



The Economic Significance of the Jaglot-Skardu Road: A Qualitative Analysis

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Abstract

The Jaglot-Skardu Road (JSR) plays a crucial role in the economic development of the Gilgit- Baltistan region of Pakistan. This research explores its economic significance through a qualitative approach, focusing on trade, tourism, market access, and socioeconomic transformations. The study employs a detailed literature review and qualitative data collection methods, including interviews with local business owners, transporters, and community members. Findings suggest that the road has led to reduced transportation costs, increased tourism, and improved accessibility to essential services, thereby contributing to overall regional development. Additionally, the improved connectivity has facilitated the movement of goods and services, resulting in market stability, price control, and greater economic opportunities for small businesses and entrepreneurs. The road has also played a pivotal role in empowering marginalized communities, including women artisans and rural traders, by providing them with access to larger markets. Furthermore, the road's enhancement has improved access to education and healthcare, fostering broader social and economic progress. This study highlights the critical role of infrastructure in driving sustainable regional growth and underscores the need for continued investment in road maintenance and development to maximize economic benefits.

Keywords: Juglote Skardu Road, KKH, Skardu, Gilgit

Introduction

The Jaglot-Skardu Road (JSR) plays a crucial role in the economic development of the Gilgit- Baltistan region of Pakistan. This research aims to explore its economic significance through a qualitative approach, focusing on trade, tourism, market access, and socioeconomic transformations. The study employs a detailed literature review and qualitative data collection methods, including interviews with local business owners, transporters, and community members. Findings suggest that the road has led to reduced transportation costs, increased tourism, and improved accessibility to essential services, thereby contributing to overall regional development. Infrastructure development plays a pivotal role in regional economic growth by improving connectivity and accessibility.

The Jaglot-Skardu Road (JSR), a 167-kilometer highway connecting Gilgit and



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Skardu in Pakistan's Gilgit-Baltistan region, has undergone significant upgrades in recent years. This paper investigates the economic implications of these improvements, focusing on trade, tourism, and local communities

Infrastructure development is a key driver of economic growth, particularly in remote and mountainous regions where connectivity challenges hinder progress. The Jaglot-Skardu Road is a critical transport link between Gilgit and Skardu, two major hubs in Gilgit-Baltistan. Before its renovation, the road was in poor condition, often rendering travel dangerous and inefficient.

However, recent improvements have significantly reduced travel time, enhanced trade efficiency, and provided new economic opportunities for the local population. This study aims to examine the qualitative economic impacts of the upgraded JSR, highlighting its role in trade, tourism, market stability, and social upliftment.

Literature Review

Previous studies have highlighted the challenges posed by inadequate infrastructure in mountainous regions, particularly concerning economic development and tourism. The JSR, prior to its upgrade, was often referred to as the "well of death" due to its hazardous conditions, deterring tourists and hindering trade. The road's poor state not only limited economic opportunities but also isolated communities, affecting their access to essential services.

Infrastructure projects, especially road networks, are widely acknowledged as catalysts for economic growth. Existing literature suggests that improved transportation infrastructure facilitates trade, boosts tourism, and integrates rural economies into national markets. For instance, studies on similar mountain-road development projects indicate that better connectivity leads to increased commercial activities and a rise in employment opportunities. The Karakoram Highway (KKH), another major route in the region, has previously demonstrated how strategic infrastructure can transform economic landscapes. Similarly, the JSR's rehabilitation is expected to enhance regional trade, promote investment, and support small businesses in Gilgit-Baltistan.

The role of transportation infrastructure in fostering economic resilience has been emphasized in various economic theories. Rostow's Stages of Economic Growth model (1960) argues that infrastructure development is a fundamental prerequisite for the transition from traditional to modern economies. Improved roads reduce geographical isolation, enhance human capital mobility, and facilitate resource distribution, leading to sustainable development. Studies on road connectivity in developing regions suggest that investments in transportation infrastructure can bridge economic disparities by linking underdeveloped areas to national markets (Banister & Berechman, 2001).

Historical accounts of the Jaglot-Skardu Road emphasize its importance for both local communities and national security. Before the upgrade, the road's hazardous conditions resulted in frequent travel disruptions, causing economic stagnation. The lack of reliable transport infrastructure also restricted the movement of goods, particularly agricultural products and handicrafts, which are essential sources of income for local communities. With the road now significantly improved, an



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assessment of its economic implications is necessary to understand its broader impact.

Additionally, research on the impact of road infrastructure in high-altitude regions (World Bank, 2018) has shown that better roads improve market accessibility, boost tourism potential, and enhance quality of life by enabling access to healthcare and education. In the context of Gilgit- Baltistan, the JSR aligns with these global trends, demonstrating how infrastructure plays a key role in integrating remote economies into broader commercial networks. This literature review provides a framework for analyzing the economic significance of the JSR, setting the stage for the qualitative analysis presented in this study.

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Methodology

This research adopts a qualitative methodology to assess the economic implications of the JSR. Primary data was collected through semi-structured interviews with key stakeholders, including business owners, transporters, tourism operators, and residents. Secondary data sources, such as government reports, academic studies, and news articles, were analyzed to triangulate findings. This approach allows for an in-depth understanding of how road connectivity influences economic activities in Gilgit-Baltistan.

Findings and Analysis

Reduction in Transportation Costs and Trade Expansion

One of the most immediate economic benefits of the upgraded JSR is the reduction in transportation costs. Previously, the dilapidated road condition resulted in long and costly travel times, restricting the flow of goods to and from Skardu. The recent improvements have allowed larger vehicles, including 10-wheel and 22-wheel trucks, to transport goods efficiently. As a result, local traders have experienced lower logistics costs, which, in turn, have led to reduced commodity prices in Skardu's



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markets. This has benefited both consumers and businesses, as more affordable goods encourage higher consumption and economic activity.

Furthermore, enhanced trade routes have attracted new businesses and investors to the region. Local entrepreneurs have expanded their operations, and the demand for commercial transportation services has increased. The road has also facilitated agricultural trade, enabling farmers to transport perishable goods such as fruits, vegetables, and dairy products more efficiently. This has opened up new revenue streams for local communities, leading to overall economic growth.

Boost in Tourism and Hospitality Industry

Skardu is one of Pakistan's top tourist destinations, renowned for its breathtaking landscapes, trekking routes, and historical sites. However, the previously poor road conditions deterred many tourists, limiting the region's tourism potential. With the recent improvements to the JSR, travel time from Gilgit to Skardu has decreased from approximately 10 hours to just 4-5 hours. This has made Skardu more accessible, leading to a surge in domestic and international tourists.

As a result, the hospitality industry has flourished. New hotels, guesthouses, and restaurants have opened, creating employment opportunities and boosting local incomes. Tourism-related businesses, including tour operators and transport services, have also benefited from the influx of visitors. Interviews with local business owners reveal that tourism revenue has nearly doubled since the road's rehabilitation, further emphasizing its economic significance.

Market Stability and Price Control

Another crucial impact of the JSR is market stability. Previously, supply chain disruptions due to road conditions caused fluctuations in commodity prices, often leading to food shortages and inflated costs. With improved road access, market supply has stabilized, ensuring a consistent flow of goods. Interviews with traders suggest that essential commodities, such as fuel, flour, and fresh produce, are now available at more stable and affordable prices.

Moreover, the improved connectivity has facilitated bulk transportation, reducing dependency on expensive air freight. This has enabled local businesses to maintain stable inventory levels and expand their customer base beyond Skardu to other parts of Pakistan.

Socioeconomic Transformation of Local Communities

The Jaglot-Skardu Road has also contributed to significant socioeconomic improvements. One of the most notable changes is the increased accessibility to essential services such as healthcare and education. Previously, medical emergencies required long and treacherous journeys to hospitals in Gilgit. Now, the improved road allows for faster and safer patient transportation, potentially saving lives. Similarly, educational institutions have benefited from better accessibility, as students and teachers can travel more easily between towns.

Additionally, the road has played a role in women's economic empowerment. Many women in Skardu are involved in the handicraft and home-based business sectors. With better connectivity, they can now access larger markets, sell their products in



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urban centers, and participate in regional trade fairs. This has led to greater financial independence and improved living standards for many families.

Boost to Trade and Commerce

The Jaglot-Skardu Road significantly enhances trade by providing a reliable route for the transportation of goods between Gilgit-Baltistan and other parts of Pakistan. Skardu serves as a hub for agricultural produce, including fruits such as apricots, apples, and cherries, which are now more efficiently transported to larger markets. Additionally, the road facilitates the supply of essential commodities such as food, fuel, and construction materials to the region, reducing costs and ensuring a stable supply chain.

The improved transportation network has also encouraged local businesses to expand, with small traders and entrepreneurs benefiting from easier access to external markets. Handicrafts, gemstones, and traditional woolen products from Gilgit-Baltistan now reach a broader consumer base, increasing the region's economic diversification. Moreover, the road has enhanced interprovincial trade by linking Gilgit-Baltistan with the rest of Pakistan, thereby integrating the local economy with national and international markets.

Tourism Development and Revenue Generation

Tourism is a major contributor to the economy of Gilgit-Baltistan, and the improved road connectivity has substantially boosted this sector. The Jaglot-Skardu Road provides easier access to renowned tourist destinations such as Deosai National Park, Shangrila Resort, Shigar Valley, Upper Kachura Lake, and Khaplu. These locations attract thousands of domestic and international tourists annually, contributing significantly to local revenue generation.

Increased tourist influx has led to the growth of local businesses, including hotels, restaurants, and tour operators, generating employment opportunities and increasing revenue for the region. The road has also facilitated adventure tourism, as mountaineers and trekkers find it easier to reach Skardu before proceeding to the mighty Karakoram and Himalayan ranges, home to some of the world's highest peaks, including K2.

Employment Opportunities

The construction and maintenance of the Jaglot-Skardu Road have created numerous job opportunities for the local population. Skilled and unskilled laborers have benefited from employment in road construction projects, while the tourism and trade sectors have opened avenues for entrepreneurship and small businesses.

The growth of the hospitality industry, in particular, has led to an increased demand for guides, drivers, and service staff. Furthermore, roadside markets and rest stops have flourished along the route, offering employment to vendors, mechanics, and transport service providers. The influx of investment in infrastructure and services has provided sustainable livelihoods to many local families, thereby improving living standards.

Infrastructure and Socio-Economic Development



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The improved road infrastructure has played a pivotal role in the overall socio-economic development of the region. Better connectivity has led to increased investment in education and healthcare facilities, with new schools, colleges, and hospitals being established.

The road has also enabled faster emergency response times, improving access to medical services and reducing mortality rates. Pregnant women, critically ill patients, and accident victims can now reach hospitals in Skardu or Gilgit more quickly, thereby improving health outcomes. The expansion of telecommunication and internet services along the road has also facilitated digital connectivity, allowing businesses to grow through online platforms and increasing educational opportunities for students.

Additionally, the enhanced infrastructure has promoted eco-tourism and sustainable agriculture practices by encouraging investment in environmentally friendly initiatives. Farmers now have access to better irrigation systems, storage facilities, and modern equipment, helping increase agricultural productivity and profitability.

Challenges and Future Prospects

Despite its economic benefits, the Jaglot-Skardu Road faces challenges such as frequent landslides, harsh weather conditions, and maintenance issues. Addressing these concerns through better engineering solutions, regular maintenance, and investment in weather-resistant infrastructure is crucial for sustaining the economic benefits of the road.

Additionally, ensuring road safety through proper signage, traffic management, and emergency rescue services is necessary to accommodate the increasing volume of travelers. Policies promoting sustainable tourism and local entrepreneurship will help maximize long-term economic gains while preserving the natural beauty and cultural heritage of the region.

Governmental Role in the Development of the Jaglot-Skardu Road (1970-2025)

The government of Pakistan has played a crucial role in the planning, development, and maintenance of the Jaglot-Skardu Road over the past five decades. Various administrations have undertaken initiatives to improve connectivity in Gilgit-Baltistan, recognizing its strategic and economic importance.

1970s-1980s: Initial Development and Strategic Considerations

The initial development of the Jaglot-Skardu Road dates back to the 1970s when the government prioritized infrastructure projects in northern Pakistan for both economic and strategic reasons.

The region's proximity to key borders necessitated improved road networks for defense and administrative control. During this period, the Pakistan Army's Frontier Works Organization (FWO) took charge of constructing a basic road network to facilitate movement in the rugged terrain (Hussain, 1980).

1990s-2000s: Expansion and Infrastructure Enhancement

Throughout the 1990s and early 2000s, successive governments invested in



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upgrading the road infrastructure to support local trade and tourism. Recognizing the economic potential of Gilgit- Baltistan, the government allocated resources to widen and reinforce the Jaglot-Skardu Road, though frequent landslides and harsh weather conditions continued to hinder progress. Funding was often secured through the Public Sector Development Program (PSDP) (Ahmed, 1998).

2010s: CPEC and Strategic Investments

The China-Pakistan Economic Corridor (CPEC), launched in 2015, brought renewed attention to the road's significance. Under CPEC-related initiatives, the Pakistani government prioritized the rehabilitation and modernization of key highways, including the Jaglot-Skardu Road, as part of its broader strategy to enhance regional connectivity. The FWO and the National Highway Authority (NHA) undertook major repair and expansion projects, including the reinforcement of bridges and the installation of protective barriers against landslides (Khan, 2016).

The provincial government of Gilgit-Baltistan also advocated for further investment in the

region's road network, emphasizing the need for reliable infrastructure to boost tourism and trade. Improved funding mechanisms and Chinese assistance facilitated large-scale road expansion efforts, significantly reducing travel time between Skardu and Gilgit (Rehman, 2019).

2020-2025: Completion, Sustainability, and Future Prospects

The latest phase of development has focused on sustainability and long-term maintenance. In 2021, the federal government inaugurated several infrastructure projects aimed at improving road safety, including the installation of modern traffic management systems and weather-resistant

road structures. As part of Pakistan's Vision 2025 development plan, further investments in climate-resilient infrastructure are being considered to counteract the effects of extreme weather conditions (Ali, 2023).

Efforts are also being made to ensure that local communities benefit from road development projects. Policies promoting eco-tourism and community-driven enterprises have been introduced to ensure that the economic advantages of improved connectivity are distributed equitably. However, challenges such as land acquisition disputes and environmental concerns remain key issues for policymakers to address (Bashir, 2024).

Public Views and Reservations on the Jaglot-Skardu Road

Despite the numerous economic benefits associated with the Jaglot-Skardu Road, the local population has expressed various concerns and reservations regarding its impact.

Positive Public Perception

Many residents of Gilgit-Baltistan view the road as a gateway to economic prosperity, as it has improved access to essential services, boosted tourism, and created new business opportunities. Tour operators, shopkeepers, and transporters have particularly benefited from the increased influx of visitors. Improved connectivity



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has also enhanced the quality of life for locals, as they can now travel to larger cities for medical treatment, education, and employment opportunities.

Concerns Over Environmental and Cultural Impact

One of the major reservations about the Jaglot-Skardu Road is its potential environmental impact. Increased tourism and commercial activity have led to concerns about deforestation, waste management, and pollution. Some locals worry that the natural beauty of the region is at risk due to an influx of vehicles and unsustainable tourism practices. There is also concern over the disruption of traditional lifestyles and cultural heritage, as commercialization may lead to the erosion of local customs and traditions.

Safety and Maintenance Issues

Another major concern among residents and travelers is the safety and maintenance of the road. Due to the region's mountainous terrain and extreme weather conditions, landslides and road blockages are common. Many people fear that inadequate maintenance and slow responses to repair damages could compromise the safety of commuters. Additionally, the increased traffic volume has raised concerns about road accidents and the need for improved traffic regulations.

Economic Disparities and Land Acquisition Issues

While many businesses have thrived due to improved connectivity, some locals feel that economic benefits are not evenly distributed. Larger businesses and external investors often capitalize on tourism and trade opportunities, while smaller, locally owned enterprises struggle to compete. Additionally, some landowners have expressed grievances about land acquisition for road expansion, citing unfair compensation and loss of ancestral land.

Challenges and Future Prospects

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Conclusion

The Jaglot-Skardu Road has proven to be a vital economic artery for Gilgit-Baltistan, facilitating trade, tourism, employment, and infrastructure development. While challenges remain, continuous investment and maintenance can ensure that the road continues to drive economic growth and improve the livelihoods of the local population. Strengthening connectivity will not only benefit Gilgit-Baltistan but also



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contribute to Pakistan's broader economic landscape.

With strategic planning and sustainable development policies, the Jaglot-Skardu Road has the potential to transform Gilgit-Baltistan into a key economic and tourism hub, further integrating the region into national and international economic frameworks.

The Jaglot-Skardu Road is a transformative infrastructure project that has significantly contributed to the economic development of Gilgit-Baltistan. By reducing travel time and transportation costs, it has facilitated trade expansion, boosted tourism, stabilized market prices, and improved overall living conditions. The road has not only enhanced commercial activities but also strengthened socioeconomic structures by increasing access to education, healthcare, and employment opportunities.

Recommendations

To sustain these economic benefits, the following recommendations are proposed:

1. **Sustainable Tourism Development:** While increased tourism is beneficial, it must be managed carefully to prevent environmental degradation and ensure long-term sustainability. Policies should be implemented to regulate tourist influx and protect natural resources.
2. **Regular Infrastructure Maintenance:** To maintain the road's economic advantages, consistent investment in maintenance and upgrades is necessary. Government and private sector collaboration should be encouraged to fund road preservation projects.
3. **Empowerment of Local Entrepreneurs:** Financial assistance and training programs should be introduced to help local businesses maximize the economic opportunities provided by the improved road infrastructure.
4. **Community Engagement:** Engaging local communities in policy decisions related to infrastructure and economic development can ensure that their needs and concerns are addressed effectively.

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