

One year after the Musharraf coup

A beleaguered Pakistan military regime faces mounting criticism

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Last month marked one year since General Pervez Musharraf ousted the elected Pakistani government, arrested prime minister Nawaz Sharif and installed his own military regime. Accusing the previous government of corruption and ruining the economy, Musharraf promised to bring economic progress and political stability, eradicate poverty, build investor confidence and restore democracy as quickly as possible.

Twelve months later none of these promises have been fulfilled. The economy is still on a knife-edge and there is growing popular discontent with falling living standards and the lack of basic democratic rights. The regime is under fire not only from the political opposition but also from its supporters in the ruling elites including among the military top brass.

At the end of October, a meeting of key military commanders grilled Musharraf over the record of his administration. According to an *Agence France-Presse* report: "Political and diplomatic sources said that the commanders discussed plans to appoint a civilian prime minister to deflect public anger from the military, should the situation deteriorate further."

Musharraf responded by saying: "If we were not performing, I would be the first person to be thinking of ways to bring in somebody who can run the country." Summing up the continuing crisis, he said: "Pakistan is seriously ill... Pakistan may be difficult to govern, especially in view of the internal and external situation. The more so when there is talk of extremism, nuclear issues, drugs, Kashmir and Afghanistan."

The schisms in the military reflect the pressure that the regime is under both domestically and internationally. While the US and other major powers tacitly accepted the coup, they have become increasingly critical of Musharraf's failure to carry out the IMF's economic measures, to crack down on Islamic fundamentalism and defuse the conflict with India over Kashmir. The US has effectively blocked IMF loans and has still not lifted economic sanctions imposed on Pakistan after its 1998 nuclear tests.

An editorial in the British-based *Economist* magazine entitled "Pakistan's useless dictator" gave a scathing assessment of Musharraf's one year in office. "Pakistan's economic woes have not shown much improvement. Pakistan has failed to persuade the IMF to hand over any fresh money since April, and is unlikely to do so until the government comes up with a system of casting the tax net more widely. At the moment, barely 1 percent of the country's population of 150 million pays any tax at all."

An article in the *Washington Post* headed "Just another dictator"

was just as blunt." [G]eneral Musharraf has largely ducked the challenge of economic reform, though good harvests boosted growth fortuitously. He has turned a blind eye to corruption within the military. He has failed to take a tough line against Islamic militants. He has done nothing to reduce the biggest danger to his country, which is a war with India."

The growing impatience with Musharraf does not concern the country's lack of democracy but rather reflects shifting strategic relations on the Indian subcontinent. During the Cold War, the US backed a string of military dictatorships in Pakistan as a counter to the diplomatic relationship of India with the former Soviet Union and as a base of operations to support Islamic fundamentalist guerrillas against the Soviet-backed regime in Afghanistan. But over the last two years, the Clinton administration has made a marked shift toward ties with India as its number one economic and strategic partner in the region. As a result, relations with Pakistan have been significantly downgraded.

Last year the US signalled its tilt towards India by demanding that armed Islamic guerrillas, covertly backed by the Pakistani military, be withdrawn from the strategic high points seized inside the Karl region of India's Jammu and Kashmir. Former prime minister Sharif's decision to bow to the US provoked considerable anger among Pakistan's generals and Islamic extremist groups and prompted the coup by Musharraf, who was also able to exploit growing opposition to IMF measures being implemented by Sharif, including the imposition of an unpopular sales tax.

Clinton's visit to the Indian subcontinent earlier this year revealed just how much Pakistan is being left out in the cold. The president spent four days in India holding extensive talks with government and business leaders, and just a few hours in Pakistan, to lay down the law to Musharraf. The US is demanding that Musharraf put pressure on the Taliban regime in Afghanistan to hand over the Saudi billionaire Osama bin Laden, whom the US claims was responsible for the terrorist bombing of US embassies in Kenya and Tanzania.

Musharraf's junta confronts serious debt problems as a result of the IMF's repeated delays in dispersing \$US1.56 billion in loans. Furthermore without the IMF's backing, Pakistan has been unable to reschedule its \$38 billion in foreign loans and risks defaulting. The country's foreign debt is equal to half its Gross Domestic Product (GDP) and repayments of \$5 billion are due by the end of the year. According to official records, Pakistan's foreign exchange reserves consist of a bare \$1 billion but, according to some foreign analysts, they may be as low as one third of that figure.

There is extreme nervousness in Pakistani financial circles. When the rumour spread at the end of October that the country was going to be turned down again by the IMF, the Karachi stock market index suddenly dived by 43 points from 1,545 to 1,502. Musharraf tried to pacify the markets by declaring: "We want to achieve a self-reliant economy not dependent on loans from anyone." At the same time, however, he has been desperate to satisfy the IMF's requirements in order to obtain much-needed finance.

The IMF's main demands are for tax reform, including a general sales tax (GST), the acceleration of privatisation and land reform aimed at releasing land for big enterprises. Musharraf attempted to implement a GST but, like the Sharif government, ran into protests and opposition from small shopkeepers and was forced to water down the plan.

The general has declared that he will privatise one asset a month and hopes to receive \$4 billion from the sales. A number of major enterprises, including Pakistani Telecommunication, state-owned banks and industrial units, are slated for sale by the end of the year.

The living standards of workers and the poor have declined markedly due to inflation, cutbacks in government expenditure and continuing high levels of unemployment. In August, government-controlled oil prices went up by 23 percent and the Pakistani rupee has depreciated by 9.5 percent since July. Over the last year the price of sugar, wheat flour and tea has trebled and the cost of other basic household consumer goods has risen by 30 percent.

According to one economic report: "The economy is anemic. Gross Domestic Product grew a mere 2.7 percent last year, which barely outpaced the 2.6 percent rise in the population. GDP per capita is only \$450. Eighty-five percent of Pakistanis live on less than \$2 a day. More than half of the population over the age of 15 is illiterate. Infant mortality is 91 per 1,000 live births."

Pakistan spends only 2.7 percent of its GDP on education and less than 1 percent on health, which taken together amount to less than the 4 percent spent on the military. Economic restructuring and privatisation has led to significant job cuts. More than 5,600 jobs will be slashed at the state-owned Pakistan Steel prior to privatising and the restructuring of state banks will result in the number of bank workers being cut from 20,534 to 14,900.

There have been protests against job losses, cutbacks to welfare, tax changes and skyrocketing prices. The Pakistan Workers Federation launched a campaign against price hikes for oil, gas and electricity in the last budget and private sector workers have been demanding wage increases. Small traders are continuing their protests against tax changes through which the government plans to lift its income by 43.8 percent.

To impose its policies the military regime resorts to outright repression, making a mockery of its claims to be returning Pakistan to democracy by 2002. Under the National Accountability Ordinance, the junta can detain its political opponents for up to 90 days without charge. Two former ministers, Mushahid Hussain and Chaudhry Nisar Ali Khan, have been held since the coup without being charged.

Sharif was put on trial in a special anti-terrorism court on trumped-up charges of hijacking and terrorism, predictably found guilty and sentenced to life in jail. Musharraf accused Sharif of trying to kill him by preventing his plane from landing on its return from Sri Lanka. Last month, the Sindh High Court turned down Sharif's appeal against his conviction and the case may go to the Supreme Court. The military regime has replaced judges who refused to recognise the legitimacy of the coup.

Kulssom Sharif, the former prime minister's wife, faced threats when she attempted to launch a protest campaign against Musharraf. All males in her family have been taken into custody and her telephones disconnected. Former prime minister Benazir Bhutto, opposition leader under Sharif, continues to live in exile.

Bhutto's Pakistan Peoples Party (PPP) and Sharif's Pakistan Muslim League (PML) have been in negotiations over a common campaign to restore democracy but cooperation between these bitter rivals is limited. Both parties declared October 12 a "black day" and announced protests that were suppressed by the military, with more than 100 people detained.

The US-based Human Rights Watch has recently issued a report citing detailed cases of the military's arbitrary detention and torture of political opponents. One case involved Rana Sanaullah, a member of the provincial assembly in Faisalabad, who was detained and tortured. "They put rope through my handcuffs and hung me up by it, so that my face could barely touch the ground," he explained. "A person whose presence I could sense in front of me ordered 'Five-Five,' within no time, cutting into the air, a whip hit my back... A doctor checked my pulse and heart beat. The whipping man resumed and he had another four rounds."

An editorial in the *Dawn* newspaper on October 31 explained that the prisons were like "pressure cookers," overcrowded with detainees and known for a culture of brutality. There has been a series of prison riots and rebellions—at Dera Ghesi Khan's Central Jail in August, in Hyderabad's prisons in September and at Peshawar Central Jail last month.

As the regime's grip on power has become increasingly fragile, Musharraf has relied more heavily on the notorious Inter-Service Intelligence (ISI)—the country's military intelligence agency. The general's chief of staff is General Gulam Ahamed who has served with the ISI. A former ISI head was taken out of retirement to become defence secretary while another former intelligence chief serves as communications minister. Lieutenant General Aziz Khan, also from the ISI, was recently promoted to deputy military chief.

All of the evidence points to a regime with a rapidly dwindling base of support. Its only answer to protests and opposition is more repression. Musharraf may have seen out one year, but it is debatable whether his regime will survive another.



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