

# Peace and Development in FATA through Economic Transformation

*Erum Ayaz*<sup>\*</sup>

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### **Introduction**

Since the Soviet invasion of Afghanistan in 1979, the border region of Pakistan and Afghanistan has been the epicenter of turmoil and instability. The Federally Administered Tribal Areas (FATA) of Pakistan has been affected the most from the fallout of the erstwhile Soviet Union's invasion. In last three decades, FATA has remained one of the most insular and isolated corners of Pakistan, cut off from the mainstream of the society. The devastation wrought by the conflict has resulted in the collapse of governance, infrastructures and most significantly the fragile economy.

The FATA faces challenges of peace and stability that will lead to economic wellbeing of the population inhabiting this region. Sustaining peace requires not just an end to fighting and a political agreement but social and economic development. National and international organizations have been making largely unsuccessful efforts to establish peace through social development. Unfortunately, the FATA region remains volatile and a source of armed unrest.

This paper suggests that besides other approaches, economic development holds more promise to bring stability to the troubled border region between Pakistan and Afghanistan. The need of the hour is to understand the economic realities of the region, which would provide for a more effectual approach. Economy has been

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at play as a major factor in the thirty years of fighting witnessed in the region. Winning peace in Pakistan-Afghanistan border depends on effort to transform the war economy into peace economy, which will offer long-term peace and security.<sup>1</sup>

Jonathan Goodhand defines war economy as all economic activities, legal or illegal, carried out in wartime or conflict time. He further divides the war economy into three distinct sub-groupings that are combat, shadow and coping economies that enable different groups to wage a war or a conflict, profit, cope or survive. However, in case of Pakistan-Afghanistan border, these economies are overlapping. Each of these economies encompasses a distinct set of actors, motivation and economic activities. The fact is that these three economies are interrelated.

### **War Economy**

The war economy includes the production, mobilization and allocation of economic resources to sustain a conflict and economic strategies of war aimed at the deliberate disempowerment of specific groups.<sup>2</sup> It is dominated by the variety of actors, including the insurgents, elements of organized crime, as well as domestic and foreign conflict entrepreneurs, who supply the necessary weapons and military material. Generally, the combat economy serves to fund the war effort of the insurgents as well as to achieve the insurgent political objectives. In Pakistan-Afghanistan border region the preferred means of resource generation include robbery, theft, kidnappings and extortion. External agents include transnational terrorist organizations like Al-Qaida, neighboring countries, and charity organizations.

### **Shadow Economy**

The terms black and illicit economies are problematic and value-laden, particularly in contexts where there is a legal vacuum.<sup>3</sup> The shadow economy encompasses the border range of informal economic relationships that falls outside state-regulated frameworks. Key actors are a range of less scrupulous conflict

profiteers, including petty criminals, who seek to benefit from the business opportunities that open up in highly unregulated and chaotic war situation. Scores of the cross border relationships cultivated by the various smugglers and criminal groups during the wartime continue during peacetime.

Goodhand observes that the shadow economy usually exists even before the outbreak of the conflict and nudges the conflict when it contributes to violent state collapse or becomes a source of income to potential rebels. Once conflict erupts, shadow economies are easily captured by the combatants and thus often become the basis for the economy. In Pakistan-Afghanistan border shadow economies refer to smuggling of goods, drugs and arms trafficking.

### **Coping Economy**

The term coping economy refers to population groups that are coping or surviving. These categories are not static and change over time according to the influence of changing political regimes and various external shocks.<sup>4</sup>

The coping economy comprises those numerous interactions during armed conflict that provide benefits to the civilian population, particularly the poor and most vulnerable. These functions are even more important to civilian livelihoods where formal economy and traditional livelihoods are destroyed or rendered difficult or impossible to sustain. The coping economy includes a wide range of activities including subsistence agriculture, petty trade and various household businesses - food businesses.

Along Pakistan-Afghanistan border, war economy follows patterns similar to the insurgents groups in other part of the world.<sup>5</sup> The salient features are:



- The destruction or circumvention of the formal economy and the growth of informal black markets, effectively blurring the lines between the formal, informal and criminal sectors and activities.
- Plunder, predation, extortion and deliberate violence against civilians is used by extort ransoms; capture trade networks and diaspora remittances.
- The use of licit or illicit exploitation of trade.
- The reliance on cross border trading networks, regional kin and ethnic groups, drugs trafficker, arms trafficker and mercenaries as well as legally operating commercial entities, each of which may have a vest interest in the continuation of conflict and inability.

### **Brief History of Insurgency in Pakistan's Tribal Areas**

The FATA consists of seven Agencies namely Bajaur, Mohmand, Khyber, Orakzai, Kurram, North Waziristan and South Waziristan and six provincially Administered Frontiers Regions attached to Peshawar, Kohat, Bannu, D.I Khan, Tank and Lakki Marwat districts of Khyber Pakhtunkhwa province of Pakistan. These areas, population of 3.1 million (1998 census) and an area of 27220 square kilometers, lie along the 1500 kilometers long porous border with Afghanistan.

Turbulence and insurgency is not new to this tribal borderland. In the historical context of the Soviet-American confrontation, tribes living in the borderland played a crucial role in the Cold War. The region became the base camp for religious warriors from around the world, who were eager to confront the Soviet forces in Afghanistan. The plentiful financial resources and armaments were made available by the West i.e. the United States, the United Kingdom, as well as Saudi Arabia for the cause, and Pakistani intelligence services delivered the goods.

The doctrine of *Jihad* was conveniently reframed to inspire the fighters. Eventually, the former Soviet Union's withdrawal left

Afghanistan open to all local and regional competitors for power. As a result, a civil war erupted in 1989 and the western handlers of the war abandoned Afghanistan without any notice. Pakistan and Iran tried to manage the situation but could not manage due to their own internal problems. The Taliban, emerged on the scene in 1994, posing as a stabilize force; Pakistani and Saudi like-minded groups quickly supported them. Before September 11, 2001, Taliban's brutality and oppression reigned supreme in Afghanistan, and FATA served as the conduit for the Pakistani support. Then the dynamics changed with the big bang of 9/11. This time the Western policy was to fight with their recruits of the 1980s. When *Jihad* wagers saw the infantry heading towards them, they allegedly entered the boundaries of Pakistan.

Since 2001, Taliban and other foreign militants – like Al-Qaeda – have been sheltered in the region to regroup, reorganize and rearm. They are launching increasingly severe cross-border attacks on Afghan and international military personnel, allegedly with the support and active involvement of Pakistani militants. FATA became home to over 40 militants groups and roughly 45,000 militants.<sup>6</sup>

The umbrella group Tehreek-e-Taliban is active in FATA and KPK. This insurgency in Pakistan's tribal areas has been unexpectedly robust, lethal and resilient. The phenomenon of Pakistani Taliban (also referred to as the local Taliban in Pakistan) is different from the Afghan Taliban, led by Mullah Omar, who was the supreme leader in Afghanistan from 1994 to 2001. Talibanization of the tribal areas of Pakistan, which is essentially an indigenous phenomenon, is a more recent development.<sup>7</sup> Although, some of the leading militant commanders from the tribal areas of Pakistan were part of the Taliban government in Afghanistan before September 2001, the influence of Taliban as such was non-existent in FATA. Talibanization in Pakistan took roots in the South and North Waziristan Agencies of FATA in early 2002 and gained strength during 2003–2004.<sup>8</sup> It was spread to other agencies of FATA, notably Bajaur, Mohmand, Orakzai, and Kurram and even to the settled areas of KPK, particularly in

its southern districts such as Lakki Marwat, Dera Ismail Khan, Bannu, and Tank.

It is worth to mention here that the rise of the TTP and similar groups in FATA and the KPK has cut into the support base of mainstream religious parties, especially the *Jamaat-e-Islami* (JI) and the *Jamiat Ulema-e-Islam* Fazl group (JUI-F). While both groups share some common political agendas as regards the Sharia and the West, they are pursuing different goals: the TTP and the TNSM want to enforce their views at all costs, whereas the JI and the JUI-F participate in electoral politics.<sup>9</sup>

By mid-2007, Swat District had also been taken over by the militants, and by early 2009, the chaos had spread to Dir and Buner districts, which are merely 120 miles from Islamabad. Military operations clear the Swat district but militants are still fighting in FATA.

### **Economy in FATA**

FATA is one of Pakistan's most economically backward areas. Per capita income is half of the very low national per capita income of \$500. Some 60% of the population lives below the national poverty line. Per capita public development expenditure is reportedly one third of the national average.<sup>10</sup> The economic situation in tribal areas is dire. The wars in and over Afghanistan during the past three decades have transformed the economy of these areas from one based on subsistence agriculture and nomadic pastoralism to dependence on unregulated, cross-border trade of goods including illegal imports and exports such as drugs and arms. We can divide tribal economy into following economies:

### **The Agricultural Economy**

There are few livelihood opportunities available to the people of FATA. The local economy is chiefly pastoral, with agriculture practiced in a few fertile valleys. Most households are engaged in

primary-level activities such as subsistence agriculture and livestock rearing, or small-scale business conducted locally.

Only 7 percent of the total geographic area of FATA is cultivated, with another 1 percent recorded as fallow, accounting for roughly half of all potentially cultivable land.<sup>11</sup> Some 44 percent of agricultural land is under irrigation, while the remaining farms rely exclusively on rainfall.<sup>12</sup> Water for irrigation is provided through a combination of delivery systems, including tube wells, dug wells; lift pumps, surface irrigation networks and traditional community-built canals.<sup>13</sup>

### **The Transit Economy**

Cross-border trading is major source of livelihood to people of FATA, second only to agriculture.<sup>14</sup> Today, the transit trade with Afghanistan is a major source of employment for the local population. The economy operates on an informal basis and is undocumented, since few laws providing for the regulation of economic activity have been extended to the tribal areas.<sup>15</sup>

The Pakistan government has provided a transit trade facility to Afghanistan, allowing goods intended for the Afghan market to land at Pakistani sea and dry ports, and travel across Pakistani routes. A large number of tribal people, especially from Khyber Agency, are involved in this transit trade. Most customs clearance of transit goods at sea and dry ports, and transportation to Afghanistan, is handled by tribal businessmen.<sup>16</sup> Pakistan is the largest exporter to Afghanistan, with around US\$ 1.7 billion in exports annually, which accounts for 36.8 percent of Afghan imports and 8.4 percent of Pakistan's exports.<sup>17</sup> Pakistan also represents a major export market for Afghan products, with roughly about US\$ 71 million exported to Pakistan every year - equal to 21.8 percent of all Afghan exports.<sup>18</sup>

## **The Smuggling Economy**

The smuggling of goods is a major illicit trade in which tribesmen are involved.<sup>19</sup> Over the years, the Afghan transit trade, facilitated by Pakistan since 1965 and ECO countries since 1997 has been massively abused by the unscrupulous elements to import products only to push most of them back into Pakistan clandestinely through long Pak-Afghanistan absorbent border.<sup>20</sup> Afghan Transit Trade Agreement (ATTA) created a region-wide arbitraging center where profits could be made of policy-induced price differentials from tax-free Dubai through the tax-free FATA in Pakistan or beyond. This area is considered as “a smugglers paradise”.<sup>21</sup>

The specific routes for transit between Pakistan and Afghanistan are Peshawar-Torkham, Ghulam Khan Kelli and Chaman-Spinboldak. However, Afghanistan’s seven border provinces (namely Badakshan, Kunar, Ningarhar, Paktia, Zabal, Qandahar and Hilmand), which are connected to Pakistan’s Northern Areas viz Chitral, Bajaur Agency, Mohmand Agency, South Waziristan Agency, North Waziristan Agency and Balochistan, are being extensively used by some elements for cross-border movement of transit good illegally. FATA’s town of Landi Kotal and Peshawar’s Bara market remain some of the most famous areas in Pakistan that people visit to purchase smuggled imported products, such as cars, television sets, refrigerators or Chinese silk at low prices.

## **The Kidnapping Economy**

A campaign of high-profile kidnappings is a major economy in tribal areas of Pakistan. Kidnapping is a centuries-old scourge in parts of Pakistan, from the tribesmen who snatched British colonists in the 19<sup>th</sup> century to the slum gangs that have preyed on Karachi business families since the 1980s. Ransom demands typically range between \$500,000 and \$2.2 million, although the final price is often one-tenth of the asking amount. The

kidnappers' methods are sophisticated: surveillance of targets that can last months; sedative injections to subdue victims after abduction; video demands via Skype; use of different gangs for different tasks, often with little knowledge of one another.<sup>22</sup> According to partial data compiled by South Asia Terrorism Portal (SATP), at least 664 persons were abducted between January 1, 2010, and April 8, 2012. 2010 - recorded 242 abductions, 2011 and 2012 witnessed 328 and 94 respectively. During this period, Federally Administered Tribal Areas witnessed the highest number of abductions (251) followed by Balochistan (183), Khyber Pakhtunkhwa (179), Sindh (43) and Punjab (8).

### **Manufacturing Economy**

Manufacturing activity in FATA is restricted primarily to small, owner-financed units, operating without government supervision. According to the directorate of industries, 1,082 industrial units are currently operating in the private sector. Of these, 120 are located in Bajaur Agency, 200 operate in Darra Adam Khel (FR Kohat), 237 in the rest of FR Kohat, 207 in Khyber, 28 in Kurram, 130 in Mohmand, 31 in North Waziristan, 24 in Orakzai, 16 in South Waziristan and 89 in other FRs.<sup>23</sup> These include stone processing, textile weaving and firearms manufacture, as well as scattered units producing ghee (clarified butter) and other similar operations.<sup>24</sup>

Stone processing has seen some improvement in the last two decades but much of the marble extracted in FATA is still processed in the settled areas. Stone processing units operate in the form of clusters, with most located in Ghundi (Khyber Agency), Jamrud (Khyber), Michini (Mohmand) and Mullagori (Khyber). These areas are rich in commercially valuable stone and there is potential for further expansion.<sup>25</sup>

There is considerable local expertise in the manufacture of weapons but production is not regulated and export to the settled areas is illegal. Darra Adam Khel (FR Kohat), which is known for its firearms, sees a thriving trade in various types of weapons.<sup>26</sup>

Small, handcrafted sporting guns are produced, along with quality hunting arms, and fine replicas of renowned models and vintage weapons, all of which are likely to be in high demand in export markets. There are approximately 200 light engineering units in the region. The main issue here is standardization and the quality control of metal. The light engineering sector requires infrastructure and technical assistance for standardization and scale production.<sup>27</sup> During Afghan war manufacturing of sophisticated conventional arms was introduced to Khyber Agency.<sup>28</sup> Not only Khyber but other agencies also have made their mark in this business. The manufacturers here produce copies of arms to be marketed in Pakistan as well as in India, Iran and Afghanistan.

### **The Drug Economy**

Afghanistan produces 90% of the world's opium supply, and 33 percent of that product is smuggled across the Pakistan-Afghanistan border<sup>29</sup>. From Afghanistan, narcotics are smuggled into Pakistan's Baluchistan province, from where they are then trafficked to Iran and later the Middle East and Europe. Drug traffickers also operate routes from Pakistan to China, India, and the rest of Asia; and recently Afghan heroin has begun arriving in North America via Pakistan. This drug trade has had a significant toll on the country. For example, Balochistan province has an opiate abuse rate of 1.1 percent of the population ages fifteen to 64 and is home to labs that refine Afghan morphine into heroin<sup>30</sup>.

### **The Link between these Economies and Militancy**

Money is the fuel for the militancy. Money provides material means for general terrorist activities, including propaganda, recruitment, infrastructure and maintenance. As mentioned earlier that in Pak-Afghan border TTP preferred means of resource generation includes robbery, theft, kidnappings and extortion, which is part of combating economy.

The Pakistani Taliban have a number of commando squads which have five to eight hardened criminals to commit robberies, vehicle snatching, thefts and kidnapping for ransom to fill their coffers.<sup>31</sup> In return TTP pay them a fixed amount of percentage with insurance if they were caught by the security agencies, they would get free by putting pressure on the government or exchange of troops taken hostage with the government.<sup>32</sup> As mentioned earlier kidnapping is century old method what has changed, is the level of Taliban involvement.

A rampage of both high and low profile abductions across the country has provided the Tehreek-e-Taliban Pakistan, the Haqqani Network, the Afghan Taliban and Al Qaeda, along with their various affiliates, with new 'resources' to fuel their politically and religiously motivated *Jihad*, both within the country, and against the West and other 'infidel' states.<sup>33</sup> The terrorists have also found their targets among foreigners in the country, as well as across international borders, in Afghanistan. A huge ransom was paid in Pakistan, for instance, for the release of two French journalists, Herve Ghesquiere and Stephane Taponier, who were abducted on December 30, 2009, by the Qari Baryal Afghan Taliban faction in Afghanistan's Kapisa Province. An Afghan Taliban militant close to the group's central command revealed, on condition of anonymity, "A ransom was paid — an enormous amount — millions of dollars. The money was handed over in Pakistan." Significantly, the Haqqani Network and the Afghan Taliban work in close collaboration with TTP, both to launch terror attacks and in activities like abduction-for-ransom<sup>34</sup>. Several cases remain currently unresolved for examples Shahbaz Taseer, son of assassinated Punjab Governor Salmaan Taseer and Doctor Ajmal Khan, the Vice Chancellor (VC) of the University of Peshawar, both were abducted by TTP.<sup>35</sup>

The other criminal activity in which Pakistan Taliban are involved is robbing banks and other establishments by getting their activists recruited in security firms offering protection services to banks, money changing firms, and private businesses.<sup>36</sup> According to police, militants were involved in at



least 28 robberies since 2009, including 18 of the 39 bank heists in 2010-2011. In 2011, Taliban militants robbed Karachi banks of about PKR 500m (US \$5.5m), according to a Karachi police internal report.<sup>37</sup> That total included Karachi's biggest bank robbery of the year, a heist of more than PKR. 90m (US \$990,000) from a Muslim Commercial Bank (MCB) branch. TTP outlaws have robbed branches of MCB, Habib Bank Limited, Allied Bank, United Bank Limited, Faysal Bank Limited, and the Soneri Bank.<sup>38</sup> Pro-Taliban extremists rob banks to raise money for the TTP's terrorist activities. According to Karachi police, outfits like Lashkar-e-Jhangvi (LJ), Jaish-e-Muhammad (JeM), Harkat-ul-Mujahideen (HuM), and many other religious and militant groups are involved in robberies for raising money for their activities.<sup>39</sup>

Taxation of licit and illicit transit corridor that extends from Karachi through FATA or Balochistan to landlocked Afghanistan and Central Asia is another source of money generation for TTP<sup>40</sup>. The Pakistan Taliban divided their respective areas into administrative zones for tax collection as they have set up parallel administration in tribal areas with de facto imposition of Taliban system of law and order in their respective area.<sup>41</sup> They have their tax schedule for example in Waziristan region every 10 wheeler truck is require to roughly pay PKR 2,250 (\$25) for allowing them six month road access whereas six wheeler trucks pay PKR 1,530 (\$17) This is traditional known as *Rahdaari* (corridor) system.<sup>42</sup>

As earlier mentioned Pakistan-Afghan border areas are famous for drug-trafficking, gunrunning and illegal arms, ammunition, and custom free smuggled goods and services. The Taliban provide safe passages to the illicit trade activities in return for regular payments. According to a World Bank report, the estimated Taliban revenue sourced from taxing Afghanistan-Pakistan trade in 1997 was \$75 million.<sup>43</sup> The same report pointed out that taxed opium and contributions from truckers during the same year may have accounted for as much as twice that amount. The Taliban also control the three highest opium producing provinces in Afghanistan, the source of 93% of world supply. The security-

taxed revenue from that trade is estimated to have increased to as much as 20% of \$2.2 billion.<sup>44</sup> It is said that TTP had taxed the processing and distribution sides of the drug business, up to 15% and distributors a flat tax of 15%.<sup>45</sup>

At the same time, the Pakistan Taliban is collecting PKR. 100 (\$2) on a monthly basis from every family permanently domiciled in the Waziristan region because they will provide protection and justice to the local people.<sup>46</sup>

The insurgent's movement in FATA also collects revenues from the local population in terms of penalties and extortion. The Pakistan Taliban also introduced Taliban-style *Sharia* (Islamic Law) in the Waziristan region, involving punishments for various crimes and dereliction from religious duties, which is similar to the system in Afghanistan during the Taliban regime before September 2001. For instance, the local Taliban fixed PKR. 500,000 (\$8,400) as penalty for crimes such as robberies and thefts, as well as a two-month prison term for the offenders.<sup>47</sup>

Protection money is also extorted from non-Muslim minorities as *jiziya*. For example, in April 2009, the Sikh community in FATA agreed to pay PKR. 20 million to the militants as *jiziya* after being forced by the Taliban, who confiscated their houses and kept a Sikh leader hostage.<sup>48</sup>

Other sources include Islamic institutes who collect *chanda* (donations) from Taliban sympathizers both within and outside Pakistan. Pakistanis living in the Arab world, especially the UAE, use the *hawala* system to send money contributing to the cause of the TTP, and apparently thousands of *dirhams* are collected annually in this way.<sup>49</sup>

## **Transformation of the Region**

Peace could come to Pak-Afghan region in many forms. It could, for instance, arrive in the guise of a victory by one faction, most likely the security forces, and ending fighting and

transforming the criminalized war economy into an even faster-expanding criminalized peace economy. For this purpose, a strong state is needed. It is a recognized fact that a strong state is necessary for reaching goals related to the implementation of peace agreements, the prevention of renewed violence among distrusting, divided societies, and economic development and reconciliation. Failed states do not provide human rights, justice, reconciliation, humanitarian protection, good governance, and rule of law which are increasingly accepted as important dimensions of peace building. For example, in Côte d'Ivoire the international community was unable to put an end to the conflict and reunite the country despite UN and French military deployments because of the weak state.<sup>50</sup>

In case of FATA, a strong state is required to accelerate economic development and poverty reduction, consolidate peace, reduce extreme brutality and exploitation of social relations, and provide security to the local population through the establishment of capable, autonomous and legitimate local authorities. Without strong state most of the population would be left to fend for themselves, in conditions of greater security, but without a development agenda, public services, or reforms, notably in the status of women.

Such a peace would continue to threaten the region, as expanding drug trade, and smuggling would undermine governance in several countries, strengthen Taliban-like forces in Afghanistan, continue to pose both political and practical obstacles to international reconstruction assistance, and provoke a defensive reaction from Pakistan's other neighbors in Iran and Central Asia. The resulting tensions among and within states in the region would make such a peace elusive indeed.

A more challenging but, if successful, more rewarding alternative, is to consider peacemaking in Pak-Afghan region as part of a larger problem, of transforming the economy of the area. It has finally dawned on Europe and the United States that nothing less will work in the Balkans.

No major institution has started planning for reconstruction of FATA or involved tribesmen in thinking about what such a process would involve. Even starting a serious international planning process conditional on a termination of fighting and observance of minimal humanitarian and human rights, principles (the right of both genders to available education and health care) might affect the current dynamic of the conflict.

The twenty years after militants took up arms to fight Indian rule in the Kashmir valley, hundreds of local insurgents are now returning to their homes after renouncing militancy<sup>51</sup>. The reasons are diminishing of funds. One way to curb insurgency in FATA is to cut the funding of insurgency. It is important to mention here that militants in Kashmir were funded by Pakistan but militants in FATA are generating their own income through combat, shadow and coping economies. So strong state with international backing must address the combat economy, redirect and harness the energies of the shadow economy and support the livelihood of those engaged in the coping economy. Strong state is required to transform the shadow economy into licit economy the right incentive may encourage profiteers to invest in legitimate business. The international private sector could also be involved as a source of funds.

Increased direct and transit trade will assist Pak-Afghan border state-building through increasing state revenue via tariff collection, creating constituencies for peace-building, and mainstreaming informal economic activity. Decreased logistic costs and increased economic growth from trade will also lead to wider benefits in development. Facilitating trade in and through FATA requires investment in constructing, rehabilitating and maintaining roads, bridges, mountain tunnels, border and, electric transmission lines, railroads and possibly natural gas pipelines. A more creative solution might find ways to finance the investment while reducing the risk that it would fund the war.

Central Asia, Afghanistan, Pakistan, Iran, India and China needs to be embedded in a regional economic framework that promotes cross-border commerce, trade, investment and integration for example European Union forum is a constructive way to build trust and understanding among governments: Then will all parties in the region start to take joint responsibility for their own affairs. International institutions should work with the regional powers toward something approximating a customs union, which would both make legitimate trade more attractive and reduce incentives to smuggling.

The disintegration of the state creates such potentials, though the criminalized economy that has filled the gap in providing livelihoods has created interests that will resist it. But unless peacemaking can appeal to the interests of powerful economic actors and transform them into agents of peace, it will be limited at best to halting fighting in one place before social and economic forces provoke it once again elsewhere in this dangerous region.

## Conclusion

The transition from war to peace in Afghan-Pak border depends upon transformation of the war economy into peace economy. This is unlikely to happen quickly and unless there is sustainable international support and investment in the region. Greater attention needs to be paid to the real economies. This might lead to an approach that focuses less on containing war economy than engaging with it, in order to harness the energies and build sustainable peace.

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