



# Pakistan on the brink

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The explosive cocktail of economic collapse and fierce fighting with a militant insurgency are driving Pakistan closer and closer to political and economic collapse. Not for the first time in the country's sixty-one year history the existential question is widely raised: can Pakistan survive?

Opposition politician Nawaz Sharif said Pakistan is facing the "worst crisis of its history". And this is no small claim in a country which has seen numerous ethnic and national insurgencies, three wars with India, the secession of Bangladesh, military governance for over half its life, and whose nation-statehood was carved out in the bloody partition of British India. Pakistan may have seen many crises, and the two it faces today would be cataclysmic enough if were they to happen at different times, but the concurrent economic breakdown and intensifying war give the conjuncture a most menacing feel. Back in January Asif Ali Zardari of the Pakistan People's Party (PPP), who became president at the beginning of September, warned Pakistan could "go the way of Somalia or Afghanistan". Now, with the country under his leadership, these words look increasingly prophetic.

## **US "war on terror" threatens to tear the country apart**

Since he assumed office, Zardari has gone out his way to demonstrate his loyalty to the United States and his commitment to playing a full role in its so-called "war on terror". Not only has he attempted to repair relations with the Afghan government, which has long accused Pakistan of supporting the Taliban resistance, Zardari also launched a major military offensive against the Islamic militants operating in the Tribal areas on the Afghan border. The results have been devastating. The UNHCR estimates some 200,000 people have now been displaced, with 20,000 refugees even crossing the border into the Kunar and Bajaur regions of Afghanistan to escape the fighting. But the same source admits these calculations are "guesswork" and based on government estimates. Some observers believe the number of people displaced to be much higher. The autonomous Human Rights Commission of Pakistan (HRCP) estimated the total number of refugees displaced by the conflict was a horrific 700,000 people and they came to this estimate in September, prior to the intensification of the fighting last month. Whatever the true figure a humanitarian disaster is a certainty, as refugees struggle to find the shelter, food and water they need to survive. While not yet comparable to the huge operation needed to deal with Muslim migration to Pakistan in 1947, it will nonetheless take a huge relief operation in a country whose economy is teetering on the brink of collapse. The war has also led to an appalling number of civilian deaths. The HRCP reported in September that there have been 2,000 civilians killed in the fighting in the border areas this year alone and, again, this does not include deaths from the intensified fighting in October. The Pakistani army has been involved in operations in the tribal areas since February 2004 when it first launched an offensive against Islamic militants. Fighting also broke out in 2006 and again in autumn 2007. But each assault basically failed to restore the military's authority over the region, with the right of local militia leaders to rule recognised with each truce. But none of the previous offensives were anything like as serious as this one, with some 120,000 Pakistani troops now sent in. Responsibility for the intensified fighting rests squarely with the US who has put massive pressure on the new Pakistani government to launch a determined military offensive. US pressure has not just taken the form of diplomatic pressure and economic incentive either, as they have also launched their own unilateral military operations in Pakistan since the summer. In one attack in southern Waziristan by US Special Forces in September twenty civilians were killed, sparking widespread outrage. The Pakistani government and military has outright opposed these incursions describing them as "simply unacceptable". The sheer imperial bellicosity of the US has grown to such a degree that even its friends are now subject to these acts of military aggression, which plainly violate Pakistan's sovereignty. Tensions between the two allies in September were so high that Pakistani troops on several occasions exchanged fire with the Americans across the Afghan border. The American bullying was designed to

compel Pakistan to intensify its own war and the policy was a "success" insofar as this goal was achieved. But at what cost? Like in Afghanistan the terrain in the tribal border regions is inhospitable and perfect for shoot and run guerrilla tactics. The Pakistani Army, designed to fight large-scale tank battles with India, is increasingly bogged down in an unwinnable war against guerrilla fighters. It is however the potential political fallout that makes the US imperial game so explosive. The pretext for the new hard line stance was the blame it apportioned to Pakistan's security services for the bombing of the Indian embassy in Kabul in July. That Jihadist agents belonging to one of the Pakistan security services could carry out such an attack is certainly plausible. The military has a long history of collusion with radical, extremist Islamic forces stretching back to the regime of military leader Zia-ul-Haq who used Islamic extremism as a source of legitimacy for his totalitarian rule and fostered radical Islamic ideas in the military. Zia trained Jihadists not only to fight the Soviets in Afghanistan, but also India in Kashmir. Islamic parties like the Jamaat-i-Islami have tended to enjoy support in the army and even official army publications have been known to condemn the US and declare support for the Islamic Jihad. This contradiction in the army has been the ticking time bomb waiting to go off ever since General Musharraf gave the US full support for its war on terror following 9/11. Or, to put it another way, there is a problem when 120,000 Muslim troops, many of them sympathetic to the principles of Islamic Jihad are mobilised to...fight against Jihad on behalf of the United States. There are signs of this contradiction being stretched to breaking point in the current crisis, as some troops have deserted, while some reports talk of soldiers refusing to obey orders. Neither are the hostilities confined to the tribal areas. Since July 2007 when the military, under General Musharraf's regime, massacred the Islamic radicals (along with many civilians) who were using the Red Mosque in Islamabad as a base, there has been a wave of suicide bombings in Pakistan's major cities.

In September one of the largest bomb attacks Pakistan has ever seen again, this is no small claim considering its history destroyed the 5-star Marriot Hotel in Islamabad and left 54 Pakistanis dead. As a consequence Pakistan is increasingly divided and polarised. Many people support the war on terror as a result of these attacks. But many direct their anger at the United States particularly, of course, in the tribal areas themselves where each attack acts as a recruiting device for the militias. Radical Islamism has been historically strong amongst students and professionals in the cities too but there are signs of it spreading. Shopkeepers in Lahore, not known for their radicalism, burnt pornographic tapes recently under pressure from Islamic radicals.

### **The global economic cyclone hits Pakistan**

It is under these conditions of intensifying war in the border regions and terrorist insurgency in the cities that Pakistan has been plunged into a severe economic crisis. Inflation is now averaging at between 25-30 percent while foodstuffs seeing even sharper rises. There has been a massive run on the Pakistani rupee, which is down 25 percent across the year, with the government forced to use state revenues to prop up the currency. Pakistan's main stock exchange in Karachi has experienced a deep crisis. Once regarded as one of the best performing of the Asian markets it peaked in April 2008 but then suffered an almighty crash in share values falling 41 percent since April amounting to a loss in value of \$36.9bn. The state intervened to set a floor at which prices could not drop any lower and this brought trading to a standstill with no buying or selling taking place at all. The crisis is hitting workers and the poor hard. Rising food prices threaten mass starvation and have already led to food riots throughout this year. The major cities suffer blackouts for up to 12 hours a day but the government has still put the price of electricity up. As a result there have been angry nationwide protests. There are also long queues at petrol stations, while those with savings clamour to get the money out of the banks.

Now, the state is on the verge of bankruptcy too. Foreign exchange reserves have fallen to \$4.3bn dollars, down over 75 percent in the last 12 months and mainly due to the rising cost of oil, which accounts for one third of all imports. The state has enough cash for another 40 days of imports at current prices. This crisis is made all the worse by Pakistan's massive debts. It has some \$38bn dollars in loan obligations from the IMF and Paris Club of 20 creditor nations and a further \$3bn in commercial loans. Debt servicing alone this year will come to \$3bn dollars. In short, Pakistan faces an acute balance of payments crisis. Defaulting on the debt if it is not able to solicit new loans to restructure these obligations is therefore a real possibility in the next month. These circumstances the classic "debt trap" scenario are not new to Pakistan. Soliciting loans from international donors to fuel domestic consumption and massive

defence spending has been the chosen model of Pakistan's rulers since 1947. But the usual donors China, the Gulf States and United States have not so far been willing to offer Pakistan new aid or loans. This means the government may have to go to the IMF, whose help will come with strict conditions to restore balance of payments by cutting spending and raising domestic taxes. One leaked report even suggested the IMF would demand a 30 percent cut in defence spending over the next five years in return for assistance. But there is no way the Pakistani army would accept such cuts to its privileges and power and the US too would surely question it, given its insistence the army continue to up the ante in the war with militants on the Afghan border.

### **Washington's "nightmare scenario"**

For policy makers in Washington there is a nightmare scenario of Pakistan becoming a failed state and its nuclear weapons falling into the hands of Jihadist fighters ready to use them against western targets. The "solution" in Washington, according to neoconservative dogma, is to intensify the war on terror, militarily defeat the Islamic militants in Afghanistan and Pakistan's tribal areas, and kill or detain key Al Qaeda operatives working in these areas. The whole policy is, of course, totally flawed. Every US cluster bomb that hits a Pakistani tribal village will drive more and more people into the hands of the Islamic militias who are resisting. Soviet tanks could not defeat the guerrilla fighters on the inhospitable terrain of the Pakistan and Afghan border and neither will American F16s. But that is not to say the "nightmare scenario" is at all implausible. If the war further intensifies in the context of economic breakdown, so too will the contradictions in the Pakistani Army itself. There is not only widespread radical Islamic sentiment in the army but also, more generally, rank and file soldiers can see they are fighting a war against their own people for US imperialism. To maintain the loyalty of the generals and officer caste many of whom are dollar millionaires the US will have to continue to pour money into the military and instruct the IMF not to impose military budget cuts. If the war continues and Pakistan cannot find the money to maintain its massive military operations and hugely privileged military officialdom, then the contradictions could easily explode. If corps commanders, not just individual soldiers, begin to declare their units against the offensive in the border regions then the army could split and create a full-scale civil war in the country. America would panic and no doubt immediately drop paratroopers in to defend Pakistan's nuclear missile silo sites fanning the flames within Pakistan itself. The Hindu nationalists in India meanwhile would go berserk. The whole region would be set on fire. Before they could blink Washington would have thanks to its own actions realised its "nightmare scenario". As an editorial in The Independent put it recently, "there is enough combustible material here to give diplomats restless nights for the next century. But they would be advised to broaden their imagination, even at the risk of worse nightmares." While this cannot be discounted it may be some way off yet. Pakistan's rulers are after all aware of the possibility it is not without good reason that in every military offensive since 2004 they have always signed peace deals in the tribal areas. The economic crisis and the aggression of the United States nonetheless add a new intensity to these existing contradictions. On Wednesday 23 October the parliament unanimously agreed a resolution that had something for everyone. For the Americans it declared commitment to the war on terror. But for the domestic audience it said dialogue was key to conflict resolution, that civil institutions should replace the military in tribal areas and there would be compensation for victims along with help for the displaced. Zardari and the military are desperate to continue to balance this explosive contradiction between their support for US imperialism and its devastating domestic consequences.

### **Revolutionary alternative**

If outright bankruptcy and civil war are avoided, Pakistan's rulers will still demand workers pay for the economic crisis gripping the country, while a tiny strata of landlords, rich and the military class keep their money safe in untaxed foreign bank accounts. Even if the war comes to a halt for now, America will at some point intensify its attacks in Afghanistan and Pakistan again. The current situation in Pakistan is full of dangers but such a social and economic breakdown also presents great opportunities too. Revolutionaries have a tremendously important role to play. Firstly, they can be consistent fighters for democratic rights for the army rank and file. We must challenge the claim of reactionary Islamic forces to be the only ones defending the nation from US domination. We can also expose the self-serving claim of the pro-imperialist left that defending women's rights and secularism must mean supporting US imperialism: we can show in practice how anti-imperialism and can be linked to fighting on these fronts too, especially

by mobilising women in struggle. Second, we can win this argument amongst the poor masses by doing what the radical Islamist forces will always refuse to do: link anti-imperialism to the class struggle of workers and poor against the landlords and the capitalists. The working class will be the key force that can stop the impending catastrophe in a revolutionary, progressive way, by organising to fight every attack of the bosses and go on the offensive against them; fighting for nationalisation, a swingeing tax on the rich to fund welfare, a sliding scale of wages to combat inflation and the expropriation of the major industries under workers' control. But the working class in Pakistan remains a minority. Unless they can reach out to the peasants who, particularly in the Punjab countryside, will be key to winning the army rank and file too then the revolution cannot succeed. We must fight for land to those who till it for the expropriation of the zamindari and all Pakistan's semi-feudal landlords. Democratic demands will always be key to mobilising the mass of the peasantry. Many live in fiefdoms run autarchically by military officers or landlords. The call for a constituent assembly in all Pakistan can win a massive hearing particularly when the country faces such an acute catastrophe while ruled over by an unpopular president, who was never elected by the people but holds enormous executive powers (granted under Musharraf's 17th amendment during the 2007 state of emergency). We must also defend the national rights of Pakistan's oppressed minorities. We need to fight for the immediate and unconditional withdrawal of all Pakistani forces from the tribal areas. All the national provinces and tribal areas must have the unconditional right of self-determination, including the right to secede from Pakistan if they so wish.

All these demands need a political organisation fighting for them. We are working with our supporters in Pakistan to spread these ideas far and wide. But we are of course not yet a mass party. The formation of a party, of the workers independently of the bosses and the property owners, is urgently needed. All left organisations and trade unions must unite quickly to build a workers' party. We should not put our differences of strategy and tactics to one side, but argue them out in a practical context within a new mass party, in front of large numbers of workers. In Pakistan today such a party can receive a hearing from millions we must work to build it urgently.

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