

The neo-liberal agenda in its newest version - Why Shahbaz Sharif is wrong?

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The Punjab government subsidized scheme of 10 Rupees a kilo for wheat flour (*Atta*) has made Shahbaz Sharif, the chief minister, very “popular” in Punjab and Pakistan. The Muslim League Nawaz (PMLN) is banking on this and other popular schemes introduced by their government in Punjab as the main strategy to end poverty. The other three provinces of Pakistan are also eager to move forward in Mian Shahbaz Sharif’s footsteps.

The Federal Pakistan Peoples Party Government has also started distributing cash up to Rupees 1000 a month to “poorest of the poor” on the name of Benazir Income Support Scheme.

Throughout Punjab *Atta* is being subsidized during the month of Ramadan. Normally the price is around 30 Rupees a kilo. Another similar scheme is a two Rupee *Chapatti* or *Tandoor* (ovens) roti. Commercial Tandoors are provided *Atta* at subsidized rates and sellers are asked to charge two Rupees for a *Chapatti*. The normal price is five Rupees.

Hundreds of thousands of people have queued up to buy *Roti* and *Atta* at these bargain prices. But more than a dozen have died while in the long queue, felled by heart attacks or beaten by police. Several dozen have been injured and hundreds of thousands of hours have been wasted standing in long queues, with people waiting up to 12 hours.

During the last three weeks, most of the Punjab government machinery was focused on distribution of the *Atta*, checking to make sure that *Roti* is being sold cheaply and making sure the *Susta* (cheap) Ramadan bazaars are functioning. Most of the government offices were deserted and all the other government tasks put on hold to achieve this goal. The state machinery was on alert everywhere. The chief minister Shahbaz Sharif might unexpectedly visit. In fact several top bureaucrats were suspended or lost their jobs because of “negligence” in distributing *Atta*.

But these schemes will not end poverty. What Shahbaz Sharif has done is nothing new; in fact he has borrowed this idea from his brothers in India. By implementing such schemes, some of the chief ministers in India became popular; it has not alleviated poverty there. According to one report, over 70% of all Indian people live on less than one dollar a day. An adult earning 11.80 Rupees a day in rural areas or Rs. 17.80 in urban areas live below the poverty line.

Let’s take the example of Y.S. Rajasekhara Reddy, the Congress party’s deceased chief minister from Andhra Pradesh. He died in a helicopter crash on 2 September 2009. After hearing news of his death dozens of ordinary people committed suicide. Why? Because people were afraid subsidized prices would end. Each month families below the poverty line were able to purchase 20 kg rice at Rs. 3.50 per kg. Subsidized edible oil, red lintels and a cylinder of cooking gas were also available. Further, for nearly five years farmers have been receiving an uninterrupted supply of electricity for free.

Yet in comparing Andhra Pradesh with other Indian states, it’s clear that the state is the epicenter for suicides by farmers. In August 2009, the Andhra Pradesh government revealed that 20 farmers committed suicide over the previous 40 days. The families of those victims received 1.5 Lack Rupees

compensation by the state government.

On 10 June, the Tamil Nadu deputy chief minister M.K. Stalin declared that all those with ration cards would get free color televisions during the fourth phase of distributing 41,62, 500 sets. The government allotted 500 crore of Rupees for the fifth phase of providing color televisions.

Under the newly introduced National Food Security Act 2009 at federal level, every family in India below poverty line will be legally entitled to a monthly allotment of 25 kg of rice or wheat at Rs.3 a kg. Yet despite a number of schemes for subsidizing the poorest section of the population, India holds the record for the absolute numbers of people suffering from chronic hunger and malnutrition. Mass poverty still flourishes.

Like India, Pakistan plans to reduce general food subsidies and has done to large extent, leaving subsidies in place only for the "poorest of the poor." This cuts down the number who receive subsidized food and ties them to politicians and their parties. The present tactic by the chief minister of Punjab in Pakistan is therefore in line with the "new" neo-liberal agenda. It helps governments privatize the distribution of food while building in a populist dimension among the poorest layer of the population.

Arising in the 1970s in response to an economic crisis, neo-liberalism sees free market policies as the solution. It asserts that social justice is best maintained by a minimum of government "interference." Neo-liberalism has negatively affected large numbers of people through retrenchments, degradation of work, misuse of the environment, increased poverty and marginalization of nationalities and households, particularly those in non-formal sectors of both the neo-colonial and developed world.

Subsidized prices are the neo-liberal answer for dealing with the poorest of the poor. Targeting only the poorest, these programs are termed "social safety nets." But there is no promise of improving one's condition. And as long as the country's economy is shaped by privatization, deregulation and trade liberalization, significant change would be impossible.

But even expanding the social safety net will not decrease poverty unless political and economic security and basic human rights with dignity can be guaranteed.

Following the outburst of the developing anti globalization movement during the 1990s, the authors of the neo-liberal agenda had to adjust their rhetoric. They talk about supporting the promotion of sustainable livelihoods, social safety nets and poverty reduction. In developing economies, there has been a shift to accommodate popular participation and good governance along the lines of the Poverty Reduction Strategy Papers (PRSP) associated with the Highly-Indebted Poor Countries (HIPC) debt initiatives of Breton Woods Institutions.

Most of these schemes have increased governmental loans. For example, the former chief minister of Punjab, Choudry Pervaiz Ilahi alleged that the present Punjab government is near bankruptcy. He states that they have used a loan of over 120 billion Rupees for subsidizing the poor. Of course this former chief minister was an unpopular ally of the General Musharaf dictatorship. He has no ideological difference with the present government but is simply using the loan to score a point against his opponents. While we are totally against his policies we think he reveals a point.

These state subsidies are used not to promote employment but only a food subsidy for some days. It helps the governments to divide the working class, where a section of the class becomes habitually dependent on state subsidies for survival. It promotes dependency. It takes away the self dignity. It does not provide a tool for building a better life.

The chief ministers become popular by such schemes and it is perfect for building a loyal following. It is an advertisement for the next election, when the ministers stand on their ability to help those in most need. It conveniently teaches people to forget universal needs for employment, housing, transportation health care and free education.

The ideology behind the Shahbaz Sharif policy promotes dependence on rich politicians. The poor do not have to strive for justice, they should simply be grateful for the state's handouts. The poor just need to make sure that the government continues to provide subsidies.

The policies of Mian Shahbaz Sharif has confused many intellectuals and Left circles. They have lost arguments against giving *sasta, Atta* and *Roti*. There is nothing wrong in providing *sasta, Atta* and *Roti* provided that these subsidies are part of a social reform package that includes measures to empower farmers and working people. The present schemes does not. The long queues symbolize the dependent situation the poor find themselves in.

Such schemes remind one of the feudal lords in Pakistan. They too will provide peasants with grain and food crops for them to survive for the time being. At the same time the feudal lords discourage setting up education and health facilities. They will not let the school open in their areas. The present subsidization schemes initiated in Punjab and adopted by other Pakistani states are a continuation of the feudal tradition by these capitalist politicians.

Rich politicians like Mian Shahbaz Sharif will not take action against bosses who do not pay the minimum wages of Rupees 6000 a month to their industrial workers. He will not take action against those bosses who oppose the formation of trade unions and initiate violent measures against trade union leaders. There has not been a single case in Punjab where a trade union is formed during the period of Mian Shahbaz Sharif and trade unions leaders were not subject to torture, imprisonment and losing their jobs.

We need to rebuild the movement against the neo-liberal agenda in its newest version. We need to build a Socialist alternative to the deceptive policies of capitalist politicians. We oppose Mian Shahbaz Sharif paternalistic policies and demand a future in which workers and farmers set the agenda.

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