

Pakistan lacks adequate international flood aid

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Three weeks after floods inundated much of Pakistan, millions of people are still without basic aid—food, clean water, shelter and medicine. While promises of international assistance have increased over the past week, the UN reported on Monday that it had received only about 70 percent of its \$US460 million emergency appeal.

Further flooding is likely, as the country's monsoon season will not finish for at least three more weeks. The immediate danger is easing in the north, but several cities and towns in the southern province of Sindh are under threat. Tens of thousands of people have already fled Hyderabad, a city of 2.5 million, where intense efforts are underway to shore up its flood defences.

Sindh province irrigation minister Jam Saifullah Dharejo warned yesterday: "The next two to three days are very critical and we have to strictly monitor the situation in the towns near the mouth of the Indus River, which will have exceptionally high levels... This is the worst flood in our history and it will take time to bring the situation back to normal."

According to the latest UN estimate, 4.8 million people are homeless and more than 20 million people have been affected. Hundreds of thousands of men, women and children have been gathered in makeshift relief camps with limited assistance, but many more have been forced to fend for themselves. UN humanitarian affairs chief John Holmes has appealed for an extra 40 helicopters to ferry supplies to an estimated 800,000 people who are cut off by floodwaters.

Aid officials are continuing to warn of the danger of epidemics. According to the UN, there have been more than 120,000 cases of suspected dengue fever and malaria—mosquito-borne diseases—as well as hundreds of thousands of cases of skin infections and diarrhoea. National health coordinator, Dr Jahanzeb Orakzai, told the media: "Health problems usually arise in flood-affected areas after

four to six weeks, and we need to be alert and prepared to tackle the situation."

UN children's fund official Louis-George Arsenault on Monday criticised the lack of aid from the major powers. "One of the major challenges that we have, which is quite extraordinary, is the lack of level of support from the international community... Right now, our level of needs in terms of funding is huge compared to what we've been receiving, even though this is the largest, by far, humanitarian crisis we've seen in decades."

The Obama administration made its priorities clear with another missile attack on Monday. An unmanned CIA drone targeted a village in North Waziristan, near the border with Afghanistan. Pakistani intelligence officials told the media that at least 13 people were killed, including four men, five women and four children. The US has promised \$150 million in flood assistance, to assist in propping up the government of President Asif Ali Zardari, which is waging a proxy war for Washington against Islamist militants. The aid is a pittance in comparison to the billions of dollars being spent on shoring up the US-led occupation of Afghanistan.

Even amid the obvious inadequacies of the government's emergency efforts, a longer-term economic and political crisis is looming. By some estimates, about 20 percent of the country has been flooded and the cost could reach as much as \$15 billion. Around 25 percent of the cotton crop has been affected. This will impact on Pakistan's textile industry, which accounts for more than 50 percent of exports.

Sakib Sherani, a senior finance ministry adviser, told Reuters that the country's growth rate for the year could fall to zero. Of the various estimates, he said, "we think that zero percent is the lower bound," adding that this was not an official figure. Last year the growth rate was 4.1 percent.

Sherani warned that inflation could hit 25 percent, well above the 2010-11 target of 9.5 percent. Fruit and vegetable prices have shot up as crops have been damaged or destroyed, *Samaa TV* reported yesterday. Khyber-Pakhtunkhwa province previously had a food shortage, and many people could not afford even one meal a day, World Food Program spokesman Amjad Jamal said. At least 4 million Pakistanis will need food assistance over the next three months.

Desperate for reconstruction and economic aid, the Zardari government is in talks with the International Monetary Fund (IMF) this week for an easing of its loan conditions. Even before the floods, Pakistan had been impacted by the global economic crisis. Forced to take out an emergency loan of \$US11 billion, the government is under pressure to implement austerity measures to cut the budget deficit and huge public debt by slashing price subsidies, cutting the already limited social spending and implementing further privatisation.

The IMF talks are continuing in Washington today. A spokesman for Zardari, Farahnaz Ispahani, told the *Telegraph* that “Pakistan will seek a revision of conditionalities on the existing [loan] and might also look at the possibility of further borrowing”. In particular, Pakistan will seek to ease the budget deficit target—currently set at 4 percent of Gross Domestic Product (GDP)—and extend the deadline for ending electricity subsidies.

IMF officials have made clear that any concessions to Pakistan will be limited. IMF regional director Masood Ahmed told the BBC on Monday: “We need to look at these issues in an objective way and find a solution that helps the economy during this difficult period, but also keeps them on a path that is going to produce a sustainable basis for growth.” The phrase “sustainable growth” is code for ensuring that the Pakistani government meets the demands of the international markets and foreign investors.

Ahmed continued: “The Pakistani economy faces challenges even before these massive floods hit ... They need to be able to raise more revenue to finance their spending. The government has a very low tax base and we need to be able to find a way where we help them through this difficult phase.” The IMF’s standard prescription for “raising more revenue” is not to increase corporate taxes, but to impose indirect taxes that inevitably fall the hardest on the poorest sections of the population.

Pakistan is mired in debt. As of July, the country’s

external debt was \$55.5 billion. Nearly half the government budget is allocated to debt servicing and the military. “The debt-servicing burden will just kill the country,” Ahsan Iqbal, a leading member of the opposition Pakistan Muslim League (Nawaz), told *Time*. “We won’t be able to build anything in this country on our own.”

The Zardari government last week accepted a new \$900 million loan from the World Bank, and the Asian Development Bank has offered \$2.5 billion loan to assist with reconstruction. These sums not only fall well short of the estimated damage bill, but assistance in the form of loans rather than direct aid will only compound the country’s economic crisis. The international rating agency Moody’s currently has Pakistan at B3—one notch above C or sovereign default.

Speaking to foreign journalists on Monday, Zardari dismissed criticisms of the government’s relief effort and rising mass hostility. “There will be discontent. There is no way any nation, even a superpower... can bring the same level of satisfaction that will be close to the expectations of the people,” he said. “I don’t think Pakistan will ever fully recover but we will move on.”

One government ally—the Muttahida Quami Movement (MQM)—has hinted that the military might have to step in. MQM leader Altaf Hussain, addressing his party’s General Workers Convention in Azizabad on Monday by phone, urged “patriotic generals to initiate martial law-like steps against feudal politicians and former generals who disgraced the army institution during the Soviet-Afghan war”.

The MQM, which is based among Muslim refugees who fled to Pakistan from India during the 1947-48 partition of the subcontinent, is notorious for its thuggery. While MQM leader Hussain was not directly referring to the floods, his comments reflect concerns in the Pakistani ruling elite about widespread political unrest. Pakistani leaders are aware that the eruption of the Bangladeshi separatist movement in the early 1970s was in part triggered by anger over Islamabad’s indifference to the plight of people, in what was then East Pakistan, following a devastating typhoon in November 1970.



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