

# A POLYCRISIS THAT IS DEPLETING PAKISTAN'S RESILIENCE

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A wholesale market in Karachi | Photo Credit: AFP

Pakistan is no stranger to crises, In fact, any reading of Pakistan's history will inform the reader that right from 1947, it was the 'refugee crisis' that came into the picture immediately following Partition and Independence. As many as 14 million people crossed the West Pakistan/India border, with Pakistan having to deal with this development having non-existent infrastructure. There was concern and fear by leaders in both independent countries, that Pakistan would 'not survive', and that it might even 'return to the fold'. But despite an extraordinary and tumultuous first few years, Pakistan has continued to survive and exist. Since 1947, Pakistan has gone through scores of crises and near collapses, ranging from multiple political and constitutional crises, and also those around terrorism.

Apart from a few good years, Pakistan's economy has been in a state of a perpetual crisis, dependent on the largesse and beneficence of donors, international financial institutions and charity from so-called 'friendly countries'. It has become a cliché that Pakistan is always in crisis, and it is the supposed 'resilience' (a derogatory and condescending term) which the people of Pakistan have, which sees them and the country through. However, a little after a month into the new new year, there have been multiple crises, all at the same time. To begin with, Pakistan, yet again, is facing an economic crisis, albeit one which is quite unprecedented when compared to the past. Just a few days ago, the Financial Times, in a particularly hard-hitting editorial, suggested that Pakistan 'is on the brink' of default and financial catastrophe, with a Sri Lankan-type situation staring it in the face. This at a time when a delegation from the International Monetary Fund (IMF) is in Islamabad to hammer out an agreement with the battered Government of Pakistan led by Prime Minister Shehbaz Sharif. Mr. Sharif himself has said, over the last few days, that the conditions being imposed by the IMF to release a mere \$1.1 billion were severely harsh and 'beyond imagination'.

That this is Pakistan's 23rd agreement with the IMF is itself cause for grave concern.

Inflation stands at 28%, the highest in almost five decades, the Pakistani rupee has lost 17% of its value in seven days, edging closer to PKR 300 for one U.S. dollar. Foreign exchange reserves stand near \$3 billion only — not even enough for a month's imports — and falling every few weeks. There does not seem to be any way of reversing this trend, easily and quickly. With

severe import restrictions and constraints and the inability to pay in foreign currency, economists have already declared Pakistan to be in 'partial default'.

While there have been many situations and crises related to the economy in the past, such as at the time of Pakistan's nuclear tests in 1998, the macroeconomy has never looked this precarious now than even during the global financial crisis of 2008, or in the last five decades. The one time there was a possibility of a default was when 9/11 happened (2001) and Pakistan's economy had to be rescued and bailed out, receiving huge amounts of aid and rent for its supposed premium geopolitical location next to Afghanistan as a base for American designs and military ambitions in the region. At that time Pakistan was ruled by a military dictator, General Pervez Musharraf, and there was apparent political 'stability' with the military in complete control. This is not the case today.

While the economic crisis has only been made worse due to misgovernance and ineptitude enveloped in hubris over the last four years, there was until a few months ago a sense of political stability of sorts. Now, there is total political confrontation between the Shehbaz Sharif-led multi-party coalition, the Pakistan Democratic Movement, and the ousted and belligerent former Prime Minister, Imran Khan. Mr. Khan not only upset the political status quo which continued to survive since 2018 (when elections were last held), but has dissolved two (out of four) provincial assemblies which his party controlled. Hence, 67% of Pakistan's population faces a situation of no longer having an elected government, and the two provinces are being run by caretaker governments. Mr. Khan has also become the most vocal and vociferous critic of senior members of the Pakistan Army, singling out the former Chief of the Army Staff, General Qamar Javed Bajwa, who Mr. Khan accuses of conspiring to have him removed from office. In addition, the courts are yet to pronounce their verdicts on cases which could possibly see Mr. Khan disqualified and barred from contesting elections, a possibility which has made Mr. Khan announce that he will start a jail bharo (court arrest) campaign. Instability and uncertainty dominate at every level.

If political and economic destabilisation were bad enough after many years of an apparent peace, one sees the return of terrorism to Pakistan. The case, on January 30, where a suicide bomber killed over a 100 worshippers in a mosque in Peshawar, accounts for one of the most serious incidents on a single day in over more than two decades of terrorism. The fact that there is little clarity which faction of the Taliban (or the Tehrik-e-Taliban Pakistan (TTP)) was behind this makes things far worse. In the past, such acts have been dealt with through a decisive response, but with the Chief of Army Staff, General Syed Asim Muneer, leaving for a five-day tour to the United Kingdom (on defence-related issues, between February 5 and 9) soon after the blast, questions have been raised about the resolve and response to end terrorism in Pakistan.

Pakistan has become a dysfunctional state where its elites have revealed their incompetence and hubris in failing to address fundamental and day-to-day issues of a public nature. Amassing wealth through privilege and being unresponsive to the needs of the citizens, they continue to rule whether under the façade of a democracy or through extended periods of military dictatorship. The absence of any sort of political opposition or alternative, particularly in the form of progressive political parties and groups, or even spontaneous civic action demonstrating anger, is Pakistan's biggest crisis. The label of being 'resilient' is fading.

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