

Pakistan's Sharif gets yet another opportunity to set things right

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In early October, Pakistan's Prime Minister Nawaz Sharif emerged as the most powerful among the elite in that nation after he forced Army Chief Gen. Jehangir Karamat to resign. While the unique event has been welcomed widely by the votaries of democracy, Sharif must now turn his attention beyond the endless internal power plays to the economy and larger strategic issues, both for his own political survival and the country's long-term benefit.

The resignation of Karamat from what is said by many to be the most powerful position in Pakistan, was brought about following his statement about the poor state of affairs in Pakistan, and his suggestion that a national security council or committee should be set up to institutionalize participation of the Armed Forces in the making of policy decisions. What Karamat said was neither wrong nor malicious considering the state affairs that prevails in Pakistan, but it was construed as a warning to the present government and a clarion call for implementing a new period of military rule.

A displeased Prime Minister Sharif moved in quickly, and within 48 hours General Karamat was gone. Lt. Gen. Pervaiz Musharraf, a Mohajir from Karachi, was handpicked by the Prime Minister as the next Army Chief, superseding two senior generals who promptly resigned.

Consolidation of power

The high drama involving General Karamat and the Prime Minister took place at a time when the Sharif government was pushing a watered-down version of an Islamization bill, introduced in the National Assembly on Aug. 28. The bill was passed, amending the 1973 Constitution for the 15th time, to enforce the rule of Islam. The amendment, which a section of Pakistan's elite criticized as catering to the mullahs, has, however, not satisfied religious groups, such as the Jamaat-e-Islami, either. The Jamaat, at a large public rally at Karachi, accused the Prime Minister of using the amendment "to concentrate all powers in his hands and establish monarchy in the country." The Jamaat also alleged: "The Prime Minister does not want to implement the Islamic law, the *Shariat*."

Prime Minister Sharif justified his Islamization bill on the National Assembly floor, saying that "there is a law of

the jungle prevailing in the country." He used his large electoral majority to push through the hastily drafted bill.

Since he was elected for the second time in the spring of 1997, Prime Minister Sharif has moved adroitly, if unscrupulously, to strengthen the Prime Minister's office. He used his party's overwhelming majority in Parliament to strip all extraordinary powers of the President invested in the Eighth Amendment of the Constitution. The amendment of the Eighth Amendment at lightning speed forced President Farooq Ahmed Leghari to resign. At the same time, Sharif removed Chief Justice Sajjad Ali Shah, when the latter tried to castigate Sharif with a contempt of court citation. It is with the power vested in him through the amendment of the Eighth Amendment that the Prime Minister picked General Musharraf to head the Armed Forces.

Economic failures

Having taken care of a belligerent Chief Justice and an equally unfriendly President, the Prime Minister went ahead with a set of nuclear tests in August that drew wrath and sanctions from Washington, its longtime ally. Prime Minister Sharif, who had imposed emergency laws following the nuclear tests, used the suspension of fundamental rights to push through the decision to build the Kalabagh Dam—opposed strongly by the Sindhis and Baluch—for redistribution of vital Indus River waters for the benefit of farmers in Punjabi. The calculated exercise of power has undoubtedly made Prime Minister Sharif nearly invincible within the country.

On the other hand, Prime Minister Sharif, and Pakistan, have become highly vulnerable because of the volatile strategic situation around the country, and the lack of law and order and economic crisis within the country. The Sharif government, which has exhibited its ability to stay alive, has, however, done little to alleviate the complex political and strategic situation that confronts the nation.

To begin with, Pakistan is bankrupt. It has been bankrupted by a ruthless elite working hand-in-glove with foreign bankers who came riding on the shoulders of the International Monetary Fund (IMF). In early October, the IMF turned down a "rescue package" for Pakistan. As a result,

Pakistan is now on the verge of a debt default and is trying desperately to amass at least \$1 billion to avoid an imminent default on its \$40 billion foreign debt—an issue which bothers Islamabad much too much.

On the other hand, every economic indicator in Pakistan is showing negative. The growth picture is horrendous. Exports are sliding fast and furious: The \$606 million in export revenue in August is a 12% drop from August last year. It is likely that the exporters, considering the economic and internal law and order situation within Pakistan, are stashing their hard currency in foreign banks, thus further aggravating the foreign exchange situation. Commerce Minister Ishaq Dar, beside complaining about the situation, has done little to improve matters. During his 19-month tenure under the present government, Pakistani currency has lost almost 40% of its official value and more than 50% on the streets. Another round of devaluation is going to take place very soon, maybe before the end of October.

If exports look bad, so does the overall economy. In the midst of growing unemployment and increasing numbers of people living in poverty, the Prime Minister, despite the power he has accumulated, seems paralyzed. Instead of taking urgent steps, he is pushing through bank reforms at the behest of the IMF. His government, now controlled by the Pakistani idolators of the IMF, is steadily moving toward wholly adopting the IMF demands of an overall reform of the financial sector.

Planning Commission deputy chairman Hafiz Pasha has told bankers that Prime Minister Sharif will announce a contingency plan to meet the budget shortfall. The 1998-99 budget, in essence a mini-budget, was riven with cuts and expenditure controls. But Hafiz Pasha claims that “the spirit of sacrifice was not quite visible in the budget,” and that the time has come to “announce measures to safeguard the interests of the economy.” With industry in deep recession and agriculture doing less well than what had been expected, further budget cuts would no doubt lead Pakistan into severe long-term problems. But the IMF wants imposition of austerity in a country which needs immediate infusion of money for development, and, let it be said, the Sharif government is making no efforts to displease the IMF.

Vulnerabilities abound

Simultaneously, Prime Minister Sharif’s security in office has been weakened because of Pakistan’s involvement with the Taliban in Afghanistan and the development of increased tensions between Pakistan and Iran. As a result, Pakistan is getting blamed from all sides. If Tehran seems cooler to Islamabad in recent days, Washington is downright critical, and so is Moscow.

At the recent hearing on events in Afghanistan convened by a U.S. Senate Foreign Relations subcommittee, U.S. Assistant Secretary of State for Near East and South Asia Karl Inderfurth claimed that Islamabad not only provided support

to the Taliban earlier, but continues to provide support even now. Inderfurth said that beside the Sunni Muslim volunteers from Pakistan who are going over to Afghanistan, the Taliban are also receiving petroleum, including jet fuel, wheat, and other foodstuffs which help to keep the war going.

Dr. Barnett Rubin, a director for the Center for Preventive Action at the New York Council on Foreign Relations, told the same hearing that “an ethnic Pushtun lobby in Pakistan’s military and bureaucracy supports the Taliban. . . . Afghan and Pakistani traders who profit from the multibillion-dollar trade in illegal drugs and consumer goods smuggled from Dubai, both pay assessments to the Taliban and contribute to the Madrassahs [Islamic academics where the Taliban recruit in Pakistan] that furnish the troops. . . . The administrators in Pakistani border provinces also receive their cuts from smugglers markets and profit from sales of permits to trade in Taliban-ruled Afghanistan.”

These reports indicate that, appearances aside, Prime Minister Sharif is neither in charge of his economic policies nor of the very dangerous situation festering for years along the Pakistan-Afghanistan border. The Afghanistan situation is extremely volatile, and it has already created a lack of confidence in Tehran about its old ally, Pakistan. It is time for Prime Minister Sharif to intervene and prevent the vested interests in Pakistan from playing favorites in the Islamic world. Central Asia, heavily targetted by British destabilization operations, lies at Pakistan’s doorstep, and it would be naive to expect that Iran, Turkey, and Russia would continue to exhibit unlimited patience with Islamabad’s tinkering in Afghanistan.

London has more weapons

Prime Minister Sharif also remains highly vulnerable on yet another front. Recently, the London *Observer* published excerpts of a 200-page report by the Federal Investigation Agency to the Pakistan President and former Army Chief General Karamat, highlighting corruption charges against the Prime Minister. Although the veracity of the report will be decided in Pakistan, it is evident that London will use it to hunt down the Prime Minister, if and when it so desires.

Reports from London indicate that British intelligence is getting interested in some of the private “jihadis” trained, armed, and controlled by the slithery international controllers of Pakistan’s Inter-Services Intelligence (ISI), who are now seeking a domestic role. Reportedly, warnings have been issued by umbrella groups such as the 30,000-strong militant Markaz Dawat ul-Irshad, which runs the Harkat ul-Ansar and Lashkar-i-Toiba, to throw out the opponents of the *Shariat* bill, and to the government to stop paying interest on loans. The target of these groups, as the president of the Pakistan People’s Party has pointed out, has all along been Afghanistan and Kashmir. But now, their interest is veering toward enforcing their own agenda in Pakistan.