

Popular protests mount in Pakistan against government's IMF-dictated austerity measures

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Across Pakistan, opposition is growing to the savage austerity policies that are being implemented by Prime Minister Shehbaz Sharif's military-backed Muslim League (PML-Nawaz) government.

Since replacing the equally pro-austerity, pro-privatization government of Imran Khan and his Pakistan Tehreek-e-Insaf (PTI, Pakistan Movement for Justice) in 2022, Sharif has pushed through International Monetary Fund (IMF) diktats with the support of the entire Islamabad establishment, including the military and the top judges.

In April 2022, Khan—considered unreliable and antagonistic to the United States in his handling of the country's foreign policy—was ousted in a parliamentary non-confidence vote that was greenlighted and orchestrated by the military. Sharif then came to power at the head of a coalition government involving both major opposition parties, the PML-N and the Pakistan People's Party or PPP.

Backed by the most powerful sections of the ruling class, the military and state bureaucracy conspired to bring to power a PML (N) government led by Shehbaz's brother, the multi-term prime minister, Nawaz Sharif, in last January's National Assembly elections. But their attempt to rig the polls, including by jailing Khan on corruption and "terrorism" charges and preventing the PTI from contesting the elections, backfired disastrously. Benefiting from a sympathy vote engendered by opposition to the military's flagrant election-rigging, PTI "independents" won a plurality of National Assembly seats.

Fearing popular opprobrium and recognizing Pakistan's disastrous economic situation would require the new government to take draconian measures to satiate capital, Nawaz Sharif left the premiership to his brother and the PPP declined to enter the government. Instead, it has chosen to support it from the "outside."

The PML-N minority government is now preparing a new budget for the world's fifth most populous country. But the budget's outlines have already been spelled out by the US-dominated IMF.

Moreover, Washington, which has responded favourably to the attempts of Sharif and the army, now led by General Asim Munir, to patch up relations, will no doubt use the wrangling over a new multi-billion dollar bailout of Pakistan to extract geopolitical concessions.

Although Pakistan publicly denies it, there is a mountain of evidence to show that Washington's approval for the release of the final tranches of an IMF loan negotiated by the previous Imran Khan government was given in exchange for Islamabad's secret agreement to supply Ukraine weaponry for waging the US-NATO instigated war with Russia.

As demanded by the IMF, Sharif has already committed to gut more subsidies in the energy sector and allow the free-fall of the country's currency—both of which will further fuel inflation—as well as to hike taxes on essential goods.

Annual inflation, which ran at 8.9 percent in 2021, increased to 29.2

percent in 2023. Islamabad and the IMF enforced their austerity policies with no concern for the spiralling costs triggered by the war in Ukraine and the disruption of global production due to the spread of COVID-19. As a result, poverty jumped from 34.2 percent to 39.4 percent within just a year according to World Bank data in 2023.

Mass protests in Azad Kashmir

Among the most significant expressions of the growing anger among the masses in recent weeks were the protests that erupted in Pakistan-controlled Kashmir, which is officially known as Azad Jammu and Kashmir (AJK). Nominally a self-governing region of Pakistan, AJK is under Islamabad and the military's firm control.

A call for a protest march on May 11 to AJK's capital, Muzaffarabad against rising prices, was initially issued by the Jammu and Kashmir Awami Action Committee (AAC), an organization led by small traders that includes youth and public employee representatives. Among the demands were calls to end the privileged existence of the region's elite. The AJK government sought to pre-empt the march by arresting over 70 AAC activists just days before it was set to begin. This triggered a wheel-jam and shutter-down strike starting May 10.

The government's anti-democratic measures against the AAC won sympathy among the poverty-stricken masses, who are desperate for relief from skyrocketing prices. Large-scale protests erupted in many areas of Pakistan-held Kashmir, a mountainous region, which is home to more than 4 million people. Predictably, the AJK government responded with a further violent police crackdown, which was undoubtedly given the go-ahead by Islamabad. After police clashes with otherwise peaceful protesters, the police claimed a cop was killed while scores of protesters were injured.

On the third day of the protests, the AJK government responded by deploying paramilitary Rangers against protesters with Islamabad's assistance. Concerned by the growth of popular opposition, Sharif called an emergency meeting with AJK Prime Minister Chaudhry Anwar Haq on May 13 that led to the announcement of a 23 billion rupees (\$83 million) relief package for AJK.

That same day, a convoy of Rangers, allegedly on their way out of AJK, went on a shooting rampage and killed three protesters, while injuring at least six others. The last rites were offered to those killed the following afternoon, with large groups of people marching to Muzaffarabad to participate in the funeral prayers. Mourning was observed on Wednesday, May 15, with the dead described as martyrs.

Taken aback by the eruption of popular opposition, and fearing its control over the situation was limited, the leaders of the AAC jumped on Sharif's "relief" package to announce the end of the protests. The AAC limited its response to the shootings to an appeal to the government for the formation of a judicial commission to investigate the deaths.

The AJK government shut down schools and suspended mobile networks and internet services in most of the region to prevent further mass mobilizations. The population's access to mobile networks and the internet has become a primary target for the government in recent years as it seeks to contain opposition to its policies.

Sharif revealed the anxiety in Islamabad when he characterized the developments in AJK as "worrying." He also attempted to justify violent attacks on protesters by claiming the existence of "elements" seeking to "destabilise the region" among the protesters, without providing a shred of evidence. Such references are usually aimed at Pakistan's arch-rival India.

The ordeal to which Pakistan's ruling elite subjected the people of AJK in recent weeks—measures that it would denounce on the international stage if they had been carried out by India against the long-repressed population of Indian-administered Kashmir—exposes Islamabad's hypocrisy. Its only concern is exploiting the genuine grievances of the people of Kashmir to advance its own reactionary geostrategic competition against India in the region.

Having no objections either to the draconian IMF austerity or to Islamabad's tight grip on AJK, Islamabad's establishment media more or less followed the official line on the crackdown on protests in AJK.

On Wednesday, the Pakistani government told the Islamabad High Court that Ahmad Farhad—a Kashmiri journalist and poet who was kidnapped by state operatives from outside his home two weeks before—had been "found" and was in a local AJK jail. Lawyers acting on behalf of Farhad's wife had first filed a court complaint demanding the authorities reveal his whereabouts on May 15. The Pakistani military and its Inter-services Intelligence Agency have a long, bloody record of torture, "disappearances" and extra-judicial killings.

A wave of peasant-farmer protests

The eruption of protests over austerity and skyrocketing prices has not been limited to AJK. Peasant-farmer protests have also spread across Pakistan in recent weeks, especially in Punjab province, the country's most populous. The province is known as the "bread basket" of Pakistan due to the country's reliance on its crops. Farmers in various Punjab cities have protested since April against the government's failure to procure wheat from them, forcing them to sell their produce at prices that would leave them bankrupt before the next harvest.

While the government has slashed subsidies for wheat procurement and to control its market price, it has imported large stocks of wheat. It claims this is necessary to offset the loss of crops due to flooding. These imports have driven down the market price for wheat, further squeezing farmers' incomes. The farmer protests took the form of demonstrations and hunger strikes, but they were frequently subjected to police harassment. In Lahore, the police violence included a baton charge and barrages of tear gas, ending with the arrest of scores of farmers.

Despite the limited demands of the protests, they signify increased discontent among large sections of the population who are dependent on agriculture. When unprecedented floods linked to climate change destroyed crops in 2022, the government did virtually nothing to assist the recovery. At least 37 percent of Pakistan's labour is employed in agriculture, which accounts for 23 percent of the gross domestic product

(GDP). About 70 percent of the country's exports are agricultural-based goods.

The wave of protests in crisis-ridden Pakistan occurs as the government is negotiating another loan from the IMF. Last July, the government had to agree to yet another round of savage IMF austerity to access funds under an existing IMF loan and avert state bankruptcy. Now Islamabad is requesting a much larger sum, possibly beyond \$6 billion. The IMF has reportedly demanded that the minority government implement "prior actions" before an agreement for a new loan "given the unpredictable political environment," according to officials who spoke to *Dawn*.

These "prior actions" include new levies, including on petroleum, and a general increase in prices for energy products. Under a new program, the IMF is also demanding "broad-based reforms to improve the fiscal framework." This means further reducing social spending, driving up tax revenue, including by taxing pensions and privatization. *Dawn* commented, "The next phase of economic stabilisation will be very tough for most of the population."

The big-business PPP, one of the two traditional bourgeois parties of the Islamabad elite alongside the PML-N, is keeping Sharif's minority government in power while hiding behind its "conditional" support to maintain an entirely phony distance from these unpopular reforms. Lacking a popular mandate, the government, however, will embrace evermore authoritarian forms of rule as it seeks to force another austerity program on the population.

Due to worker resistance, successive governments have failed to privatise some of the country's largest enterprises, including Pakistan Airlines, companies in the energy sector and the railways. However, as a result of the treachery of the trade union apparatus, which has assiduously worked to isolate and wear down worker opposition, federal and provincial governments have managed to enforce substantial restructuring. This has already resulted in massive job losses and inroads into wages and benefits for workers.

The recent protests in Azad Kashmir are just the tip of the iceberg. The resentment and anger among the people across Pakistan over the loss of their most basic democratic rights, and the plight facing tens of millions due to the extreme socioeconomic crisis, are fueling a volcano that could erupt at any time.

This underscores that the working class must rally the rural toilers and oppressed behind it in opposition to all factions of the bourgeoisie. It must forge unity with workers in India and throughout the entire region on the basis of a socialist programme aimed at reorganising socioeconomic life and creating a framework for the amicable and equal development of all peoples—the Socialist United States of South Asia.



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