

# Pakistan Collapsing

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**Pakistan is facing one of worst economic and political crises at present. The political crisis is best manifested by the fact that almost half the National Assembly (Lower House of the parliament) members have resigned while two of the four provincial parliaments were dissolved a year before the elections otherwise due in October this year.**

The two provincial parliaments, in the provinces of Punjab and Khyber-Pukhtoonkhwa, were dissolved by the former prime minister Imran Khan. His Party Pakistan Justice Party (PTI) held majority in these two house. He had hoped that the dissolution of two provincial parliaments would force the federal government to announce an early general election.

The caretaker governments in these two provinces have refused to call the elections, otherwise due within 90 days of assemblies' dissolution. This delay is in violation of the constitution of Pakistan. The pretext for the delay in elections is the lack of funds. But a popular perception is: the delay is a manipulation by the army. The army fears a PTI victory in elections. Ironically, in 2018, army was accused of rigging elections to secure victory for Imran Khan.

There is a great political maneuvering going on at judicial level. The chief justices of Supreme Court and Lahore High Court are Imran Khan supporters. This has been manifested by the verdicts issued by the judges in several political cases.

Every time, the PTI moves the court, everyone knows the verdict in advance. For instance, a Supreme Court bench consisting of three judges, known for supporting Imran Khan, ordered on April 4 to hold elections in the Punjab province on May 14 this year. However, this 3 members bench was initially included nine judges. Those not supportive of Imran Khan were removed by maneuvering. The Supreme Court judges are issuing contradictory statements.

The judiciary is as divided as any other institution in the country.

The federal government and Punjab caretaker government has rejected the Supreme Court decision regarding elections on May 14. A public conflict between the Supreme Court and federal government is aggravating the political crisis.

The state institutions are stuffed with pro-PTI as well as pro-Muslim League elements. The Muslim League, controlled by Sharif dynasty, is presently ruling in coalition with Pakistan People's Party (the party of Bhutto dynasty).

The Supreme Court has the power to remove the present government on the charge of contempt of court. However question is: who would take over a collapsing Pakistan?

The specter of military takeover is often in discussions. Pakistan's turbulent political history is marked by 32 years of direct military rule ever since independence in 1947. When not in power, military controls from behind. At present, the military establishment is posing to be "neutrals".

In fact, as stated above, the 2018 general elections that brought Imran Khan to power was rigged by

the military establishment in his favor. When the military establishment withdrew the support from Imran Khan in early-2022, his government collapsed.

Imran Khan tried to find scapegoats for his downfall by blaming, firstly, the USA, then the military establishment and many others in his ever-changing narratives. He is ridiculed as a man of "U turns". His every new speech contradicts his previous one.

Imran Khan was replaced by a coalition government of Shahbaz Sharif, heading the Muslim League (after his elder brother and thrice prime minister Nawaz Sharif was banned from politics in 2018). When Mr Sharif tried to implement the conditionalities of IMF, Imran Khan regained popularity, by gaining negative support.

The IMF has become very unpopular in Pakistan among the masses. Whenever, there was an unprecedented price hike announced by the government, IMF was cited the reason. The only pretext to justify the IMF conditionalities by the PML-led coalition government is: 'if we do not meet the IMF conditions, Pakistan will go bankrupt'. Masses have already gone bankrupt, so is the state in real terms but a formal announce is been delayed in this regard.

Coupled with severe political crises, a new upsurge of religious fundamentalism is visible. For example, terrorist attacks by the Tehreek Taliban Pakistan (TTP) have increased manifold. The TTP is an off-shot of Afghan Taliban. They are attacking the police and military forces. They have safe havens in Afghanistan under a very helpful Taliban government.

Imran Khan in his last days of power, released hundreds of arrested Pakistani Taliban, apparently, in his bid to hold peace dialogue. In fact, known as Taliban Khan, he and some of his military-backers sympathize with the Taliban. Now the security forces are paying the price of this strategy.

The economic crises are far more severe than the political crisis. The coalition government is implementing the anti-people conditionalities of IMF by raising the prices of oil, gas, electricity, general sales tax and every other consumer item.

The Pakistani Rupee is losing value almost daily against the US dollar and other foreign currencies. On 7<sup>th</sup> April, a dollar is fetching over 290 Rupees, up from 150, a year ago.

There are hundreds of containers full of imported goods lying at the Karachi port waiting to be cleared. Government has refused to clear the dues to be paid in dollars for these imported items.

There has been series of indirect taxation on almost all edible goods and daily consumer items during the last six months. There have been several min-budgets imposed on people, sometime announced without any prior notice.

Peoples are collapsing so is Pakistan under the huge economic burden without raising the wages or any compensations.

Pakistan is trying its best to fulfill the conditionalities of IMF to fetch the last instalment of 2 billion dollars of a 6 billion dollar loan negotiated by the previous Imran Khan government in 2019. This is 23<sup>rd</sup> time Pakistan has taken a loan from IMF.

Pakistan's external debt servicing rose by 70 percent in the first two quarters of 2022-23. Pakistan paid USD 10.21 billion in external debt servicing during this period. This at a time when Pakistan witnessed the worst climate disaster during the year 2022. Instead of suspending the debts because of climate calamity, the IMF increased its pressure to pay more than the last year.

The foreign reserves are at a historic low. Pakistan's central bank foreign exchange reserves have dropped to \$4.2 billion due to recent external debt repayment.

To please the IMF and meet the conditionalities, Pakistan has increased the interest rate to record 21 percent. The wholesale inflation is at an unprecedented level: 37.5 percent, highest since 1973. The result is real disaster for working class and middle-class Pakistanis.

The inequalities are at historic high in Pakistan. Deregulation, privatization, liberalization, and lower progressive taxation contributed to this extreme inequality. According to one survey, the average income for the richest is more than 16 times the average for the poorest.

According to a report of OXFAM, the country top 1 percent holds more wealth than the bottom 70 percent of the population.

Pakistan's economy is expected to grow only 0.4 percent in the current fiscal year ending June 2023. By all measures, Pakistan performs poorly compared to other South Asian countries.

There is no hope among the people that things will improve. The ruling elite of Pakistan has miserably failed in solving the basic problems of masses like free education, health and employments. An alternative pro-people political and economic agenda is need of the hour. The progressive forces are weak but trying to fill the gap in some working-class areas.

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