In wake of Kashmir retreat

**Pakistan opposition presses for Sharif's resignation**

By K. Ratnayake
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Almost a month after the Pakistani government ordered an end to the military incursion into the Kargil-Das-Batalik region of Indian-held Kashmir, India and Pakistan continue to routinely exchange artillery fire across the Line of Control (LoC) and Indian and Pakistani political leaders are accusing each other of not wanting peace and accommodation.

Pakistani-supported secessionist groups have stepped up their activities in Indian Kashmir, taking advantage of the fact that large numbers of Indian troops have been diverted to the remote Kargil region. Their aim is both to offset the impression that the Pakistani pullback across the LoC constitutes a major defeat and to disrupt campaigning in Kashmir for the Indian general election. On Thursday, the Indian army reported that at least 50 people had died in gun battles in the Indian state of Jammu and Kashmir in the first four days of August.

In Pakistan, meanwhile, the opposition to the Muslim League regime of Nawaz Sharif is becoming increasingly vocal in its condemnation of the pullback. Sharif is accused of “selling out” the Kashmiri “liberation struggle” when, in a July 4 meeting with US President Bill Clinton, he bowed to US demands that Pakistan put an end to the Kargil incursion. There are also reports of discontent in the military. “There is a great deal of disappointment in the army,” wrote a correspondent for the British newspaper the Independent. “They feel badly let down”.

Late last month the Jamaat-e-Islami, an Islamic fundamentalist party, held an anti-US and anti-government demonstration in Lahore, whose main demand was that Sharif should resign. Although the organisers dubbed the protest as "a million-man Kargil march" the actual participation was about 30,000. Nevertheless, say news reports, "it was bigger than earlier protest marches and rallies".

The Pakistan People's Party of Benazir Bhutto, the country's largest opposition party, formally launched a protest movement aimed at forcing Sharif's resignation with a series of mass demonstrations in Karachi and other major Pakistani cities Wednesday. The PPP and Bhutto are denouncing Sharif both for launching the Kargil “misadventure,” which they say resulted in Pakistan's diplomatic isolation, and for capitulating to US pressure in ending it. In addition to the Kargil issue, the PPP is attacking the Sharif regime for “fascist policies,” citing its attacks on the press and other violations of democratic rights, and for “pursuing apartheid policies towards the smaller federating units,” that is, for favouring the interests of the Punjabi elite over those of the capitalists and landlords of Pakistan's smaller states.

Recently 20 PPP leaders urged Bhutto, who was convicted in April on corruption charges brought by the Sharif regime, to end her self-imposed exile in England and come home to take the leadership of the opposition movement, even though that would mean risking immediate arrest and imprisonment. Said an unnamed PPP leader, “If religious leaders ... can attract thousands of people on the streets against the government, then the PPP should exploit the people's anger and pave way for throwing Prime Minister Nawaz Sharif out of power.... if Ms Bhutto does not return home shortly the smaller parties might fill the political vacuum.”

Bhutto has refuted suggestions the Pakistani military might have launched the Kargil incursion without Sharif's knowledge, saying that when she was Pakistan's prime minister the military advanced a similar plan, which she scotched as too risky. “Nawaz Sharif did not have the moral courage to say it's not do-able politically,” she told the BBC.

On June 8, when the Kargil crisis was at its height, Bhutto wrote to the New York Times to argue that the US should take the initiative in finding a solution to the Kashmir crisis. She said the US should propose a settlement negotiated through stages, which would begin with the demilitarisation of Kashmir and an open border for people and goods.
between Indian- and Pakistani-held Kashmir. This letter was clearly aimed at courting Washington's support for her power struggle with Sharif. A correspondent for the Indian magazine *Frontline*, Aijaz Ahmed, has gone so far as to charge that Bhutto's "plan" is not her own, and was dictated by the US.

The Sharif regime continues to claim that the statement emanating from his July 4 meeting with Clinton, in which the US president promised to take a "personal interest" in resolving the Kashmir crisis, represents a step forward in achieving Pakistan's long-standing objective of "internationalising" the Kashmir conflict. But this is belied both by statements from Clinton administration officials who continue to praise India for its restraint in the recent crisis and say the US has no intention of mediating a solution to the Kashmir dispute and by recent debates in the US Congress. Last Monday, in what the Pakistani daily *Dawn* described as "a major defeat" for Pakistan, Indiana Republican Dan Burton withdrew an "anti-India" amendment on the Kashmir issue to the Foreign Aid Bill. Reports *Dawn*, "Mr. Burton did not even present his amendment for a vote, as almost 21 members rose, one after another, to praise India and condemn Pakistan, bringing in the Kargil fiasco, the issues of cross-border terrorism, Islamic fundamentalism, Osama bin Laden and many others to whip Pakistan." Apart from Burton, "Islamabad got support from only two Congressmen".

While Pakistan's political parties publicly wrangle over Kashmir, there are profound tensions over the country's wrenching economic crisis. Reforms demanded by the IMF will lead to further suffering for the masses; they also threaten the privileges of important sections of the Pakistani ruling class. According to the London-based *Financial Times*, when Sharif came to power in 1997, his reputation was that of a "business friendly leader". But businessmen say that the government has so far been a source of disappointment for many investors.

Pakistani officials are currently negotiating for the release of US$280 million, which is part of a $1.56 billion loan promised by the IMF last December.

A principal IMF condition is a far-reaching "reform of the tax system". The Sharif government apparently agreed to this stipulation last December, but later balked because of internal opposition.

This week the federal cabinet gave tentative approval to a key IMF demand—the imposition of a 15 percent general sales tax on petroleum products, natural gas and electricity. This will impact heavily on living standards. The IMF is also demanding changes to agricultural taxes and a stepping up of the country's privatisation program.

Pakistan is a "highly indebted developing country", observed a leading Pakistani newspaper, the this decade, Pakistan's foreign debts have grown at an annual rate of 5.2 percent and now stand at US$23 billion, while domestic debts stand at $20 billion. A default on foreign loans was averted at the end of last year only because the US government eased the sanctions it had imposed after Pakistan had responded to India's nuclear tests of May 1998 with tests of its own. The easing of the sanctions paved the way for the IMF and World Bank to arrange loans for Pakistan and for the Paris Aid Club to reschedule US$3.3 billion worth of debt.

The budget for the current year allocates 45 percent of total budget expenditure for debt servicing and 22 percent for defence expenditure. Predictions in the budget for economic growth for the country of 3.1 percent in the current year have been disputed by analysts. They forecast growth of 2 percent.

Pakistani exports declined in fiscal year 1998/99 (which ended in June) by 12 percent because of the recession in Asia and the continuing adverse impact of the sanctions. The exchange rate depreciated by 18 percent in 1998 and the decline for the first six months of this year was about 13 percent.

Deepening economic crisis is aggravating poverty, unemployment and other social problems. Recently a Peshawar-based writer for the News described the corruption of the elite and the social polarisation thus: "In Pakistan many billions have been stolen from the banks by private businessmen, and more than 60 billion dollars deposited in Western banks by corrupt politicians, bureaucrats and generals. This has been done in a country where 50 percent of the population are under-nourished, 70 percent do not have access to clean drinking water, young people are committing suicide due to unemployment and only 30 percent of women are literate."

On Thursday the chief minister of Pakistan's Punjab province, Shahbaz Sharif, brother of Nawaz Sharif, "warned of a bloody revolution ... if justice is not provided to all and sundry, and if the common man" continues to be "denied basic needs and amenities".

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