

Pakistani government exploits railways crisis to pursue privatisation

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Prime Minister Yousuf Raza Gilani announced last Thursday that Pakistan Railways (PR) would be semi-privatised on a priority basis under the direction of the cabinet committee on restructuring. PR's freight and major passenger services would be run through a public-private partnership, starting from December 25, Gilani and Finance Minister Abdul Hafeez Shaikh declared.

PR workers have been engaged in continuous protests for months against non-payment or delayed payment of wages. Retired workers have not been paid their pensions, sometimes for as long as five months. In total, 85,000 workers and 150,000 retired workers and their families have been badly affected.

One retired worker died from a heart attack on October 26 after waiting for three days to collect his meagre monthly pension of 4,000 rupees (\$US46) to support his impoverished household.

After scattered protests and strikes, workers launched a major work stoppage in October, bringing the railways to a virtual standstill for days, until the government promised the immediate release of money to pay wages.

Workers took part in sit-in strikes and rallies and in some places laid down on tracks or climbed onto rail wagon roofs to prevent trains leaving or entering stations. In Lahore, the provincial capital of Punjab, they blocked roads and set tyres on fire. On October 18, workers took control of the Lahore engine shed and Divisional Superintendent's Office.

Once the government announced its wages package, the trade unions called off the protests, even though wages problem had not been fully addressed. The railway authorities had not paid electricity and other utility bills at workers' quarters, despite these dues being deducted from wages. As a result, utilities were shut off, including in the Peshawar Cantonment.

Monthly minimum salaries were recently increased to just 7,000 rupees (\$US81), with even a worker with 20 years' service hardly making more than 20,000 rupees (\$230).

To defuse the discontent among the workers after the death of the retired worker, President Asif Ali Zardari also ordered the immediate payment of the pensions and called for a token investigation into the reasons for the delays. News that money had been released produced lengthy queues of desperate retirees outside banks.

To justify privatisation, the government has attributed the PR crisis to corruption and mismanagement. In reality, years of deliberate running-down by successive governments, including the current regime led by Zardari's Pakistan Peoples Party (PPP), have brought PR to the verge of collapse.

According to PR Chief Accounts Officer Muhammad Akram, only 74 trains out of a fleet of 502 are in operational condition and just 70 are currently running. These engines break down frequently because of lack of proper maintenance, causing enormous difficulties to the 65 million passengers who use the railways each year.

Privatisation was initially proposed in 1997 by the military regime of General Pervez Musharraf. While it could not complete the plan, it split the railways into separate business units. All "surplus assets" were disposed of. A new board was created, including corporate sector representatives. Shutdowns and layoffs reduced the workforce from 113,000 in 1997 to 95,000 in 2001 and then 85,000.

The International Monetary Fund (IMF) and World Bank have made the privatisation of the railways and other public enterprises as loan conditions. Together with the Pakistani government and media, they blame

protracted delays in restructuring for PR's loss-making, and claim that "healthy competition" and "independent" pricing could resolve the crisis.

Facing its own financial crisis, compounded by the world economic turmoil and massive floods in recent years, the government has failed to maintain basic facilities, including infrastructure. Zardari's regime has been under intense pressure from the IMF to cut subsidies as part of a 2008 loan program. Because the government was unable to implement all the austerity measures, the IMF has refused to pay several instalments.

Amid growing criticism, the government approved a bailout package of 11 billion rupees for the railways in August, but the Finance Ministry refused to release the funds, saying it could not issue further subsidies to the ailing utility. The ministry demanded the laying-off of a fourth of the workforce, the *Express Tribune* reported in August.

Destruction of jobs, wage freezes and non-payment of wages are not confined to PR, as the recent struggles by power workers demonstrate. The trade unions, however, are confining workers to limited protests, claiming that jobs and wages can be defended by pressurising the government.

After calling off the mid-October strike, the unions asked Chief Justice Iftikhar Muhammad Chaudhry to set up a judicial commission to investigate the causes of PR's financial crisis. The unions are promoting illusions in Chaudhry as a result of his limited opposition to some of the anti-democratic measures of the former military dictator, Musharraf, and the Zardari government. He is, however, a right-wing defender of the capitalist system. During the commission's hearings, he has blamed corruption for the situation and declared that the government cannot continue to fund the railways.

The Pakistan Railways Employees Union also claims that corruption "within the PR management" is the cause of the crisis. It has urged the closure of the Peshawar division and the transfer of workers to Rawalpindi to save between 20 and 40 million rupees annually.

Likewise, the Railway Workers Union, patronised by the opposition Pakistan Muslim League-Nawaz (PML-N), has blamed mismanagement and corruption. It warned the government of "serious labour unrest" if

immediate solutions were not provided. The union made 142 recommendations to extract 5 billion rupees in profits and demanded the sacking of the railways minister and top officials. Under former Prime Minister Nawaz Sharif, the right-wing PML was also responsible for implementing IMF policies and attacking jobs and wages.

These unions' concern is not the interests of workers but making the railways a profitable enterprise. Their demands will only put more burdens on rail workers and divert the anger of workers from the source of the crisis—the capitalist system itself. The only way to defend jobs, wages and other social rights is for workers to fight, against these apparatuses and the Zardari government, for a socialist and internationalist program to overturn the profit system, which serves only the wealthy few, not the majority of working people.



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