The clash of power and economics-II

A lame duck prime Ry S M Naseem

By S. M. Naseem

LEAVING aside the question of the legitimacy of his election, what can the new prime minister be expected to achieve in the uncertain period he may be allowed to serve under the political constraints that have been mentioned earlier? His credentials as a smart economic manager have been generally acknowledged both at home and abroad.

The successes of the economy under his direction frequently recounted are mostly fortuitous and attributable largely to the special relationship enjoyed by Pakistan with the United States in the past three years.

However, there is no doubt that he has implemented the policies agreed to with the international financial institutions skilfully and has steered the economy back to some semblance of normality, though atconsiderable cost to economic growth and poverty reduction.

But managing an economy in the present competitive global economic order and moving it forward, without causing economic and social imbalances, requires a vision which smart economic managers, wise political leaders and astute generals alone cannot achieve.

It requires a much broader participation of the whole society, which unfortunately the present regime has neither attempted to nor has the ability to mobilize. Within this overall framework, it would be unfair to expect Mr Shaukat Aziz to deliver a great deal.

Since Benazir Bhutto's first prime ministership, the military has appropriated much of the powers of the prime minister in sensitive security areas, such as nuclear development, intelliand Afghanistan. Subsequent prime ministers have tried to wrest back some of the powers pre-empted by the military, with varying degrees of success and cost to their tenures in office. Mr Shaukat Aziz, who is a virtual novice in the political arena and has been inducted in the office primarily for his lack of political savvy, is likely to be hemmed in even more than others and his turf is likely to be restricted even further and encroached upon even more frequently. His powers will not be much more than those enjoyed by him as finance minister.

With the president and Chaudhry Shujaat Hussain, the Muslim League president and outgoing prime minister, constantly looking over his shoulders, if not directly breathing down his neck, he will, at best, be a lame duck prime minister. The danger is that if the economy doesn't revive as quickly and as fast as expected after the ephemeral honeymoon with the US and owing to increasing difficulties in the global economy, such as the rising price of oil and the promulgation of the WTO regimes, he may be made a scapegoat for a faltering economy and may not be as fortunate as his immediate predecessor in completing his term.

Meanwhile, the demands of the military for keeping its dominance are becoming more explicit and resonant. Recently, General Musharraf has openly defended the extension of the military's purview to all spheres of life, which has steadily increased since independence. The General not only defended the "defence housing societies" which are sprouting all over the country as citadels of affluence and symbols of elite capture in the face of increasing housing shortages and skyrocketing real estate and building material prices, but also argued for greater role of the military in economic matters. The general seemed to be telling Orangi's slum-dwellers why they didn't build houses in DHA, making Dr Akhtar Hameed Khan turn in his grave.

The general claims that the military has the touch of Midas and all its economic ventures, including housing, industry, banks and education are the best. But no one has independently investigated this claim and no other group such as workers, peasants, educationists and other professions has been showered with the perks and privileges accorded to the military institutions. Neither has there ever been any independent investigation allowed into the military farms scandal in Okara.

Mr Shaukat Aziz may also have to face the imminent drying up of an invisible resource which has swelled the coffers of the exchequer and the foreign exchange reserves at the State Bank of Pakistan in recent years.

While India prides itself on its outsourcing boom in recent years as a result of its successful investment in the IITs, Pakistan's main earnings have been through the intelligence services outsourced by the US to ISI in pursuit of Al Qaeda and the elusive Osama bin Laden.

If the War on Terror in Afghanistan should go off the radar screens of US administration, as the war of liberation did in 1980s, or if the US decides not to outsource these services any more. Pakistan will face a severe resource crunch. It is of course possible to counteract this by shifting the resources from ISI to IIT-like institutions and make a more honourable living, but the difficulties faced by Afghanistan in shifting from heroin production to other crops illustrates the inherent challenge of such a shift. Such a grim economic scenario will seriously damage the government's grandiose plans to alleviate poverty and pursue a large development programme.

It is unlikely that either the economy or the polity of Pakistan will be able to face up to the emerging challenges without a grand national effort to achieve reconciliation and reconstruction of national institutions, including the military. The unquestioned faith in the military as the sole instrument for achieving a secular, democratic enlightened and prosperous state is the day-dream whose time for demolition has come.

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