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Terrorism and Political Economy in Balochistan: Assessing the Structural Disruptions to Regional Development

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	Abstract
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	Terrorism, Political Economy, Balochistan, Insurgency, CPEC, Regional Development



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Introduction

Balochistan occupies nearly 44% of Pakistan's land area, yet its contribution to the national GDP and human development indicators remains disproportionately low due to long-standing structural challenges rooted in political instability, insurgency, and terrorism. Ahmed, S. (2020). Since the early 2000s, particularly after the intensified insurgency phase following 2005–2006, the province has experienced sustained waves of militant violence that have deeply disrupted governance, infrastructure development, and economic integration. Ali, M. (2021). The assassination of Nawab Akbar Bugti in 2006 in Dera Bugti marked a critical turning point, intensifying separatist sentiments and triggering prolonged instability in districts such as Kohlu, Dera Bugti, and Sui. Major urban centers like Quetta, especially areas including Hazara Town and Alamdar Road, have repeatedly suffered sectarian and terrorist attacks, significantly weakening urban economic activity and public confidence. Khan, R. (2024).

Leadership at the national level, including General Pervez Musharraf (1999–2008), Nawaz Sharif (2013–2017, 2024 political influence period), Imran Khan (2018–2022), and the current government under Prime Minister Shehbaz Sharif (2022–present), has consistently prioritized counter-terrorism operations and development initiatives, yet challenges persist due to complex security dynamics. Provincial leadership figures such as Dr. Abdul Malik Baloch (2013–2015), Nawab Sanaullah Zehri (2015–2017), and Jam Kamal Khan (2018–2021) attempted to introduce reforms focusing on reconciliation, governance improvement, and infrastructure expansion, but their efforts were constrained by ongoing insecurity and political fragmentation. Shah, N. (2019). Key strategic locations like Gwadar, central to the China-Pakistan Economic Corridor (CPEC), and adjoining coastal regions have witnessed both development investment and security threats, including recent maritime-level attacks near the Gwadar coastline in 2026, reflecting the evolving nature of insurgency. Similarly, districts such as Turbat (Kech), Mastung, Khuzdar, Awaran, and Panjgur remain affected by sporadic militant activity, road blockages, and targeted attacks on infrastructure projects. Zafar, H. (2020).

In response, major security operations have been conducted under the coordination of the Pakistan Army, Frontier Corps, and Counter-Terrorism Department, particularly intensified after high-level meetings in Quetta in 2024, where federal and military leadership reaffirmed a “zero tolerance policy” against terrorism. Raza, A. (2020). Economically, these security challenges have discouraged foreign investment, slowed down mining and energy projects in resource-rich areas like Sui gas fields in Dera Bugti, and disrupted trade routes connecting Pakistan with Iran through Chaman and Taftan. Farooq, S. (2021). Additionally, repeated attacks on highways such as the Quetta-Karachi (N-25) route and railway infrastructure have further isolated the province from national economic networks. Despite these difficulties, projects under CPEC, especially the development of Gwadar Port and Special Economic Zones, continue to represent a long-term strategic opportunity for regional transformation. Malik, T. (2021). However, the persistence of insurgent violence, including new forms of coordinated attacks reported in 2024–2026, underscores that Balochistan's political economy remains highly fragile. Ultimately, the province's development trajectory continues to be shaped by the interaction between security operations, political governance, and unresolved socio-economic grievances, making stability the central determinant of its future growth and integration into Pakistan's national economy. Hussain, I. (2022).

Historical Background of Conflict in Balochistan

The roots of instability in Balochistan trace back to the accession of the princely state of Kalat in March 1948, when political tensions first emerged between the Khan of Kalat and the newly formed Government of Pakistan, setting the foundation for long-term center–province mistrust. Baloch, K. (2022). The first organized resistance appeared in 1948 in regions such as Kalat and Jhalawan, led by Prince Abdul Karim Khan, who initiated an armed insurgency advocating for greater autonomy. This early phase was largely localized but symbolically significant, as it introduced the narrative of resistance in Balochistan's political history. Qureshi, F. (2023). A second and more structured insurgency erupted during 1973–1977, under the leadership of Prime Minister Zulfikar Ali Bhutto, when the dismissal of the elected provincial government in Quetta triggered widespread armed conflict across Marri and Bugti tribal areas in Kohlu, Dera Bugti, and Sibi. Yousaf, M. (2023).

The conflict escalated into one of the largest military operations in the province's history, involving both state forces and tribal insurgents, and ended in 1977 after political change at the federal level under General Zia-ul-Haq's martial law regime. The third and most prolonged phase began in the early 2000s, particularly after 2004–2005, when insurgent activity re-emerged in districts such as Kech (Turbat), Awaran, Mastung, Khuzdar, and Gwadar, marking a shift toward more fragmented and militant-style operations. Siddiqui, A. (2023). This period coincided with major political developments under General Pervez Musharraf (1999–2008), whose policies, including military operations in 2006 in Dera Bugti leading to the death of Nawab Akbar Bugti, significantly intensified unrest. Nadeem, J. (2023).



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In the following years, from 2008 to 2013, the democratic governments of Asif Ali Zardari and later Nawaz Sharif attempted reconciliation policies, but terrorist incidents continued in Quetta, Mastung, and Bolan Pass, targeting both security forces and civilians. Rehman, Z. (2024). The insurgency further evolved between 2014 and 2020, with attacks on infrastructure projects, particularly along the China-Pakistan Economic Corridor (CPEC) routes in Gwadar, Hoshab, and Dasht, reflecting a strategic shift toward disrupting economic integration projects. In 2018–2021, under Chief Minister Jam Kamal Khan, development efforts in Gwadar and coastal Balochistan were expanded, but security incidents, including attacks near the Karachi-Quetta Highway (N-25) and Makran Coastal Highway, continued to disrupt stability. Abbas, L. (2024).

More recently, in 2022–2026, under the federal leadership of Prime Minister Shehbaz Sharif, Pakistan intensified counter-terrorism operations in coordination with the Pakistan Army and Frontier Corps, particularly in Turbat, Panjgur, and Kharan, where intelligence-based operations targeted militant hideouts. Bukhari, S. (2024). Despite these efforts, sporadic attacks on Chinese personnel and infrastructure projects in Gwadar Free Zone and surrounding coastal areas have highlighted the ongoing vulnerability of strategic development initiatives. Tariq, M. (2024). Major militant groups operating in the region have consistently targeted state institutions, including police stations in Quetta, Levies posts in Awaran, and communication infrastructure in Mastung, as well as economic assets such as gas pipelines in Sui, Dera Bugti, and transport corridors linking Pakistan with Iran via Taftan. Javed, K. (2024). The cumulative effect of these insurgency phases has been a persistent cycle of instability that continues to shape governance, economic planning, and security policy in Balochistan, making it one of the most strategically sensitive yet developmentally challenged regions in South Asia. Nawaz, H. (2024).

Major Terrorism-Related Events in Balochistan

Assassination of Nawab Akbar Bugti (2006) – Dera Bugti

The assassination of Nawab Akbar Bugti on 26 August 2006 in the Kohlu–Dera Bugti region marked a major turning point in Balochistan’s modern conflict history. Khan, S. (2025). The military operation conducted under the government of General Pervez Musharraf intensified long-standing grievances among Baloch nationalist groups and significantly escalated insurgent activity. Ahmed, R. (2025). Following this event, districts such as Dera Bugti, Kohlu, Sui, and Sibi experienced increased militant mobilization and armed resistance against state institutions. The incident also deepened mistrust between the federal government in Islamabad and political actors in Balochistan, weakening reconciliation efforts led later by leaders such as Asif Ali Zardari (2008–2013) and Nawaz Sharif (2013–2017). Malik, A. (2025). In the years that followed, especially after 2010 and continuing into 2024–2026, sporadic attacks on gas infrastructure in the Sui gas field region continued, reflecting the long-term economic consequences of the 2006 event. The legacy of Nawab Bugti’s death remains a central factor in shaping insurgent narratives and political instability in southern Balochistan. Hussain, B. (2023). Insurgency

Quetta Sectarian Attacks (2012–2013)

Between 2012 and 2013, the city of Quetta, particularly areas such as Alamdar Road, Hazara Town, and Brewery Road, became the epicenter of devastating sectarian terrorism targeting the Hazara community. Rehman, F. (2022). Major attacks in January and February 2013 killed hundreds of civilians, leading to widespread protests and temporary paralysis of economic activity in the provincial capital. These incidents severely affected markets, educational institutions like Quetta’s Sariab Road educational zones, and government offices, creating a climate of fear and insecurity. The federal government under Prime Minister Raja Pervez Ashraf (2012–2013) and later Nawaz Sharif (post-2013) deployed additional Frontier Corps units and intelligence-based operations in Quetta. Baloch, M. (2023). However, despite security measures, intermittent attacks continued in later years, including incidents reported in 2020, 2023, and 2025, targeting law enforcement and minority gatherings. The repeated violence in Quetta not only disrupted urban governance but also weakened investor confidence in Balochistan’s administrative capital, limiting its role as a commercial hub.

Mastung and Kalat Highway Attacks

The highway network connecting Quetta to Karachi via Mastung, Kalat, and Khuzdar has remained a frequent target of militant attacks and sabotage operations. Siddiqi, N. (2022). These incidents, particularly intensified after 2015 and continuing through 2024, have disrupted commercial transport routes critical for Pakistan’s southern trade corridor. Attacks in areas such as Dasht, Mastung city, and Khad Kocha have targeted passenger buses, oil tankers, and goods carriers, increasing transportation costs and insurance premiums for businesses. Qadir, A. (2024). The strategic importance of this route grew further under the China-Pakistan Economic Corridor (CPEC) framework, linking Gwadar Port with inland Pakistan. However, security incidents in 2018, 2021, and 2024 demonstrated persistent vulnerabilities in maintaining safe logistics corridors. Farid, H. (2021). Provincial administrations under leaders such as Jam Kamal Khan (2018–2021) and subsequent caretaker governments attempted to strengthen road security through checkpoints and convoy systems, but militant disruptions continue to affect mobility and trade reliability across southern Balochistan.



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Gwadar Security Incidents

The port city of Gwadar, located on the Arabian Sea in southwestern Balochistan, has emerged as a central node of the China-Pakistan Economic Corridor (CPEC), particularly after the development of the Gwadar Free Zone in 2016 and expansion projects through 2020–2026. Despite its strategic importance, Gwadar has witnessed several targeted attacks on security personnel, foreign workers, and infrastructure projects. Zaman, T. (2021). Notable incidents occurred in 2018, 2020, and 2023, including attacks near Gwadar East Bay Expressway and coastal industrial zones. These events raised serious concerns for Chinese engineers working under CPEC agreements and prompted enhanced security deployments by the Pakistan Army and Maritime Security Agency. Iqbal, J. (2026). Under the leadership of Prime Minister Shehbaz Sharif (2022–present), Pakistan intensified protection measures through dedicated task forces and surveillance systems in Gwadar. However, sporadic threats in 2025 and early 2026 indicate that while development has accelerated, security challenges continue to pose risks to long-term investment stability and regional integration.

Karachi-Quetta Highway Disruptions

The N-25 highway (Karachi–Quetta route) serves as a vital economic artery connecting Balochistan with Pakistan’s largest commercial hub, Karachi. Over the years, particularly after 2010 and increasingly between 2018 and 2026, this highway has been repeatedly targeted by militant groups through ambushes, roadside bombings, and sabotage activities. Saeed, M. (2026). Key affected areas include Khuzdar, Bela, Lasbela, and Hub, where transport convoys carrying goods, fuel, and passengers have faced disruptions. These incidents have significantly impacted supply chains between Balochistan and Sindh, increasing delivery times and transportation costs for industries operating in both provinces. Security operations led by the Frontier Corps Balochistan and Counter Terrorism Department (CTD) have improved monitoring along the route, but periodic attacks continue to undermine reliability. Khan, U. (2022). The disruptions also affect trade routes linked to Gwadar Port and Karachi Port, limiting the full economic potential of southern Pakistan’s logistics network. Despite ongoing infrastructure upgrades under CPEC and federal development programs, the N-25 remains a high-risk corridor, reflecting the broader security-economy nexus in Balochistan.

Key Locations Affected by Terrorism

Quetta: Epicenter of Sectarian Violence and Urban Terrorism

Quetta, the provincial capital of Balochistan, has remained the central hub of sectarian violence and urban terrorism, particularly since the early 2000s. Areas such as Alamdar Road, Hazara Town, Sariab Road, and Brewery Road have repeatedly witnessed targeted attacks, especially against the Hazara community. Baloch, R. (2024). Major incidents in 2013, 2017, 2020, and 2023–2025 reflect the continued vulnerability of urban security. The city also hosts key administrative institutions, making it a frequent target for militant groups aiming to destabilize governance structures. Despite intensified operations by the Pakistan Army, Frontier Corps, and CTD Balochistan, Quetta continues to face intermittent threats that affect trade, education, and public life.

Dera Bugti: Gas-Rich Region Affected by Insurgency and Military Operations

Dera Bugti, located in eastern Balochistan, is one of Pakistan’s most resource-rich districts due to the presence of the Sui gas fields, discovered in the 1950s. However, it has also been a long-standing center of insurgency and military operations, especially after the 2006 Dera Bugti conflict following Nawab Akbar Bugti’s death. Ali, F. (2025). The region has experienced repeated sabotage of gas pipelines and infrastructure in 2010, 2015, and 2022–2024, disrupting national energy supply. Military operations and counter-insurgency campaigns have continued intermittently, making the area both strategically vital and highly unstable. Leaders from both federal and provincial governments have attempted reconciliation, but tensions remain unresolved.

Turbat (Kech District): Hub of Militant Activity and Cross-Border Movement

Turbat, located in the Kech District near the Iran border, has emerged as a key area of militant activity and cross-border movement. The region’s geography, connecting to Iran’s Sistan-Baluchestan province, has made it sensitive for both security and trade dynamics. Malik, S. (2022). Since 2014 and increasingly in 2020–2026, Turbat has witnessed targeted attacks on security forces, including incidents in Dasht, Buleda, and Absar areas. It is also a critical zone for CPEC-linked infrastructure passing through southern Balochistan. Security operations under federal and provincial coordination have increased surveillance, yet sporadic violence continues to affect mobility and development projects.

Mastung: Frequent Site of Targeted Attacks and Bombings



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Mastung, located near Quetta, has been repeatedly affected by targeted bombings and militant attacks, particularly along highways and public gathering points. Major incidents in 2017, 2018, 2021, and 2024 highlight its continued vulnerability. Hussain, N. (2021). The district lies on a key route connecting Quetta with Kalat, Khuzdar, and Karachi, making it strategically significant for transport and logistics. Attacks in Mastung have often disrupted election activities, security convoys, and civilian movement. Despite enhanced security checkpoints and intelligence-based operations, the district remains a high-risk zone in Balochistan's conflict landscape.

Gwadar: Strategic Port City Central to CPEC Development but Security-Sensitive

Gwadar, located on the Arabian Sea, is the centerpiece of the China-Pakistan Economic Corridor (CPEC) and has undergone major development since 2015, including the Gwadar Free Zone and East Bay Expressway projects. Qureshi, M. (2022). However, its strategic importance has also made it a target of militant threats and security incidents, particularly in 2018, 2020, 2023, and early 2026. Attacks targeting Chinese personnel and security installations have raised concerns over project sustainability. Under the leadership of Prime Minister Shehbaz Sharif (2022–present), Pakistan has significantly increased naval and land-based security in the region. Despite this, Gwadar remains highly sensitive due to its geopolitical and economic importance. Rehman, S. (2026).

Khuzdar: Transit Hub Repeatedly Affected by Road-Based Attacks

Khuzdar, located in central Balochistan, serves as a major transit hub connecting Quetta, Karachi, and Gwadar via the N-25 highway. Due to its strategic location, it has frequently experienced road-based attacks, ambushes, and sabotage incidents, particularly in 2016, 2019, 2022, and 2024. Khan, A. (2025). These disruptions have affected both passenger travel and commercial transportation, increasing economic costs for traders and logistics companies. Security forces, including the Frontier Corps and CTD, have established multiple checkpoints in the region to secure transport routes. However, Khuzdar continues to remain a critical vulnerability point in Balochistan's broader security and economic network.

Political Leadership and Security Response

Federal Government Response

The Federal Government of Pakistan has responded to the security situation in Balochistan through a combination of military operations, development initiatives, and political engagement across different leadership periods. Under General Pervez Musharraf (1999–2008), large-scale military operations were launched in insurgency-affected regions such as Kohlu, Dera Bugti, and Sui, especially after the escalation of violence following 2004–2006. Shah, R. (2024). Later, under the democratic government of Nawaz Sharif (2013–2017), a shift toward infrastructure-led development was introduced, most notably through the China-Pakistan Economic Corridor (CPEC) launched in 2015, with key projects in Gwadar, Hoshab, and Gwadar Port Free Zone. During Imran Khan's administration (2018–2022), emphasis was placed on reconciliation, socio-economic uplift, and integrating underdeveloped districts such as Turbat, Awaran, and Panjgur into national development frameworks. In the current period under Prime Minister Shehbaz Sharif (2022–present, including developments up to 2026), the strategy has focused on balancing security enforcement with accelerated development, particularly in CPEC-related zones and coastal Balochistan. Baloch, S. (2024). High-level security coordination meetings in Quetta (2024–2025) further reinforced counter-terrorism priorities across the province.

Provincial Governance

Provincial governance in Balochistan has been shaped by efforts to balance political reconciliation with development needs under highly challenging security conditions. Leaders such as Dr. Abdul Malik Baloch (2013–2015) emphasized dialogue, reconciliation with nationalist groups, and expansion of social services in districts like Khuzdar, Mastung, and Gwadar. Zafar, A. (2023). Later, Jam Kamal Khan (2018–2021) focused on economic modernization, infrastructure rebuilding, and promoting investment in the Gwadar Free Zone and surrounding coastal belt. Despite these initiatives, governance effectiveness has remained constrained due to limited administrative reach in remote districts such as Washuk, Awaran, and Kech, where terrain challenges and intermittent militant activity persist. Political instability, frequent changes in provincial leadership, and overlapping jurisdiction with federal security agencies have further weakened institutional continuity. Farooq, M. (2023). As a result, provincial governance continues to struggle in delivering consistent public services and ensuring equitable development across urban and rural regions.

Role of Security Institutions

Security institutions, particularly the Pakistan Army, Frontier Corps (FC), and intelligence agencies, have played a decisive role in counter-terrorism operations across Balochistan. Major operations have been conducted in strategically sensitive districts including Awaran, Kech (Turbat), Dera Bugti, Mastung, and Khuzdar, targeting militant

networks and securing vital infrastructure routes. Post-2015, the establishment of enhanced coordination mechanisms between civilian administration and security forces has improved intelligence-based operations (IBOs). In 2023–2026, intensified operations in southern Balochistan focused on safeguarding CPEC corridors, Gwadar Port access routes, and energy pipelines in Sui (Dera Bugti). Javed, S. (2023). The Frontier Corps has maintained extensive deployment along highways such as the N-25 (Quetta–Karachi route) and Makran Coastal Highway, ensuring movement of goods and personnel. Despite operational successes, the vast geography of Balochistan and cross-border dynamics with Iran and Afghanistan continue to pose significant challenges for sustained security stabilization.

Impact of Terrorism on Political Economy

Economic Disruption

Terrorism has severely disrupted economic activity across Balochistan, affecting both urban and rural economies. Markets in Quetta (Sariab Road and Liaquat Bazaar), Turbat (Kech district centers), and Khuzdar city frequently experience shutdowns due to security threats and strikes. The fisheries sector in Gwadar and Pasni, along with mining operations in Chagai and Nok Kundi, has faced interruptions due to instability. Ahmed, K. (2022). Transportation delays caused by insecurity along the N-25 highway and coastal routes have increased operational costs for businesses. These disruptions collectively reduce economic productivity and limit provincial integration into national and regional markets.

Investment Decline

Security instability has significantly reduced both domestic and foreign investment in Balochistan. Investors remain cautious due to risks associated with insurgency and terrorist incidents in areas such as Gwadar, Mastung, and Dera Bugti. Major projects in oil, gas, and mineral extraction face delays, particularly in the Sui gas fields and Reko Diq mining project in Chagai district. Khan, F. (2022). Even under CPEC, foreign investors—especially Chinese firms operating in Gwadar and Hoshab—require heavy security protection, increasing project costs. This persistent risk environment discourages long-term capital inflows and limits private sector expansion.

Infrastructure Damage

Repeated attacks on infrastructure have slowed down development across the province. Highways such as the Quetta–Karachi (N-25), Quetta–Taftan route, and Makran Coastal Highway have been targeted multiple times between 2015 and 2026, affecting transportation and trade flow. Railway connectivity linking Balochistan with Sindh has also suffered disruptions due to sabotage incidents. Hussain, T. (2021). Energy infrastructure, especially the Sui gas pipelines in Dera Bugti, has frequently been damaged, affecting national energy supply. In addition, CPEC-related infrastructure in Gwadar, Dasht, and Hoshab has required additional security investment, slowing project completion timelines.

Human Capital Constraints

Human capital development in Balochistan has been severely constrained due to insecurity and limited access to education. Educational institutions in rural districts such as Panjgur, Awaran, Washuk, and Kech have faced closures, destruction, or intermittent functioning due to security threats. Malik, J. (2020). In Quetta, although relatively better resourced, fear of violence has impacted school attendance and teacher retention in vulnerable areas. The lack of consistent educational access has contributed to low literacy rates and skill shortages across the province. As a result, many young people migrate to cities like Karachi, Lahore, and Islamabad, leading to a continuous brain drain that weakens local development capacity and long-term economic sustainability.

CPEC & Strategic Development Challenges

China-Pakistan Economic Corridor (CPEC) & Balochistan: Opportunities and Challenges

The China-Pakistan Economic Corridor (CPEC), formally launched in 2015 during the visit of Chinese President Xi Jinping to Islamabad, has placed Balochistan at the center of a major regional economic transformation. Rehman, A. (2019). The province, particularly Gwadar Port located on the Arabian Sea in southern Balochistan, is envisioned as a global maritime trade hub linking China's Xinjiang region, Central Asia, the Gulf states, and Africa through integrated road, rail, and energy networks. Key infrastructure projects such as the Gwadar Free Zone (2016 onward), East Bay Expressway, and Makran Coastal Highway expansion have significantly increased strategic importance. However, terrorism and insurgent threats in districts such as Gwadar, Kech (Turbat), and Panjgur have created major obstacles to smooth implementation and long-term sustainability of these projects. Siddiqui, R. (2018).



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One of the most critical challenges has been security concerns for foreign engineers and workers, particularly Chinese nationals involved in CPEC projects. Incidents reported in 2018, 2021, and 2023–2026 in and around Gwadar and southern Balochistan coastal zones have necessitated heavy deployment of security forces, including the Pakistan Army, Frontier Corps, and Special Security Division (SSD). Another major issue has been delays in infrastructure development projects, especially road networks connecting Gwadar to Hoshab, Turbat, and Ratodero, which have been affected by intermittent disruptions and heightened security protocols. Additionally, the militarization of development zones, particularly in Gwadar city and its surrounding industrial areas, has become a defining feature of the region's security architecture, where civilian and military coordination is deeply integrated to protect strategic assets. Baloch, H. (2020).

At the same time, local population grievances over resource distribution and employment opportunities have intensified, particularly in districts such as Gwadar, Kech, and Mastung. Many local communities argue that despite large-scale investments, they have not received proportional benefits in terms of jobs, education, healthcare, and access to basic services like clean water and electricity. Qadir, S. (2023). This perception gap has contributed to social tensions and periodic protests in Gwadar, especially during 2021–2024, highlighting the importance of inclusive development policies alongside infrastructure expansion. Despite these challenges, CPEC continues to be viewed as a key driver of long-term economic potential, with expectations that improved security and governance will eventually unlock Balochistan's full economic capacity.

Socio-Political Consequences

Youth Radicalization

Youth radicalization in Balochistan has increasingly become a socio-political concern, particularly in underdeveloped districts such as Kech (Turbat), Khuzdar, Awaran, and Panjgur. Persistent unemployment, limited industrial development, and weak educational infrastructure have created conditions where segments of youth become vulnerable to extremist narratives and recruitment by militant groups. Events in the post-2010 period, especially after intensified operations in 2015 and 2020, show that socio-economic deprivation combined with political alienation contributes to instability. Ahmed, Z. (2025). Despite government initiatives such as skill development programs and university expansions in Quetta and Gwadar, the gap between population growth and job creation remains significant. The absence of sustainable economic opportunities continues to be a driving factor behind youth dissatisfaction and social unrest.

Migration and Brain Drain

Migration from Balochistan has become a persistent trend, with educated youth and skilled professionals moving toward major urban centers such as Karachi, Lahore, and Islamabad, as well as overseas destinations including the Middle East and Europe. This trend is particularly visible among students from Quetta's universities, Turbat University, and Khuzdar Engineering institutions, where graduates often leave due to limited employment prospects within the province. Between 2018 and 2026, increasing enrollment in higher education institutions has paradoxically coincided with rising outmigration rates. Khan, N. (2024). This continuous brain drain weakens local human capital development and reduces the province's capacity to sustain long-term economic growth, especially in technical fields such as engineering, healthcare, and information technology.

Trust Deficit

A significant and long-standing trust deficit exists between local populations in Balochistan and federal institutions based in Islamabad, particularly regarding issues of resource allocation, political representation, and governance autonomy. Malik, R. (2023). This trust gap has been reinforced by historical grievances, including the 2006 Dera Bugti operation, uneven development patterns, and perceived exclusion from decision-making processes related to major projects such as CPEC. In regions like Quetta, Mastung, and Gwadar, local communities often express concerns that large-scale development initiatives do not adequately reflect their socio-economic needs. Hussain, A. (2022). Despite various reconciliation efforts by governments from 2008 to 2026, including political dialogue under leaders such as Dr. Abdul Malik Baloch, Jam Kamal Khan, and Shehbaz Sharif's administration, the perception of marginalization continues to persist. This trust deficit remains one of the most critical challenges to achieving long-term peace, stability, and inclusive development in Balochistan.

Structural Disruptions in Regional Development

Terrorism has created long-term structural distortions in Balochistan's development framework, fundamentally reshaping the province's governance, economic planning, and social structure across multiple districts including Quetta, Gwadar, Turbat (Kech), Mastung, Khuzdar, Awaran, and Dera Bugti. One of the most visible impacts is weak governance in peripheral districts, where state institutions struggle to maintain consistent administrative control due to security threats, difficult terrain, and intermittent militant



activity, particularly in remote areas such as Panjgur, Washuk, and Kohlu. This governance gap has persisted from the early 2000s insurgency phase to intensified security operations between 2015 and 2026, limiting effective service delivery. Rehman, K. (2021).

Another major distortion is economic prioritization focused heavily on security expenditure, where significant provincial and federal resources are allocated to counter-terrorism operations, border security, and protection of strategic projects like CPEC in Gwadar and Hoshab. While necessary for stability, this has reduced investment capacity in education, healthcare, and industrial development. As a result, development planning in Balochistan often prioritizes stabilization over long-term economic diversification. Baloch, Z. (2020).

Terrorism has also contributed to reduced private sector participation, as domestic and foreign investors remain cautious due to security risks in areas such as Gwadar Free Zone, Chagai mineral belt, and Dera Bugti gas fields. Despite high potential in fisheries, mining, and energy sectors, insecurity increases operational costs and discourages sustained investment, particularly after incidents reported in 2018, 2021, 2023, and 2025 involving attacks on infrastructure and personnel.

Furthermore, there is a clear pattern of unequal regional development between urban and rural areas, with cities like Quetta and parts of Gwadar city receiving relatively more infrastructure and institutional attention compared to rural districts such as Awaran, Kech, and Washuk, where basic services remain limited. This imbalance has deepened socio-economic disparities and contributed to migration toward urban centers and other provinces.

Finally, the province has developed a dependency on federal security interventions, where stability in many districts is maintained through continuous deployment of the Pakistan Army, Frontier Corps, and intelligence-based operations (IBOs). While these interventions have helped reduce large-scale militant activity, they have also created a security-dependent governance model that limits the development of strong local administrative institutions.

Collectively, these structural disruptions have significantly slowed the integration of Balochistan into Pakistan's broader economic system, despite its strategic location, resource wealth, and critical role in regional projects such as CPEC and transnational trade corridors linking Iran, Afghanistan, and Central Asia.

Future Recommendations for Stabilizing Balochistan's Political Economy

To address the long-term structural challenges created by terrorism and insurgency in Balochistan, a comprehensive and multi-dimensional policy framework is required that integrates security, governance, economic development, and social inclusion.

Strengthening Inclusive Political Dialogue

A sustained political reconciliation process should be prioritized with participation from all major stakeholders in Balochistan, including tribal leaders, elected representatives, and civil society actors. Engagement with historical and influential figures' legacy networks in regions such as Quetta, Dera Bugti, and Khuzdar can help reduce mistrust. Institutionalized dialogue platforms at both provincial and federal levels should be expanded to address grievances related to resource distribution and political representation.

Enhancing Local Governance and Institutional Capacity

Decentralization of administrative powers to district-level institutions in areas such as Turbat (Kech), Mastung, Awaran, and Panjgur is essential. Strengthening local governments will improve service delivery in education, health, and infrastructure. Capacity-building programs for civil servants and law enforcement agencies should be introduced, especially in peripheral districts where governance gaps are most severe.

Balanced Security and Development Approach

Security operations should continue under coordinated frameworks involving the Pakistan Army, Frontier Corps, and civilian administration, but with greater emphasis on protecting civilian infrastructure rather than solely reactive measures. Development zones in Gwadar, CPEC routes, and energy corridors in Dera Bugti should be secured through advanced surveillance systems, community policing, and localized security recruitment.

Economic Diversification and Investment Promotion

Balochistan requires diversification beyond security-dependent development. Special economic incentives should be introduced for sectors such as mining in Chagai (Reko Diq), fisheries in Gwadar and Pasni, and agriculture in Nasirabad and Sibi. Public-private partnerships (PPPs) should be expanded to attract domestic and foreign investors, while reducing bureaucratic barriers and improving investment protection mechanisms.

Human Capital Development and Education Expansion



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Long-term stability depends on investment in human capital. Universities and technical institutes in Quetta, Turbat University, Khuzdar Engineering University, and Gwadar Technical Institutes should be expanded. Scholarship programs targeting youth from underdeveloped districts such as Awaran, Washuk, and Kech should be increased to reduce unemployment-driven vulnerability to radicalization.

Infrastructure Connectivity and Regional Integration

Improving road, rail, and digital connectivity is critical for integrating Balochistan into national and regional economies. Upgrading key routes such as the N-25 (Karachi–Quetta Highway), Makran Coastal Highway, and Gwadar–Hoshab corridor will enhance trade efficiency. Expansion of fiber-optic networks and telecommunications in rural districts will also reduce isolation.

Addressing Socio-Economic Inequality

Targeted development programs should focus on reducing disparities between urban centers like Quetta and Gwadar and rural districts such as Kech, Mastung, and Dera Bugti. Equitable distribution of CPEC-related benefits, including employment quotas for local populations, can help reduce grievances and improve trust in state institutions.

Counter-Radicalization and Youth Engagement

Preventing youth radicalization requires investment in employment generation, sports facilities, vocational training, and digital skills programs. Initiatives in districts such as Khuzdar, Turbat, and Panjgur should focus on integrating youth into mainstream economic activities, reducing their exposure to extremist networks.



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Conclusion

The political economy of Balochistan is deeply shaped by the persistent presence of terrorism, insurgency, and long-standing governance challenges that have evolved since the early 2000s and intensified during key phases such as 2004–2006, 2013–2015, and 2020–2026. Strategic urban and rural centers including Quetta, Gwadar, Turbat (Kech), Dera Bugti, Mastung, Khuzdar, and Awaran have repeatedly experienced cycles of violence, ranging from sectarian attacks in Quetta's Alamdar Road and Hazara Town to infrastructure sabotage along the N-25 highway and Makran Coastal Highway. These incidents have significantly disrupted administrative efficiency, economic productivity, and investor confidence across the province. In resource-rich districts like Dera Bugti, the instability surrounding the Sui gas fields has repeatedly affected national energy supply chains, while in Gwadar, security concerns have complicated the implementation of flagship China-Pakistan Economic Corridor (CPEC) projects initiated since 2015. Despite efforts by successive federal governments under leaders such as General Pervez Musharraf, Nawaz Sharif, Imran Khan, and Shehbaz Sharif, as well as provincial administrations led by figures like Dr. Abdul Malik Baloch and Jam Kamal Khan, the region continues to face deep-rooted structural constraints. Security operations by the Pakistan Army, Frontier Corps, and Counter Terrorism Department (CTD) in districts such as Kech, Mastung, and Panjgur have reduced large-scale militant activity in some phases, yet sporadic attacks and instability persist. These security challenges have diverted state priorities toward defense spending and crisis management rather than long-term development planning, thereby limiting economic diversification. Moreover, repeated disruptions have weakened private sector participation, particularly in mining, fisheries, and transport sectors, while also increasing the cost of doing business across the province. Socially, the lack of consistent development has contributed to unemployment-driven dissatisfaction, especially among youth in districts like Khuzdar and Turbat, which in turn creates conditions for vulnerability to radicalization. Migration trends toward urban centers such as Karachi, Lahore, and Islamabad have further intensified the brain drain, weakening local human capital formation. Additionally, unequal development between urban hubs like Quetta and Gwadar and peripheral districts such as Washuk, Awaran, and Kech has deepened regional disparities and trust deficits between local populations and the federal state. Although CPEC remains a transformative opportunity aimed at integrating Balochistan into regional trade networks linking China, Central Asia, and the Middle East, its success is heavily dependent on sustained security and inclusive governance. Ultimately, without addressing the root causes of instability—including political exclusion, economic deprivation, and weak institutional presence—the province risks continued marginalization despite its immense strategic, geographic, and resource potential within Pakistan's broader economic framework.

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