Business Associations and Conflict

A fundamental change in Pakistan’s political economy over the past three decades has been the proliferation of the services sector in general and within it, the growth of the retail/wholesale component. Retail and wholesale trade currently contributes 17% to national GDP, and employs nearly 65% of the total urban labour force in the country. Organizationally, the sector consists mostly of small-scale, cash-based enterprises, many of which operate in what is colloquially referred to as the ‘informal’ economy.

In the backdrop of this flourishing ‘bazaar’ sector, traders and merchants have emerged as important political-economic actors, exercising a great deal of influence on government action both at the level of policy design (on issues of trade and taxation), and municipal administration (on zoning, land-use, and public infrastructure development). On the political front, all major political parties recruit businessmen as legislature candidates for urban constituencies, and many are politically embedded with different parties as local vote-mobilisers, patrons, and intermediaries in their places of business and residence.

Literature on conflict, especially violence against smaller sects and religious minorities, in other parts of the world show that civil society and civic organisations can play an important role in maintaining local peace. However, in Pakistan there has been no systematic analysis of the role played by market associations and commerce chambers on the various facets of conflict in Pakistan. Some of the sociological work on traders and the mercantilist class in Pakistan points to their religious and conservative acculturation, and their role in mobilising for extreme right-wing religious causes (such as the often violent protests against blasphemous material). Other research documents the part played by migrant Sunni merchants in Jhang in sponsoring the rise of a rabidly sectarian militant movement against the Shia landed elite.

This panel invites speakers who have conducted research around the following broad questions:

- What is the associational landscape of the business community in Pakistan?
- What is the existing role played by trader and merchant leaders, and market associations, in perpetuating or mitigating inter-community conflict (sectarian and against minority groups)? Correspondingly, do they exercise influence (discursive or operational) on sectarian conflict at the national or regional level?
- What is the potential (if any) for harnessing the social capital resources of traders and merchant groups in preventing violent escalation of inter-community tensions?

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