs, some of whom are groups that were historically slaves of the ruling families.<sup>7</sup> While the fisheries sector remains a key source of livelihood, a large number of Gwadar families rely on migrant labour in Oman and other Gulf countries for their economic sustenance.

The conversion of a small township into a port complex with warehouses, transportation centers, and commercial residential towers will necessitate a complete transformation of the urban space. It is in fact part of the master plan that many of the old residential localities will have to make room for these industrial and commercial developments. Some fishing communities have already been displaced and provided with plots in neighbouring towns – but not always adjacent to the coast. One serious problem faced by the people belonging to the traditionally marginalized working class groups is that they are unable to prove property rights to land.

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<sup>5</sup> [http://www.atimes.com/atimes/South\\_Asia/GC04Df06.html](http://www.atimes.com/atimes/South_Asia/GC04Df06.html) 4th March 2005

<sup>6</sup> 1998 District Census Report of Gwadar

<sup>7</sup> Fieldwork carried out by Collective for Social Science Research

It is widely claimed that these have been monopolized by the traditional ruling kinship groups and families, who have then sold land to outside speculators. Many of these “land mafias” are thought to be closely connected to the “smuggling mafias” – that is, those who organize cross-border smuggling and trafficking from Iran and elsewhere. The fact that in the “development” of Gwadar, those groups in the local community with prior criminal connections have been empowered, implies that there was little care taken to ensure the participation of the marginalized groups. In fact, the increase in the value of land has arrived as a curse for many of the poorer residents of Gwadar and its surrounding areas.

But local “land mafias” represent only a small part of the overall story of land capture in and around Gwadar. There are several cases pending before the courts regarding the allegedly improper allotment of land by the provincial government’s Board of Revenue. Even the provincial government is a junior partner in the “land-grab”. The supreme court of Pakistan took action on a petition for illegally allotted 241,600 acres of land to the ministers, politicians and bureaucrats.<sup>8</sup> About 44,460 acres already allotted for port infrastructure, industrial zone, and oil storage and for the future investment.

Besides the concerns about the allotment and appropriation of land, many local residents are express concern about their social, economic and political future in Gwadar. The highly visible advertising about Gwadar’s prospects, and the absence of local participation – due to the virtual exclusion of local people and institutions from planning, decision-making and employment – has given rise to suspicions that Gwadar’s development will be at the expense of local people rather than for their benefit. The experience of Karachi is frequently cited in the region, as a disaster for the local Baloch coastal and marine communities, who were overwhelmed demographically, and marginalized political and economically through migration from other regions.

Even if all of these apprehensions of the poor and the marginalized were mistaken, care needs to be taken before declaring Gwadar port and its associated developments as assets for the Balochistan economy. According to the constitution, the port is a federal entity. It would controlled by federally-controlled agencies, and any revenues arising from the port will accrue to the federal government. It is remarkable that the provincial government keeps building up debts with the federal government in order to finance its current expenditures, and a major project that is hailed as compensating Balochistan for decades of neglect is designed not to generate any revenues for the province. Moreover, the fact that port operations have been awarded to a foreign company for a period of forty years implies that even the federal level of government might be alienated from the direct economic benefits of the port.

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<sup>8</sup> Daily Dawn, Karachi, Tuesday, January 23, 2007.

If in addition to this alienation it turns out that the port and its infrastructure are meant primarily as a reserve for Karachi in the case of conflict, the claims about potential economic benefits to the local economy, let alone the provincial and national economies would be quite meaningless.

### **Other Related Highways and their Relative Benefits**

Whether the true rationale for Gwadar is economic or strategic, its viability requires it being connected by road and other links. As argued above, the construction of the Coastal Highway was virtually a precondition for building the Gwadar port. In addition the other main road development – the Gwadar-Khuzdar highway, and its extension to Rato Dero – will form an essential linkage to Punjab and upcountry. It can be argued that both these roads, as well as other road construction represents a major addition to Balochistan's infrastructure, regardless of the economic viability of the port itself.

There is a great deal of weight in this assertion. If we consider the fact the communications infrastructure of Balochistan suffers from a long backlog of neglect, these and other highway projects are likely to provide tremendous benefits to the local economy. The Coastal Highway has significantly reduced the travel time from Mekran to Karachi. One immediate impact is on the marketing options opened up to Balochistan fisherfolk. Other markets have become more readily accessible. Access to facilities such as educational and health services has also become less costly and time-consuming.

The Coastal Highway is being constructed in three phases, first 248 kilometers from Lyari to Ormara including link to Ormara Town, secondly 197 kilometers from Ormara to Pasni, and third is 208 kilometers Pasni to Gwadar to Jiwani near Iran border. The total length of the Coastal Highway is 653 km. The Gwadar-Khuzdar highway of 651 km consists of over four sections, Gwadar to Turbat (165 kilometers), Turbat to Hoshab (235 km), Hoshab to Khuzdar (251 km). There is an additional extension of 64 km from Khuzdar to Rato Dero. This road ultimately will be a link between Punjab and Gwadar seaport.

Besides connecting Gwadar to Karachi and Punjab respectively, these two national highways will also provide paved roads, for the first time ever, between various neighbouring cities and towns of Balochistan. It is remarkable, for example, that to date there is no paved road between Panjgur, Turbat and Gwadar, the three district headquarters of the Mekran region. The national highways will also connect numerous population centres to their local and provincial economies.

There is a dire need for the development of road infrastructure in Balochistan – particularly of roads that might lead to economic integration of the various Balochistan regions among themselves and with each other. It is important to ask, therefore, if the two Gwadar-related road Mega Projects were the most efficient way of addressing the infrastructure requirements of the province. The 651 km

long Coastal Highway cost an average of Rs 23 million per kilometer. The costing for the 653 km Gwadar-Khuzdar Highway stands at Rs 25 million per kilometer. For the two Mega Projects taken together the average cost was Rs 24 million per kilometer. Road construction in Balochistan tends to be several times more expensive compared with other parts of the country due to long distances and difficult terrain.

It is possible, however, to compare the cost of these to Mega Project roads with the cost of a normal international-standard highway in similar terrain. It is acknowledged in the construction industry that roads that are financed and monitored by international agencies such as the Asian Development Bank are relatively more expensive but also built to higher standards. The ADB-financed 84 km long Besima-Surab highway in Balochistan, for example, cost Rs 9 million per kilometer. This was, in fact, quite similar to the per kilometer cost of the Badin-Sujawal highway in southern Sindh. By comparison rural access roads in Balochistan such as the Manguchar-Zard road (47.2 kilometers), and the Winder-Bagh road (20.7 kilometers) cost between 2 to 3 million per kilometer.<sup>9</sup>

The Mega Project roads, therefore, cost more than 2.5 times as much as other highways of international standards, and upto ten times as much as rural access roads. It might be argued, of course, that no two projects are the same and that wide variations in cost can be expected in a province with the terrain like that of Balochistan. With this qualification in mind, it is still possible to speculate that the reason for the much higher per kilometer cost of the Mega Projects is based on much higher quality standards applied there. The higher quality standards, in turn, were probably based on unrealistic assumptions about the immediate economic value of the Gwadar port.

While the benefits of the Mega Project roads to local communities are beyond doubt, it is worth asking if far greater benefits to larger numbers of people might not have been realized if the government had decided to invest the same amount of money on less expensive roads. It would have been possible to build 13,000 km of rural access roads or roads of similar standard. Alternatively it may have been possible to construct 3200 km of high quality highways such as those built to ADB/World Bank specifications.

### **Mirani Dam**

Finally, the Mirani Dam construction project in District Kech just north of Gwadar is nearing completion at a total cost of Rs 5.8 billion. Officially, the Mirani Dam project is an irrigation project on the Dasht River in Kech district. The Dasht River, which brings water from Nihang River and floodwater to

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<sup>9</sup> <http://www.adb.org/Documents/Reports/SAPE/PAK/SAP-PAK-2006/Appendixes.pdf>

irrigate lands of Dasht river basin in the flat terrain of Kech area. According to the design of Mirani Dam project, it will be linked with two rivers to irrigate 33,200 acres land in the basin of Dasht flat terrain.

It is useful to understand the irrigation system in the Dasht valley before the construction of the Mirani Dam. Like many other parts of Balochistan province, land was brought under crop through the construction of terraces or “bunds”. In the Dasht valley the bunds diverted river flow and flood water into fields, irrigating successive fields along a slope. The agrarian economy, therefore, was concentrated around the riverbed. The concept of storing water upstream for irrigation using canals is alien to these regions. The Mirani Dam, therefore, will potentially require a complete overhaul of the traditional system of water distribution, and even the demarcation of property rights in land. It is not clear if the requisite institutional preparations have been made.

What is striking, however, is that many local people in the Dasht valley fear that the Mirani Dam is not actually for irrigation purposes at all. They point to the free flowing Dasht river – alongwith occasional flash floods – as their traditional agrarian lifeline. The construction of the dam has stopped the river flow. A commonly expressed fear is that the dam is simply a storage site for the supply of fresh water to Gwadar port and associated commercial, residential and industrial users. The Mirani Dam project design itself makes no mention of any non-irrigation use. Some other confidential official documents, however, do mention the supply of around 1.5 million gallons a day from Mirani and Akra Kaur dams to Gwadar. The fact that some property developers have begun to advertise this claim adds weight to the suspicions of the Dasht valley residents.

### **3. Kachhi Canal Project**

While Gwadar port and its associated infrastructure projects account for the bulk of the Rs 98 billion set aside for Mega Projects in Balochistan, the largest single project is the Kachhi Canal project with an allocation of Rs 31 billion. Kachhi Canal is supposed to irrigate 712,750 acres in Dera Bugti, Nasirabad, Bolan, and Jhal Magsi Districts of Balochistan. The capacity of this canal is 6,000 cusecs. It has a total discharge of 2.021 MAF (million acre feet) of which 0.452 MAF are perennial and 1.570 MAF are flood flows.

The canal takes off from Indus river at Taunsa Barrage in the Dera Ghazi Khan district of Punjab. The total length of the canal is 500 km, of which 300 km are in Punjab and the remainder in Balochistan. The 300 km of the canal in Punjab are going to be lined, in order to prevent water losses to non-beneficiary areas. The 200 km in Balochistan will be unlined. The route of the canal in Punjab passes through existing canals, such as the Dera Ghazi Khan Canal. Water will need to be lifted by pumps in order to cross the existing Dera Ghazi Khan Canal. The Kachhi Canal will enter Balochistan close to the Sui and run in a westerly direction towards Kachhi district.<sup>10</sup> The government has made much of the fact that the Kachhi canal passes through Punjab:

“Punjab has been gracious to provide land for its 350 km stretch that will pass through the province. This is all for your benefit and prosperity of your area,” General Pervez Musharraf.<sup>11</sup> President’s address at inauguration ceremony of Mirani Dam on 16 November 2006

The fact that the canal runs for 300 km in Punjab before entering its command area, and the fact that those 300 km need to be lined, is clearly responsible for its high overall cost. What is interesting to note, however, is that the point at which the Kachhi Canal is supposed to enter Balochistan is literally a few kilometers (under 5 km) away from the route of the existing Pat Feeder Canal. The Pat Feeder Canal, constructed in 1969, takes off from the Guddu Barrage on the Indus in Sindh. It has a capacity of 3,180 cusecs and irrigates 352,000 acres in Nasirabad and Jaffarabad districts of Balochistan. There is an existing project for the re-modelling of the Pat Feeder Canal at the cost of Rs 2.2 billion.

Given the fact that the proposed route of the Kachhi Canal virtually intersects the existing Pat Feeder Canal at Sui, it is pertinent to ask whether it might have been possible for Kachhi to take off from Guddu Barrage rather than Taunsa. Guddu is barely a distance of 20 km from Sui, whereas Taunsa is located 300 km away. Besides canal construction, a major component of the Kachhi Canal project is the

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<sup>10</sup> Source: *Balochistan: an overview of development. Government of Balochistan P&DD 2005*

<sup>11</sup> <http://www.presidentofpakistan.gov.pk/Downloads.aspx> (speeches)

re-modelling and capacity expansion for Taunsa Barrage, as well as other civil works on existing canals taking off from Taunsa. In principal, it might have been possible to re-model Guddu Barrage and to expand the capacity of Pat Feeder upto Sui, so that it might have acted as a feeder for the Kachhi Canal.

There may be engineering reasons for not taking this less expensive option, but such reasons have not yet been spelled out. In fact, it is remarkable that there has been virtually no public discussion of this aspect of the Kachhi Canal design. Given the mistrust that has built up over the decades between provinces over matters of water distribution, it is of some political consequence that the Kachhi Canal off-take was chosen in Taunsa in the place the possibly cheaper option of Guddu. It would clearly be a matter of concern for Sindh if the expanded capacity at Taunsa Barrage were used as a pretext by the upper riparian to store more water than its legal entitlement. The fact that Kachhi takes off from Taunsa rather than Guddu increases the overall volume of water over which the upper riparian exercises control.

While Sindh has been vocal in its opposition to other irrigation projects on the Indus, it has not raised any objection to Kachhi Canal. This is because it is felt that Balochistan needs to be provided its fair share of water resources, and there is a measure of mutual political sympathy between “nationalists” of the two provinces. This fact has already been used as an argument in the favour of the Greater Thal Canal, which is designed to be a flood canal, but which Sindh suspects of a being a perennial. The proponents of Thal Canal have argued that Sindh ought to object to Kachhi Canal too on the same grounds as it uses against Thal Canal, because Kachhi Canal is also designed primarily as a flood canal.

Setting aside the political arguments about these canals the question still remains as to whether or not Guddu might have been a much cheaper option than Taunsa for the Kachhi Canal. If this indeed were the case, then the choice of Taunsa would suggest that the a large part of the amount being spent on Kachhi Canal is not for the benefit of Balochistan, but other economic and political interests – such as the upper riparian, large landowners along canal route, or even the construction industry. These questions will remain speculative, but they are important to raise given the high economic cost and loud propaganda claims surrounding the Kachhi Canal project.

#### **4. Conclusions and Questions for Further Investigation**

The promotion of Mega Projects has become a central feature of the propaganda campaigns of various sides in the current political strife in Balochistan. The government claims that through Mega Projects it aims to change the fate of the province and that tribal chiefs and others are misleading the Baloch people. It claims that Mega Projects will liberate the people from the clutches of the tribal chiefs. The opposition has also taken issue with Mega Projects and has voiced concerns that these projects are a cover for the colonization and militarization of the province and the dispossession of the local people.

The present paper has not directly entered this acrimonious debate. Instead, it has attempted to identify and analyze the official claims about Mega Projects and their intended benefits. It is true that large amounts of resources have been spent or are being allocated for Mega Projects in Balochistan. The Balochistan government itself identifies ten projects worth a total of Rs 104 billion as federal government Mega Projects in the province. Out of these ten projects two do not qualify as real Mega Projects, as they relate to service provision or small-scale civil works. If we consider large-scale civil engineering infrastructure development as Mega Projects we are left with a list of 8 projects worth Rs 98 billion. This amount is large and significant, but much lower than figures such as 120 billion to 200 billion that are freely mentioned in speeches of government leaders.

What is remarkable is that out of the Rs 98 billion allocated for Balochistan Mega Projects, 86 per cent are accounted for by just two schemes – Gwadar port and related infrastructure, and the Kachhi Canal. This means that far from an all-round development of Balochistan's economy and society the existing Mega Projects are narrowly focused on just two specific areas. Gwadar port and its associated projects alone account for over half of all funds set aside for Mega Project in Balochistan. The fact that Gwadar is in the one region of Balochistan where tribalism is weak and where political leadership does not belong to the *sardars*, means that the government's claim of fighting tribalism using Mega Projects needs to be taken with a pinch of salt. In fact there is enough circumstantial evidence to suggest that the primary motivation behind the development of Gwadar port is not economic but strategic.

The development of the Gwadar port has increased economic activities in the area, but it may also have led to the disenfranchisement of the poor and the marginalized. The main impact on the local economy is the increased value of land, and in the absence of a strong bargaining power of the poor, the main beneficiaries have been those with prior connections in government. It is paradoxical that the people of the region feel unprotected and vulnerable precisely because they do not have strong tribal leadership.

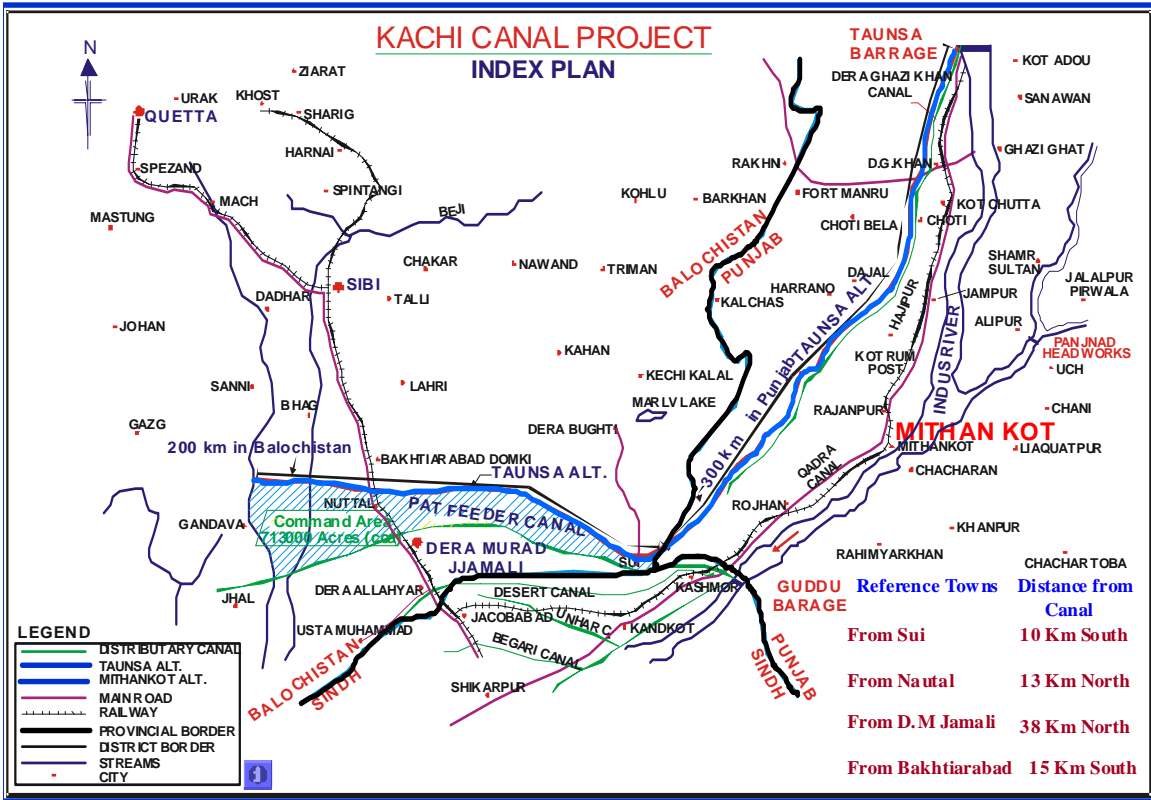
After Gwadar port and related projects the largest proportion of funds have been allocated for the Kachhi Canal. This canal is going to increase the acreage of irrigated land in the one region of Balochistan that is already endowed relatively good agriculture compared to other arid and semi-arid parts of the province. There are, moreover, questions about the choice of the point of take-off – Taunsa Barrage instead of Guddu Barrage – that suggest that it might have been possible to provide additional irrigated acreage to Balochistan at lower cost.

These technical questions are important for Balochistan and the rest of Pakistan. It is important to cut through the propaganda and to ask hard questions about the actual benefits of various projects and alternative ways of pursuing economic development. The present paper does not provide answers to these technical questions, but has provided sufficient material to suggest that there is a case to be answered.

### **Beyond the Technical Debate**

Beyond the technical debate, however, there is a wider philosophical struggle. There is a welfare-based approach that can be defined by the dialectical phrase “something is better than nothing”. This approach is a pessimistic one because it encourages people to believe that they can never actually have rights to their resources, and that they should put up with whatever little they can get from the present situation. This is a shallow opinion of rightwing apologists and outside development experts. They assert that the local population of Balochistan will benefit from Mega Projects by performing casual labour, working in and owning tyre-repair shops, restaurants on roadsides, or by selling their lands and other assets. The rights-based approach creates uncertainty, mistrust and frustration among the sons of the soil -- local ethnic Baloch, fishing and farming communities. They believe that the land and resources of Balochistan are their hereditary assets and that 100 billion is nothing more than a slogan of insincerity.

Annex-1:



Source: Balochistan: an overview of development. Government of Balochistan P&DD 2005