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March 01, 2009

Pakistan's Spiral of Problems

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Pakistan still politically instable: The second month of the New Year 2009 has started and the democratically elected government is nearly two months short of completing its first year in power. True that this government inherited a Pakistan faced with plethora of problems with Pandora's boxes opened up on almost all fronts, from economy to law and order, terrorism, extremism, wheat management, electricity crisis, foreign policy issues, but both the critics and supporters have now started questioning the competence of the Zardari/Gillani-led PPP government to tackle these problems and steer Pakistan to safer shores. The cost of living in Pakistan has shot up with artificial market shortages of the daily commodities and "people's temperament is heating up."¹ Political observers note that the government reportedly is taking the upcoming lawyers' march on March 9, 2009 "very lightly," while the people are losing all: faith, hope, confidence and trust in the sitting government. Hardly a year in the chair, few of the opposition parties have started calling for the mid-term elections. The largest opposition party, Pakistan Muslim League-Nawaz (PML-N) has announced to fully support the lawyers movement for the restoration of the "independent judiciary." Mian Nawaz Sharif² warned President Zardari on Jan. 31³ that his policies were reducing the "age of his government." Opposition parties also claim that the constitutional and parliamentary supremacy is undermined and compromised because the 17th Amendment⁴ has not yet been reversed and "no one knows who is in charge and our party will fully support the lawyers' movement."⁵

Price hike; poor commodity management: Almost every sensitive commodity's price has shot up causing political anger and street-level frustration among the masses. Sugar in Jan. 2007 was Rs. 25/- per KG and now is being sold at Rs. 41/- per KG. The sugar mafia has made billions out of poor Pakistani consumers but "government is reluctant to apprehend the culprits because almost all sugar mills owners directly or indirectly are linked with feudal-dominated PPP."⁶ Situation with the edible oil is not different. The "Ghee" price rose from Rs. 460/- per 5KG to Rs. 550/- while the various varieties of oil are being sold at Rs. 660/- per 5KG. According to Pakistan Vanaspatti Ghee Manufacturers Association, the Federal Government was charging Rs. 23/- per KG as tax and "if government withdraws this tax, the prices will come down straight by 100 rupees," Chairman of the Association, Sheikh Abdul

Waheed said.⁷ The only good news for the people of Pakistan came because of the effective wheat and flour management by the Punjab Chief Minister, Mian Shahbaz Sharif,⁸ who expertly and strictly capped the crisis via activating the old Commissionerate system and it delivered. He also accepted the additional Rs. 2,000/- as transportation charges per ton of wheat from Gawadar port in Balochistan so that the poor province gets additional resources. His government though protested to the Federal Government for not being taken in confidence while taking decision to unload the wheat in Gawadar instead of Bin Qasim in Sindh. Shahbaz also activated the police and optimally checked the illegal trafficking and smuggling of the wheat and flour to other provinces from where it is transported to Afghanistan. But because of the increased in the Wheat Support Price by the Federal Government to Rs. 950/- per 40KG, the price of the wheat and flour is feared to further rise from April 2009.

Global War on Terror and Pakistan's economic decline: Up until only a few years ago, the world's economists rated Pakistan as the 2nd fastest growing economy of Asia surpassed only by the Chinese economy. Situation has now been changed – for worse. All tiers of the society including government and independent experts see the "Global War on Terror" as a major reason of Pakistan's economic downturn that has inflicted loss of nearly 27 billion US\$⁹ between 2004-08. Pakistan's participation in the GWOT as "Major Non-NATO Ally" and "the frontline state," caused an immense and sharp rise of terrorism, deteriorated law and order situation, bomb blasts, targeted killings and kidnappings. This situation shook the confidence of both the local and foreign investor in Pakistan and the capital flew out of Pakistan to safer shores.

"Pakistan's Frontline" suffering the most: North-west Frontier Province (NWFP) is the frontline province of Pakistan that has taken the worst hit. According to the government facts and figures, an average family in NWFP has 7.66 people against the national average of 6.96. NWFP is the poorest of all the four provinces with nearly 50%¹⁰ population living below poverty line. This figure is feared to have risen to nearly 75%.¹¹ Because of the deteriorating law and order situation in the province, the Pakistan-Afghanistan trade-volume has plummeted from nearly 2 billion US\$ to just 600 million US\$ in year 2008. Much of the industry in the province has closed because of

¹ Zakaullah Khan, Daily Jang, Jan. 29.

² PML-N's supreme leader.

³ Program Column Kaar, Express TV.

⁴ A constitutional amendment that changed Pakistan's Westminster democracy into a pseudo-Presidential system.

⁵ Ahsan Iqbal, PML-N's Information Secretary, Feb. 2.

⁶ Hanif Khalid, Daily Jang, Jan. 14.

⁷ Telephonic interview with CRSS.

⁸ President PML-N and brother of Mian Nawaz Sharif.

⁹ Daily Times, Jan. 17.

¹⁰ 2002-03 figures of the World Bank.

¹¹ CRSS interview with a government official, Islamabad, Jan. 15.

the terrorism and energy crisis. Peshawar's Hayatabad Industrial State has 200 industrial units constructed on a total capacity of 360 plots. "Nearly half of the business community has left Peshawar and almost two-third of the industries are closed adding more into unemployment, frustration and extremism."¹² There is no investment coming to the 12 provincial small and large industrial zones and this situation is feared to get worse, President of Sarhad Chamber of Commerce and Industries said in an interview to CRSS.¹³ "This is a dangerous trend and will not help NWFP and Pakistan as more extremists and terrorists will be created who will blow up people and places."

Pakistan needs a quick fix: The government is caught in the crossfire with little or no sense of vision being communicated to the people of Pakistan. The leadership needs to come out stronger with a resolve and commitment showing to the citizens that all these problems will be tackled politically. The political gap that has increased between the treasury and opposition benches must be reduced to ensure a general parliamentary and politically unanimity on issues of importance to Pakistan. The government must take on to a proactive and an aggressive regional and global diplomacy portraying Pakistan's quick economic needs against the loss that it has suffered because of the GWOT. Government must find a way to ensure the domestic political stability by committing itself to the supremacy of the elected parliament in the true spirit of the constitution. Without the domestic peace, government will not be able to stir and attract much support from the international community at any forum. It's about time that Zardari/Gillani-led PPP government delivers.

¹² Provincial Department of Trade, Commerce and Industry, Government of NWFP, Dec. 2008.

¹³ Jan 23.