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SINDH'S RIGHT TO SELF DETERMINATION

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INTRODUCTION

INTRODUCTION

Sindh, a southeastern province of Pakistan covers an area of about 58,000 sq. miles. The current population is approximately 40 million. The Sindhis, current inhabitants of Sindh, are descendants of the Dravidians [1], with their distinct cultural heritage, language, sense of identification, and civilization known as "Indus Civilization" [2]. These characteristics and according to the conventions adapted in International Labor Organization's Convention 169 [3] Sindhis can be recognized as "Indigenous People" and a "Nation." Sindh has maintained the status of independent state till it was conquered in 1843 and merged into British India. In 1947 with the partition of sub-continent Sindhis were asked to join one of the federal structure of India and Pakistan, instead of restoring the original independent status. The governing body of Sindh at that time decided to join the newly created state of Pakistan on the basis of Pakistan Resolution of 1940 [4], according to which the constituent units were supposed to be autonomous and sovereign. Due to the unfair power structure in the federation of Pakistan, the promise of autonomy and sovereignty is never achieved. This has resulted in an incredible sate of economical, political and social hegemony and a terrible human rights situation.

After the partition in 1947, Pakistan has been under military rule for 40 years out of its 54 years of existence. Today it is under the de-facto martial law. All federal and provincial assemblies are dismissed. A military general is a President, Chief Executive and Military Chief at the same time. The crisis and instability in Pakistan is mainly derived from the country's present composition, in which one province, namely Punjab, has an overwhelming domination in all spheres of power. Indigenous Peoples of smaller provinces, especially Sindh and Balochistan, are being denied there due political, economic, social, and cultural rights.

This report contains a compilation of some articles on Sindh's right to self-determination. For further reading on this topic a short list of bibliography is also presented. Some relevant data and maps are also provided.



Figure1. Pakistan's major ethnic groups



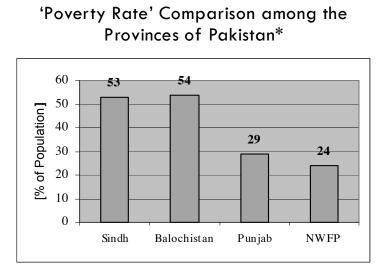
Figure 2. Map of Sindh

MAJOR GRIEVENCES OF SINDHIS

- Karachi was separated and made the capital of Pakistan, and it remained under federal exploitation till 1971.
- Forced migration of Sindhi Hindus from Sindh. Sindh was deprived of its educated and skilled middle classes.
- The allotment of the evacuated properties and the most fertile agricultural lands near *Gudu* and *Kotri* Barrage to immigrants from India and to the retired military and civil bureaucrats.
- The formation of One Unit, which resulted in the total abolition of statehood for all the provinces. This was done just to deny equal sharing of resources to Province of Bengal and other smaller provinces.
- Continuous migration from Punjab and other provinces. Official re-settlements of *Biharis* from Bangladesh, and Afghanis. Additionally, the construction of *Tarbela* and *Rawal* Dams caused a great influx of immigrants from NWFP and Punjab to Sindh.
- Forced Islamization and denial of indigenous cultures and Sufi traditions. State controlled media and school curricula popularize Islamic heroes and preach Pan-Islamicism and Two-Nation Theory, which is against the grain of Sindhi people.

- State sponsored dominance of the Urdu language and total negligence of the indigenous languages, literature and heritage.
- Direct or indirect military rule or the 'governor rule' throughout the 55 years of so-called freedom.
- Hundreds of Sindhis killed by the state agencies in 1983 and 1986 during the campaigns for Movement of Restoration of Democracy. Also massacres of Balochs were carried out in 1947 and 1973, and Bengalis in 1970-71.
- Repeated federal dismissal of elected assemblies of Sindh and other provinces in 1992, 1995, 1998 and 1999. Military manipulated the current 'civilian' government of 2002.
- State engineered civil wars among various communities in Sindh. Total negligence of law and order in Sindh, resulting in the paralysis of civic life.
- Unfair allocation of funds for Sindh, e.g. NFC Award, PSDP, etc.
- Continued efforts for the construction of Thal Canal, Kalabagh Dam, which have been disapproved by all the provincial assemblies except the Punjab assembly. Various dams and barrages have been built on River Indus resulting in the lack of irrigation in Sindh.
- Manipulations of population census figures.
- The construction of Asia's largest military cantonments in Sindh.
- Spending more than 70% of total budget on defense and debt servicing.
- Unequal water distribution that has damaged Sindh's agriculture

SOME FACTS AND FIGURES



*Source The Dawn, Sept 25th, 2002, Reference to Asian Development Bank

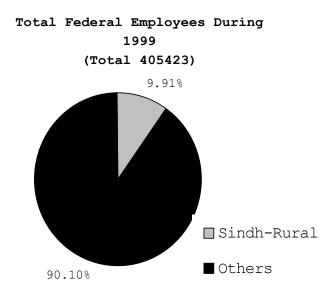
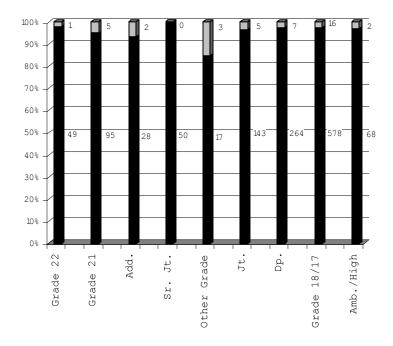


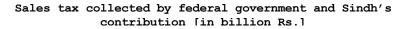
Figure 3. Poverty Rate Comparison among Provinces of Pakistan – September 2002

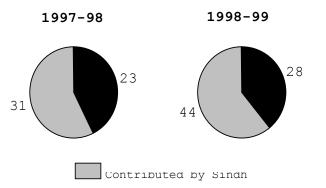
Figure 4. Total Employment of Sindhis in Federal Government in 1999.



Top Ranking Federal Government Employees and Ratio of Sindhis

Figure 5. Ratio of Sindhi Employees in Top Ranking Federal Jobs





Source: S. Ghausi, "Sindh facing resource outflow," Daily Dawn, Karachi, October 22, 1999. [Numbers reported by Central Board of Revenue, Pakistan]

Figure 6. Sales Tax Contributed by Sindh [in billion Rs.]

Comparative Water Shortage Status Under Water Accord 1991 (Oct. 1'00—Feb. 20, 01)*		
*By Naseer Memon on WorldSindhiNet	Punjab	Sindh
Allotted Share (MAF)	14.30	11.994
Actual Utilization	10.016	7.486
Received % of Allotted	70.00 %	62.5 %
Shortage	30 %	37.5 %

Figure 7. Water Shortage Comparison between Punjab and Sindh in Year 2000-01



Figure 8. Thal Canal, Kalabagh Dam and Several Other Projects are being built in Upper Riparian of River Indus causing extreme water scarcity in Sindh

ARTICLES

GENESIS OF SEPARATIST SENTIMENT IN SINDH BY SIRAJUL HAQUE MEMON



DAILY DAWN PAKISTAN DAY SPECIAL ISSUE - MARCH 23, 2001

History, as recorded in the Indian subcontinent, has seldom dilated upon the real sentiments of the nations, peoples or the masses inhabiting various politically sovereign territories comprising the region. The reason is not far to seek. "Historians", travelers and authors through ages, without exception, have been courtiers of the ruling dynasties, most of whom in turn have been installed by marauders and plunderers of yore. Such historiographers have, without blinking their eyelids, eulogized the most despicable rascals as most eminent monarchs, defenders of faith and purveyors of justice, virtue and generosity. On the other hand, they have castigated and ridiculed the rulers and leaders of the people, indeed the people themselves, who were subjugated or enslaved, as despicable scum of the earth only to be punished, crushed and beheaded for the slightest provocation.

Take the example of Nadir Shah's historiographers who accompanied him on his campaign against the Mughal King of Delhi or against Sindh under Mian Noor Mohammad Kalhoro. Nadir Shah has been praised beyond belief as the most benign defender of the faith of Islam, and the rulers of Delhi and Sindh have been depicted as weaklings, mischief mongers, and heathens.

In the plethora of gibberish written by such "intellectual courtesans", one can only find oblique references to rebellions, uprisings and struggles for freedom by the subjugated peoples and nations like Sindh.

The tradition of such falsification of history has continued to this day, albeit with some sophistication and subtlety. Sophistication of the British historians is exemplified by the narrations of authors like Richard Burton on Sindh. The history of post-British period, authored by Dr Ishtiaq Husain Qureshi, which is now the basis of all text-books of history in the educational institutions of Pakistan, is another example of this falsification.

A new trend has now emerged in the writings of Ayesha Jalal (see her "The Sole Spokesman" and "Self and Sovereignty" published by Cambridge University Press and Oxford University Press respectively) and Aitzaz Ahsan's "The Indus Saga", published by Oxford University Press. Both these venerable authors have adopted a so-called modern and liberal methodology, which conveniently glosses over the "separatist sentiment" by clever presentation of a larger canvass of South Asia or in the case of Aitzaz Ahsan, the Indus region comprising the whole of present Pakistan.

Aitzaz has made a Herculean effort to depict the wishful embroidery of contrast between the Gangetic plain and the Indus Valley. Both the learned authors have tried to submerge the nationhood of Sindhis, Punjabis, Pakhtoons and Balochies in a larger conundrum of South Asian polity or the myth of Indus persona.

To understand the separatist sentiment in Sindh, let us have a look at the universally accepted definition of a "nation". The Black's Law Dictionary defines the nation as under:

"Nation: A people, or aggregation of men, existing in the form of an organized rural society, unusually inhabiting a distinct portion of the earth, speaking the same language, using the same customs, possessing historic continuity, and distinguished from other like groups by their racial origin and characteristics, and generally, but not necessarily, living under the same government and sovereignty."

The Sindhis feel that they are a separate and full-fledged nation, according to the recognized political, social as well as cultural principles. They are proud of their past, their language, their culture, their literature and their folklore. They are proud of the resistance movements of their forefathers against the Greeks (Alexander the Great), the Achaemenids (Darius-I), the Arabs, the Taghlaks, the Mughals and the Arghuns, Nadir Shah and the Afghan marauders like Shah Shuja and lastly the British.

The battles of Miani and Dabo against the British, which resulted in the enslavement of Sindhis, have a central place in their folklore and poetry, especially the bravery and sacrifices of heroes like Hoshu. Language and literature play a very vital part in the building blocks of nationalism - call it separatist sentiment or give it any other derogatory name. The fact is that Sindh has an extremely rich literature which has inspired its people for centuries to fight for their freedom and liberty.

It is in this background that the recent past has to be evaluated. The British introduced the people of Sindh to modern education through their mother-tongue. Sindhi language not only became a vehicle for education but it also acted as a political tool through the medium of journalism. By the 1930's, a number of daily and weekly newspapers were published from Karachi, Hyderabad and Sukkur.

On annexation, the British Government had amalgamated Sindh into Bombay Presidency. A campaign was started through the vernacular press for separation of Sindh from Bombay. It gathered momentum when looking at the trend of public opinion, political parties such as the Congress and the Muslim League too joined in. No political party could survive in Sindh if it opposed the Separation Movement. Hindu Maha Sabha was the only party which opposed the separation being mostly financed by merchants of Bombay. But soon it lost face in the towns and villages of Sindh and slowly and gradually it ceased to be an influential political party in Sindh.

If one reads the newspapers of those days, one finds a strange undercurrent of a freedom movement. It appears as if the struggle was not merely for a provincial status of Sindh but for an independent Sindh. In 1936, Sindh attained the status of a separate province. Daily "Alwaheed" published a voluminous "Azadi Number". So did other newspapers and journals. The central theme of literary output of the 1930's was "Azadi", i.e., freedom. Separation of Sindh from Bombay was equated with freedom and liberty of a subjugated nation.

This theme of freedom and liberty was not transitory. It continued in the following decades but it got mixed up with freedom movements against the British rule by the Congress as well as the Muslim League.

The Hur Movement was a watershed in the political development in Sindh. On the one hand it introduced the element of violence and dacoities, and on the other, it resulted in a confusion of perceptions. Some interpreted it as a struggle for a "Free Sindh" for which Pir Sahib Pagaro was waging a war against the British. The British propaganda portrayed it as a fascist conspiracy with covert support of the Nazis. The confusion still persists in scholarly writings on the subject as to whether it was a "freedom movement" or an effort to destabilize the British Government in India in its fight against Germany. Nevertheless, literary output on atrocities of the British troops against the Hurs and the aerial bombardment of unarmed villages in the Makhi area contains some of the most moving pieces of literature.

The Sindhi nationalism, which succeeded in the separation of Sindh from Bombay, was overtaken by the Hur Movement, and later by the freedom movement of India against the British on the two parallel platforms of the Congress and the Muslim League.

When the Muslim League passed the Pakistan Resolution on 23rd March 1940 at Lahore, visualizing a Confederal arrangement where the units or states will be autonomous and sovereign, the Sindhi nationalist element was, to a large extent, satisfied. A sizable minority of intellectuals and writers, however, was of the view that since Sindh was an independent country in 1983 when the British annexed it, in the eventuality of the British quitting India, it should be restored as an independent state. It was in this context that pamphlets like "Save Sindh, Save the Continent" were published and widely circulated.

With the "freedom", came the partition of India and the holocaust. Hundreds of thousands of Hindus, mainly the emerging middle class, started migrating from Sindh and hundreds of thousand of Muslim refugees started arriving in Sindh completely changing the ground realities, as also the political and social complexion of Sindh. Sindhis were aghast at this colossal change. Sindh was perhaps the only province where the two communities - Hindus and Muslims - were living peacefully despite political differences among them. But the arrival of Muslims who had been the victims of violence in India, changed the atmosphere of peace and tolerance.

In Karachi and Hyderabad Hindus were attacked and killed beginning the exodus of Hindus from Sindh. Most of the fleeing Hindus were either merchants or professionals, teachers, government servants, writers and intellectuals. With their departure, the Sindhi Society felt culturally orphaned. The newly arriving Muslims were an unknown quantity and above all they were in a pitiable condition.

The Sindhis did whatever was humanly possible to accommodate and help the new arrivals to settle down. However, the difference of language and culture created a lack of understanding and mutual acceptance. This imbalance initially was merely irritating, but later it created situations which destabilized not only the socio-political setup in Sindh but also had far reaching socio-economic repercussions on Sindh.

Almost the entire bureaucracy at the federal level comprised either of officers belonging to Punjab or of immigrants who had opted to join government service in Pakistan. As a consequence, policies made and decisions taken at the highest level did not take into consideration sensibilities of the local people.

The allotment of lands, houses and shops left by Hindus to the immigrants on a preferential basis and by introduction of a partisan legal system not only created disenchantment in the local population but created a system of bribery, jobbery and corruption which, almost every sociologist agrees, is the root-cause of the present level of corruption in Pakistan. Sindhis not only resented this but took it as an affront which normally arouses inimical and separatist sentiments and tendencies.

Separation of Karachi: While these economic factors were creating heartburns and bickering, suddenly Mr Jinnah took a unilateral decision of separating Karachi from the province of Sindh. This decision had almost the same impact as that of his decision announced in Dhaka that Urdu was going to be the sole

national language of Pakistan. The latter decision, it is now recognized, sowed the seeds of secession of East Pakistan. The entire Sindh was aghast at this announcement.

The old sentiment, that emergence of Pakistan may be detrimental to Sindh, resurfaced. Even Muslim League leaders like Mr Mohammad Ayub Khuhro strongly protested against this decision. The entire community of students, teachers, writers, intellectuals and other literate segments of Sindhi society expressed their extreme resentment. But the wishes of the people were ignored, sowing the seeds of separatist sentiment once again in Sindh. The reaction in Sindh was not as violent as in East Pakistan on the language issue, but the feelings were as strong as could be.

Separation of Karachi from Sindh was only a beginning. Sooner rather than later, the very existence of Sindh was at stake. In order to meet the challenge of resentment in East Pakistan over the language issue and the economic disequilibria, including uneven employment opportunities, the leadership at the federal level thought of a clever scheme of parity between the country's two wings. In pursuance of the Scheme, existing provinces in the Western wing were to be merged into a new bigger province of West Pakistan under a legal arrangement notoriously known as One Unit.

All hell broke loose when it was decided to have the "Establishment of West Pakistan Act, 1955" endorsed by the provincial assemblies. There were widespread riots. When the voice of the people - to undo One Unit, to protect Sindhi language and culture, to restore the economic rights of the Sindhi people - reverberated in the halls of West Pakistan Assembly, the civil and military bureaucracy conspired to dissolve the assemblies and impose Martial Law in 1958.

It has become almost an unwritten convention of Pakistan that whenever the legitimate rights of people have to be denied, or whenever the crises have reached a stage where there is no alternative but to yield to popular demands, the establishment has conspired to create yet another alternative of the imposition of Martial Law.

With every such deviation, Pakistan has lost its credentials as a legitimate state in the modern sense. During each of the military takeovers, whatever may have happened to the socio-political status quo in the country, Sindh has been robbed of its resources, by overt and covert acts of the establishment.

During these periods of army rule, federal agencies have taken over lands on one pretext or another in the most fertile areas of Sindh and distributed them among military officers. Today, over a million acres have been allotted to senior and junior members of the armed forces mostly during the periods of military suzerainty. The civil bureaucracy too for their advantage then adopts this tradition of usurpation. It is on this account that we find large tracts of fertile farms in the names of families of civil and military bureaucrats.

The other consequence of military takeovers has been that the Sindhis have been deprived of employment opportunities even of petty jobs. Each officer posted in Sindh has to his credit at least four jobs for his relatives or "graeens" as they are called. During a recent survey carried out by an NGO, as against the rural Sindh quota of 11.5 per cent in the federal jobs, actual employment is about 3.72 per cent. This percentage must have reduced under the present dispensation because under the garb of right sizing or downsizing under instructions of the federal government, more than sixty thousand Sindhis have lost their livelihood on one pretext or another.

One can go on and on counting the inequities done to Sindh and its people during the past five decades. But the most harrowing is the deprivation of water from the Indus river system.

It was again during a military rule that the Indus Basin Treaty was conceptualized and put into effect. Under the treaty Pakistan was to surrender three of its rivers to India in exchange for investment by the World Bank and other international donor institutions for the construction of Mangla and Tarbela dams as reservoirs. Sindh, being a lower riparian and the three rivers being tributaries of the main River Indus, it was apprehended that at some point in future when, due to climatic changes and silting of the reservoirs, the river water would become scarce, it would only be Sindh which would suffer the consequences. A number of seminars and rallies were held against the proposed treaty. It now appears that the apprehensions were true and what the Sindhi engineers had foreseen has come true. The present water crisis is a direct result of the surrender of available source of water of three rivers, which contributed to the flow of the Indus. The new reservoirs acquired in exchange are the main source as arteries to the irrigation system of Punjab. The new canal system, derived from the new dams and reservoirs, gave an upper hand to Punjab. It being the upper riparian could easily divert and utilize the water, which in fact was allocable to Sindh and Balochistan. This is exactly what has actually been happening.

The present crisis is having a far-reaching effect on the minds of Sindhi people. The water accord of 1991 arrived at by a consensus of all the parties is being disregarded by Punjab and in spite of a decision to the contrary by IRSA or the federal government, water is released or diverted to Punjab at the cost of Sindh. Punjab also has a natural advantage of its ground water being sweet and potable while the ground water in Sindh is brackish and of no use for irrigation or drinking.

Thus the present crisis has resulted in almost complete destruction of the irrigation system in Sindh. All the crops sown in Sindh have the prospect of drying up without an ounce of produce. There is general sense of loss and helplessness. Newspapers show the bed of the mighty river Indus at Kotri as barren as the Thar Desert. There have been famine conditions in Thar and Kohistan for the last two years. Almost an identical prospect is apprehended all over the province.

There is a roar inside the hearts and minds of the people of Sindh. The sea of hopelessness is seething resulting in foaming wrath against whoever is or was even remotely connected with the governance of Sindh, past and present. It is not merely a separatist sentiment. It is a sentiment to seek survival. How they plan out and sublimate their wrath or the separatist sentiment is a phenomenon, which cannot be avoided, provided an honest, unbiased and objective analysis is made in historical perspective. Only an honest effort can avert the *deja vu* of break-up of the country in 1971.

SHOULD PAKISTAN BE BROKEN UP? BY GUL A AGHA, PHD.

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The 20th century was a time of the collapse of colonialism -- perhaps no event marked the collapse more than the end of British rule in the Indian subcontinent in 1947. A large number of new states were created in this period and the concept of international law was conceived. International law represented a compromise between powerful countries and their interests, and the fears of newly decolonized countries. Unfortunately, the idea of protecting existing boundaries between states -- viewed as the principal means to maintain peace -- took primacy over individual human rights as well as the cultural and historic rights of different nations. Since the end of the cold war, fortunately the idea of using international law to promote human rights has been gaining strength.

The borders of many new states were drawn arbitrarily -- ignoring the history, language and culture of the peoples affected. Pakistan is one such state -- created by a colonial power, it is a state devoid of any historical or cultural basis. The current premise of policy makers in many countries is predicated on the notion that the continued existence of Pakistan can contribute to regional stability and promote global security. It is a premise that needs to be carefully examined.

History of Pakistan

In the 1930s, the Indian movement for independence had gained considerable momentum. As a means of postponing their day of departure, British colonialists promoted a Muslim leadership which encouraged religious divisions in the subcontinent. Later the British found it expedient -- and apparently beneficial to their geostrategic interests -- to create an oddly shaped Muslim majority state, separated into two "wings" more than a thousand miles apart.

Pakistan had problems since its inception. One small ethnic group of migrants, Urdu speakers from Northern India who call themselves 'Mohajirs', initially dominated its bureaucracy and government. Another ethnic group, Punjabi speakers representing about 20% of the population, dominated its Military, while a third, Bengali speakers, constituted its majority. Power resided in the first two ethnic groups and their control of the state led to a rebellion among the majority Bengali speakers. After a quarter century of strife and ruthless attempts to suppress the Bengali majority, including a genocide, Bangladesh was created. Thus Pakistan was partitioned into two separate states, one of which retained the name.

Pakistan's Ethnic Groups

The truncated borders of Pakistan consist of four major ethnic groups -- Punjabis, Sindhis, Pushtuns, and Baluchis -- and several other ethnic groups, Mohajirs in southern cities of Karachi and Hyderabad, Kashmiris in the North, and Seraiki speaking groups in the middle.

Pakistan borders four countries, Afghanistan, Iran, China and India. The border with each of these countries is problematic. The border with Afghanistan is based on the so-called Durand Line -- arbitrarily demarcated by the British in the 19th century. Pushtuns, who were historically united, live on both sides of this mountainous border. The border with Iran is mostly populated by Baluch tribes who live in a large sparsely populated desert on both sides of the border. The Baluchis in Pakistan demanded autonomy in the 1970s and thousands were massacred by the Pakistan military.

The border with India runs through three distinct regions. To the north is the former kingdom of Jammu and Kashmir, a focus of much contention and dispute. The division of Kashmiris between India and Pakistan is against their will. The Pakistani-occupied part of Kashmir borders not only India, but also the Chinese occupied region of Uighurs. On the Pakistani side of the Kashmir border, there are also several other ethnic groups besides the Kashmiris, such as the Gilgitis and Baltistanis.

In the middle of Pakistan are Punjabis, who now represent about 40% of the population, and constitute 90% of the military. Punjab was partitioned on the basis of religion, and Punjabis seem quite satisfied with this division. It is an area which saw many massacres on the basis of creed -- and the bloodletting resulted in 'ethnic' cleansing on both sides of the border. South of the Punjabis live Seraiki speaking people, some of whom bear greater affinity to Sindhis.

The southern border with India runs through Sindh. The majority of Sindh's over 30 million people live in the valley carved by the once mighty Indus river. Sindh's western region is part of the Great Indian Desert of Thar, through which a border was drawn more or less arbitrarily. Sindh's southern boundary is marked by the Indian Ocean and Kutch, a region that has close linguistic and cultural affinity to Sindh, but is now a part of India.

The Aspirations of the Sindhis

Sindhis are predominantly sufis who believe in harmony and tolerance in the matter of religion. Before the partition of India, the majority of Sindhis consistently voted against candidates supporting Pakistan. Although the British colonialists used their considerable power and influence to support the pro-Pakistan candidates in 1946, such candidates succeeded in obtaining only about 40% of the popular vote.

By gerrymandering the electorate, the colonialists managed the election of a majority in the Sindh Assembly which favored joining Pakistan. The Sindhi vote for Pakistan was also facilitated by the now famous 'Lahore Resolution' passed by the Muslim League -- this resolution promised "autonomy and sovereignty of constituent units" and "protection of religious minorities". Sindhis have strongly resented Pakistan, whose policies since inception have been the very anti-thesis of both these principles.

The Current Situation

Pakistan today is held together by a powerful military which directly consumes 70% of the its budget after debt payments. The military has gained strength by opportunistically aligning itself with the United States, China and Saudi Arabia. It has directly ruled the country for most of its history and has cultivated relations with the fundamentalist Islamist clergy to strengthen its hold on power. In fact, the military is a bastion of Islamists who are influenced by fundamentalist movements such as Wahabism and Deobandism -- the same movements which hold sway among large numbers of Pakistani Punjabis.

In fact, the Pakistan military is a key source of instability in the region. Internally, it has repeatedly destabilized elected governments. It was the primary supporter of the Taliban in Afghanistan, responsible for bringing them into power. Recently, an American official was quoted as saying that the U.S. did not realize how critical the Pakistanis were in propping up the Taliban -- when that support was finally withdrawn four

weeks after the start of the American bombing, the Taliban regime collapsed. ISI, Pakistan military's intelligence service is believed to have been deeply involved in heroin smuggling operations -- with such operations providing the bulk of its operating budget. And the ISI continues to sponsor terrorism against neighboring India.

The Future of Pakistan

Despite the diabolical role of the Pakistan military, it has been an axiom of faith among policy makers in the U.S., and even in arch rival India, that the continuation of Pakistan is desirable, even necessary, for stability in the region. Several reasons are commonly advanced for this position: the dissolution of Pakistan would encourage divisions within India; it would result in an uncertain future for nuclear weapons now in the hands of the stable Pakistan military, and a view among the U.S. policymakers that the Pakistani state can serve as a useful client or proxy in the war against terrorism. None of these reasons stands up to closer scrutiny.

India has largely succeeded in its national integration through democracy, federalism, and building of strong independent institutions such as the judiciary and the media. Its future will depend on the continuing strength of these internal institutions in addressing its needs. No doubt these needs are many, some visible ones such as increased economic growth and improved efficiency in the distribution of goods, and some less visible ones such as cultural and linguistic protection for smaller ethnic groups.

Nuclear weapons in the hands of Pakistan pose a danger to peace, not only in South Asia but elsewhere. Policy makers are lulled into complacency by the experience of the cold war where the doctrine of 'Mutually Assured Destruction' kept the superpowers from directly waging war. In fact, such analogizing fails to appreciate the psychology of the forces at work in the Pakistan military. During the cold war, the superpowers -- fearful of a nuclear holocaust -- avoided direct conflict with each other. On the other hand, emboldened by its possession of nuclear weapons, the Pakistan military not only increased its support for terrorism against India, it directly attacked India in Kargil -- gambling that India will not want to escalate the fight by employing its conventional superiority in new theaters of war.

It may seem far fetched to the rational mind that some Islamist faction within the military could seize and smuggle nuclear weapons or materials for use in 'jihad' against India, Israel or a Western power. In fact, given an understanding of the type of religious fanaticism common in the Pakistan military at all levels, it is likely not a question of 'if' but 'when', left unchecked, such a scenario will unfold. The moral barometer of the military can be appreciated by observing that it is the very same unreconstructed and unrepentant military that massacred millions of people in Bangladesh and provided logistic support to the Taliban and Al-Qaeda terrorists in Afghanistan.

Those who believe that it is possible to bribe or browbeat Pakistan into a compliant client state have been missing the elaborate game of charade played for long by the Pakistani military. While it is a state that chose to support the international coalition against terrorism when and where it had no choice, in the long run the prejudices of its dominant ethnic group will be reflected in its covert policies. Sure, the Pakistan military provided visible support to the coalition -- but in all likelihood, the military also covertly organized pro-Taliban, anti-U.S. demonstration to exaggerate its own role. And the Pakistani dictator General Musharaf, justifying his decision to support the coalition, implied that it was a tactical compromise on the way to securing an eventual 'victory against the infidels and the Jews.' It should be clear where the real goals of Pakistan lie, despite protestations to get increased aid from the West and strengthen its own institution while continuing to build Islamist proxy forces.

What Replaces Pakistan?

Dissolution of Pakistan will largely bring things back into their natural national and ethnic boundaries. The Pushtun areas of Pakistan belong with the newly liberated Afghanistan. Kashmiris in India already enjoy numerous unique protections, e.g. against encroachment by migration from other parts of India. A unified Kashmir will be able to negotiate ways of maintaining its identity in India. Distinct ethnic regions in the Pakistani occupied part of the former kingdom of Kashmir, such as Baltistan and Gilgit, could enjoy greater autonomy.

A successor Pakistani Punjabi state would be far easier to contain. Bounded within plains that are easy to penetrate and police, stripped of 80% of the resources now consumed by its military, it would be far less menacing. Ironically, freed of its militaristic pretensions, it could enjoy greater economic growth and prosperity in the long run by embracing a more peaceful ideology.

The Future of Sindh

What about the future of Sindh and Pakistan-occupied Baluchistan? Baluchistan is a desert area, though rich in some mineral deposits. The bulk of Baluchi population lives on the border of Sindh and has enjoyed free movement and interchange with the Sindhi people. It is likely that the fate of these two regions is tied together, as it was in older times.

Sindh is rich in agriculture, has deposits of oil, coal and gas, and a well-developed port. It is the most industrialized region in the neighborhood. Shorn of the huge subsidy claimed by Punjab and its military, Sindh is likely to see rapid economic growth. This growth will be aided and abetted by the large number of expatriate Sindhi entrepreneurs and industrialists, including some billionaires. Sindhis have an ancient mercantile tradition, and their emphasis on pragmatism, tolerance and harmony are all useful attributes in a modern economy.

Should Sindh be a Part of India?

There are a number of arguments in favor of Sindh joining the Indian union. India is a secular, democratic country which is well-suited to the psyche of the sufi-minded Sindhis. Four months after the creation of Pakistan, 20% of the population of Sindhis was forced to migrate to India when hordes of refugees were encouraged by the Pakistani government to riot in hitherto peaceful Sindhi cities. Many of these Sindhis have settled in India and, after a long arduous struggle, they have prospered. While the diaspora Sindhis no doubt enjoy the moral and legal right of return, it is unlikely that a majority of them would now opt to migrate back to their ancestral homes. Under the circumstances, the unification of Sindh with India would allow the two groups of Sindhis to easily interact and support each other.

Unfortunately, Sindh cannot afford to unify with India in the near future. The greatest threat to Sindhis is demographic -- up to a quarter of those living in Sindh are Mohajirs, Muslims who migrated from Northern Indian provinces such as Uttar Pradesh and Bihar. The population of areas where they immigrated from continues to increase rapidly while the economic growth of those areas remains stunted. The linguistic, cultural and religious affinity of Mohajirs with their brethren in North India could make Sindh a magnet for further immigration unless Sindh is able to exercise vigorous control of its borders.

An independent Sindh will serve as a natural conduit for oil and gas pipelines from energy rich Central Asia to energy starved South Asia. Without an entrenched bureaucracy, Sindh will rapidly lead the way to economic expansion in South Asia. Most significantly for the rest of the world, given its long peaceful sufi tradition, an independent Sindh will provide a bulwark against fanaticism and promote peace and prosperity.

Policy makers would do well to focus their energy on the unenviable but inevitable task of dismantling Pakistan as expeditiously as possible.

RIGHTS OF SINDH TO SELF-DETERMINATION BY MOHAMMED IBRAHIM JOYO

Saturday, January 11, 2003, Daily Ibrat, Sindh

Non-Homogeneity of sentiment and incoherence of will has been the single baneful ness of life of the peoples hustled together to live in a rigid Unitarian state called Pakistan.

The argument behind the arrangement is, or was, that Muslims of Indian sub continent were a separate single nation and had to live in a separate single state after freedom from British Imperialist Rule.

The argument, highly generalized as it was, had to take various from and assume several airy tones in the process, till it narrowed itself on the single state of Pakistan form Muslim majority areas in the North-West and North-East India. Later, it took yet a different and obviously a self-contradictory from, which it retains today-that of two separate "Muslim" states viz., the parted "majority" state of Bangladesh, and the left over minority" state of Pakistan. This, the latest form of it, was exactly what Dr. Sir Mohammed Iqbal had perceived in the year 1930, in what is said to be, his "dream" about it, "to achieve the Islamic rights" as the had then declared.

As matter of actual history, however, the Muslim People the world over lived, and were living, in different countries as integral parts, large of small, of different nations. Their Empires - the Umayyid, the abased, the Fatmid, the Turkish and the Mughal - lasted for different periods, and, like all other empires, held together a number of peoples or nation, including Muslims, only by force.

The Muslim of Indian sub-continents, or even of North-West India separately, were reckoned by none the world over, neither by the British rulers or there Indian Empire, nor, almost all along, even by the All-India Muslim League itself, to be a separate single nation. The Lahore Resolution of March 1940 on "Pakistan and the 1941 constitution of all - India Muslim League, offered sovereignty and autonomy to constituent units - homelands of Bengalis, Pakhtuns, Punjabs, Balochs and Sindhis - each as covering and autonomous people, not on basis of religion but virtually of language, history and territoriality. The text of the Resolution itself, as it stood worded, perceived them all as "States" (in plural). As for Dr. Iqbal's "dream" about it, it was only a self-confessed bid on his part for "an amalgamated and consolidated" single province of (greater) Punjab (with even Kashmir not included).

Quaid-I-Azam Mohammad Ali Jinnah in his inaugural address to the Constitutional Assembly of, as he put it, "a month-eaten and truncated Pakistan" on August 13, 1947, declared religion, including the religion of Islam, to be "the personal faith of each individual" determining no nation identity of any citizen of Pakistan, and, with this declaration, which was a one hundred and eighty degrees turn-about, he put the ideas of any "Muslim" Nation-ness in Pakistan (Or in India) right out of question. It was an unequivocal formulation on his part, on the lines of universally accepted political thought on modern concept of nation-ness, to be effect that if at all any new nation was born with the birth of Pakistan, it was a "Pakistani Nation", and by no means any Muslim Nation in Pakistan.

Pakistan perceived thus by All-India Muslim league, held out the protection of religious, cultural, economic, administrative and other rights and interests of the rest of the Muslims and others minorities" in the rest of India in return for similar "save guards for Hindus and other minorities in Pakistan to be specifically provided in the Constitution of Pakistan.

Thus a reasonably sound and practicable bargain albeit based on rhetoric converted to logic on behalf of All-India Muslim League, was offered to all concerned, and the non-suspecting constituent units, minorities, and other both in Pakistan and in India could look forward each to obtaining a justly shared socio-political status and enjoying guaranteed rights and privileges of equal citizenship in the two independent and free states federal or confederal in nature) of India and Pakistan, at the close of the British Rule in the sub continent.

What was it what went wrong the non of these prospects could materialise for the constituent units of Pakistan or for the minorities. (Muslims and Hindus or others) in the two succeeding countries. It is the most discomfiting back-lash of this unexpected socio-political wrong which continues yet holding the subcontinent exposed to quarrels, conflicts and even wars, after the passage of over fifty long years.

Turning nearer, and also across, the fence, one locates and identifies at once the injury of the antidemocratic long-simmering communal wound - precisely the one which by partition was to be healed - to be the cause of the malaise.

The partitioning of the sub-continent was held out, rather demanded, s the right royal solution of communal problem that, among other factors, the "Divide-and-Rule" policy of the British colonialist administration had stoked into an impetuous blaze. The prescription of the solution of the problem was drawn up by the All India Muslim League in terms of its Lahore Resolution of 1940, carefully enshrining the same formula later in the constitution of its party organization i.e., Constitutionally guaranteed safeguards for the minorities to be worked out "in consultation with them", and similarly ensured socio-political status of sovereignty and autonomy for the constituents units, were the two main components of the prescription to be dispensed by way of turning promises in to performances. There was a blatant failure through in the compounding of this prescription otherwise heartily offered, for the brotherly life together of the peoples of Pakistan, and as a security for keeping faith for parallel peaceable-ness and co-existence of the two succeeding mega states. The failure sprouted and grew from bad faith viz., substitution of healthy socio-political elements of cularism, democracy and modernism enshrined in Pakistan Resolution, the League's Constitution and the Quaid-i-Azam's reading of them, with infected elements of communalism, despotism and reaction. The substitution raised storms of hatred and arrogance and greed instead of breezes of love and humanity. In place of the adage: "The remedy of failures of democracy in more democracy" we blindly for evils of communalism in more communalism. And sure enough we went on harvesting the baneful fruits of adverse fate of divinely rejected people, which indeed is the retribution for our own deeds and blunders of our own making. What a failure! What a slip!! What a fall!!!

To Survive the course of fatality, what needs to be done was to apply the brakes and change the direction. But what we have so for been doing, is precisely the opposite. Having thus thrown all scruples of commitments and principles aside, we have headed for totalitarianism, discovering our weaponry in hypocrisy, defenses in expansionism and armour for safety in sectarianism and fundamentalism. And thereby we are heading fast for the brink to the yawning disaster ahead.

The disaster that a country or a state should fear the most is the civil strife it may find itself embroiled in, with no escape out of it. And all the worst for it, for whatever reasons, it cherished the poison-emitting roots of strife as roots of life to be fed rather than starved and deprived of their elements. It was Mr. Jinnah himself who identified these roots of wrath-the politics of Big Brother and the politics of fancied special interest groups-at the very inception the idea of Pakistan politically and at the birth of Pakistan a country-and warned all concerned against their wild growth into communalisms and sectarianisms of all sorts under 'warrior' Lords who could function politically only as conquest-groups and never democratically or even humanistically. The 1940 Pakistan Resolution and Quaid-I-Azam's August 47 inaugural address to the Constituent Assembly were there to check the arrogant over-steppings of the Big Brother on one hand and

the wild sprouting of the politically disintegrative elements in the liberal and just democratic federal set-up of Pakistan basically and originally conceived.

Those who turned their blind eye to the words of wisdom enshrined in the Resolution and their deaf ear to the words of great foresight of the Quaid, and rejected the clarion leads of the Resolution as regards the equality of nations and their rights to sovereignty and autonomy as constituent units of Pakistan, are responsible for subverting politics in Pakistan into communalisms and sectarianisms a-galore, putting thereby the sentiments of the peoples and their will into baneful and wild channels.

Pakistan today is confronts with an extremely dangerous set of conditions. It is time that we learnt a lesson from our past, and also paid heed to what History of nations of the world may hold for our good, so that we may arrive at a better understanding of our future and of our future and of the hard path to it. Is indeed out first duty to save Pakistan from itself, to decolonise it internally and afford a fresh breath of air to nations languishing for life within it.

ENDLESS DEPRIVATION OF SINDH BY SYED ASAD ALI SHAH

DAILY DAWN, 1998

A few months from now, I had written in these columns the tale of financial sufferings of Sindh, with special reference to the raw deal it received from the care takers of 1997 in terms of 1996 NFC award. Since then, the financial crisis of the province has further aggravated. At that time, its deprivation was only confined to financial bankruptcy. Now, even its inherent right of democratic governance, that is, its right to be ruled through its chosen representatives has also been hijacked with the imposition of the federal rule in the garb of emergency, which has continued over the past six months. And, from the statements of government's spin-doctors, there is no sign of it ending in the foreseeable future.

Soon, we have heard, even the budget of the province will be presented by the governor, a nominee of the federal government, after suspending the relevant constitutional provisions which make it mandatory that the budget be passed by the provincial assembly. Even the financial proposals that are customarily presented in the form of a Finance Bill in the provincial assembly, will be promulgated through an ordinance. And, while the government is run by the federal nominees, supported by chosen bureaucrats, the provincial assembly has been reduced to a powerless debating society. Thus, the process of systematic wreckage of democratic institutions, provincial autonomy and the principles of federalism continues unabated.

Since the province is currently under the federal rule, and the federal representatives are also engaged with the issues concerning its fast deteriorating budgetary and financial position, it may be a proper time to review some underlying facts and figures that are at the root of the province's dire financial wretchedness.

Upon an objective assessment, present rulers will realise that Sindh remains the richest of all the provinces in Pakistan in terms of its economic resources. With both of the country's seaports and the largest international airport based at Karachi, more than 95 per cent of the foreign trade of around \$ 18 billion is routed through this province. Almost 90 per cent of the head offices of the banks, financial institutions and multinational companies and the largest stock exchange of the country are all Karachi-based making it the financial and commercial hub of the country. The largest and the oldest industrial estate of the country, SITE is also located in this metropolis. Korangi, Landhi, North Karachi, the Export Processing Zone and now the Port Qasim areas also houses large number of industrial units including large complex of Pakistan Steel, the automobile industry, the largest fertiliser plant and a PTA plant set up by ICI. Bulk of the labour, the supporting businesses and the underlying paraphernalia relating to the manufacturing industries located at Hub, Lasbella district of Balochistan, also spreads over to Karachi. With a population of over 10 million and having the largest commercial and industrial activity, it has by far the largest housing and construction industry. Besides industry, it

is a natural centre for trading houses, wholesalers, distributors, indentors, commission agents and the largest network of retail outlets.

Sindh has been the largest producer of oil since many years, and now its production of natural gas has surpassed that of Balochistan making it the largest producer of natural gas as well. The province has the largest coal resources, with more than ninety-five per cent of the country's known deposits in Thar and Lakhra which have remained, due to continuing apathy of the decision-makers, un-utilised. In agriculture, it is only second to Punjab, but it certainly produces almost all agricultural crops more than its share of population. On an overall basis, the province contributes more than 70 per cent to the federal taxes, and its contribution to the national income is estimated to be nearly 50 per cent compared to its suppressed population of around 23 per cent. Despite this distinct economic position of being the richest of all the provinces and the biggest contributor of revenue, the government of the province remains the poorest. And lately it has become virtually bankrupt. Just as Sindh has been bestowed by nature far more wealth and natural resources compared to the other federating units, it has been endowed with abundance of miseries and misfortunes including the chronic law and order problem reflected in everyday innumerable killings, car snatching, theft, robberies, kidnapping for ransom, ethic conflict between different nationalities, continued influx of people both from within and outside of the country putting tremendous pressure on its meagre resources, crumbling infrastructure, and last but not the least, a totally ineffective administration. And more recently, owing to the escalating problem of unemployment, we have seen large number of young people commit suicides indicating growing pain and suffering of the people.

The financial insolvency of the successive governments has further compounded the aforementioned problems besides making them incapacitated in effectively discharging their responsibility of governance. There are, of course many causes of the decaying, frail and reckless governance in this province, but the root cause of its financial collapse, that has now brought the provincial government to a possible breakdown situation, remains the inequitable revenue sharing arrangements thrust on the province in the shape of the 1996 NFC award during the last caretaker government.

1990 NFC award

Sindh's current financial difficulties originated in 1991-92 during Jam Sadiq era on account of relatively adverse 1990 NFC award coupled with an overtly extravagant and lavish expenditure of Jam Sadiq culminating in an overdraft balance of nearly Rs6.5 billion, when the second PPP government took charge in October 1993. As Jam Sadiq pursued the policy of indiscriminate and vicious persecution of PPP to please his mentors in Islamabad, in return, all his wrongdoings were ignored. Even the State Bank kept mum and allowed the province to overdraw such a huge amount as against the ways and means financing limit of less than Rs667 million at that time. The demands of Sindh province that the revenue sharing should not be based on population alone, as nowhere in the world such a practice is followed, and other factors such as tax collection, specific needs, poverty and extent of economic development be considered in devising the distribution formula were discarded in the 1990 NFC award. The demand that the sales tax, being universally a provincial tax should be given to the provinces was also rejected. Even the figures of population adopted for distribution in this award

were incorrect to the detriment of Sindh, as these were based on 1981 census rather than the current estimates of that time.

Consequently, the 1990 award was also unjust and detrimental to Sindh, when compared with the other provinces, but on an overall basis it resulted in a handsome increase in the flow of funds to the provinces due to enhancement in the provincial share and impressive tax collection performance during the PPP government.

During the three-year PPP government there was a remarkable improvement in fiscal management and revenue collections. As per the published figures in the latest State Bank Report there was a quantum jump increase in the CBR revenues of 31 per cent and 18.6 per cent over the corresponding periods respectively during 94- 96. This, coupled with increase in the share of provinces in the 1990 NFC award, resulted in drastic increase in the revenue transfers to the provinces of 22 per cent and 24 per cent over the corresponding periods in the above two years. As a result of the enhanced flow of federal revenue transfers together with substantial increase in the provincial receipts of Sindh, which improved from Rs3.8 billion in 1993-94 to around Rs7 billion in 95-96, the province was able to reduce its overdraft balance to around Rs1.5 billion in May/June 95 despite the unprecedented development expenditure ranging from Rs12 to 16 billion per annum during that period. It is because of such excellent resource mobilisation by the then provincial government that Sindh received a matching grant of over Rs500 million subsequently during the Muslim League government.

Unfortunately, unjustified system of at-source deduction in respect of highly inflated WAPDA and KESC bills amounting to a staggering Rs11.3 billion during this three-year period increased the yearly cost of such billing of less than Rs500 million during the corresponding past periods, that increased the overdraft to Rs5.5 billion by November 5, 1996 when the assemblies were dissolved and Mr Mumtaz Ali Bhutto was installed as the caretaker chief minister of the province. However, despite such a large increase in the electricity payments due to highly inflated WAPDA bills, which has been illustrated in table 1, there was an in- built saving in the 96-97 Sindh budget of around Rs 6 billion as the federal and provincial revenues were substantially underestimated in that budget with a view to wiping out the overdraft. With the dissolution of the assemblies and installation of inept and most ill-informed teams of caretaker administrations at the federal as well as the provincial level first, and subsequently an ill-prepared Muslim League government, there was a massive shortfall of nearly Rs60 billion in the federal tax collection in 96-97. Thus, the entire momentum of stringent tax collecting departments producing the most dismal results that ensued.

During the three months of the caretakers, despite a complete freeze on the development programme of the province, the overdraft shot up to Rs9 billion as the federal government completely suspended even the monthly revenue transfers, besides unabated at source dedications on account of electricity dues thus raising the aggregate at-source deductions of electricity dues to over Rs16 billion by the end of June 97.

But the worst thing which happened to Sindh was the announcement of 1996 NFC award on the eve of February elections with the consensus of the federation and all the hand-picked provincial representatives, which has rendered Sindh totally bankrupt. Mr Mumtaz Ali Bhutto, the then Chief Minister of Sindh, who was publicly a vehement opponent of the NFC proposals, has still not explained why he allowed his ministers to sign this award despite his continued and seemingly resolute opposition to the proposals underlying that award, before, during and after the signing of the award? In fact as the story goes, one member of the NFC from Sindh, the caretaker irrigation minister, Mr Nabi Bux Bhurgari, who had initially fled from Islamabad to avoid signing the award, was forced by Mr Bhutto to sign it. Reportedly, the papers were sent to his village in a special helicopter many days after the February 2, 1997, the date of the award to get his signature.

Imbalance of power

One of the greatest misfortunes of this country is without any doubt, its composition in the present form with one province having an overwhelming domination in all spheres of power. Due to its overpowering domination, which reflects almost in everything and everywhere, the rights of the smaller provinces continue to be usurped. The largest province, having a population of over 56 per cent, dominates all organs of the state including the parliament, the judiciary, the bureaucracy, the army and the government, both at the federal level as well as in the governments of the smaller provinces. The problem is further exacerbated due to the nature of our constitution, which provides minimal real powers and autonomy to the provinces, with most of the legislative powers remaining in the domain of the federation. The Senate with equal representation of all the provinces that was aimed to create some equilibrium in powers between the provinces, has been rendered virtually impotent by excluding its scope from the finance-related legislation. Financially, almost all types of major taxes fall under the jurisdiction of the federation, including taxes such as sales tax, which are universally considered as the provincial or state taxes, continue to be under the domain of the federation. In this scenario, the provinces are always dependent on the mercy of the federation for bulk of their resources, which invariably comes from the federal divisible pool under the formula determined by the National Finance Commission under Article 160 of the Constitution. And lately, with the bigger province and the federation becoming strongly conjoined, there is a real danger of literal colonization of the smaller provinces. 1996 NFC award

It is an axiomatic fact that the primary cause of Sindh's current financial turmoil is the unfair and inequitable financial arrangements for the distribution of tax revenue underlying the 1996 NFC award. As has been repeatedly highlighted by this author in his earlier articles, if the current NFC arrangements persist, which are undoubtedly illegal and unconstitutional because of the none-representative character of the composition of the Commission which framed this award just one day prior to the elections, there is no possibility of any meaningful development programme being executed during the award period in this province. During this period, the province will constantly remain under the threat of default all the time, to the extent that at some stage it may not even manage to pay salaries to its 450,000 employees.

When the framers of the 1996 NFC award proposed to revise the formula for distribution of revenues between the federation and the provinces from 20:80 of 1990 award to 62.5:37.5, obviously all the provinces expressed their objections. As this drastic change in favour of the federation was expected to reduce the provincial share substantially, all the provinces initially rejected the proposal. However, the provinces were told to prepare and bring the projections of their expenditure requirements for the next five years. When the provinces presented their projections a crafty technique was used to deceive them, viz., the figure of projected tax revenues were inflated to the extent that they satisfied even the exaggerated expenditure forecasts of the provinces. The rosy revenue projections were justified on the basis of excellent revenue collections record of the previous two years of the PPP government. Through the use of this deceptive technique on the novice caretaker finance ministers mostly chosen by the President himself, the wizards at the planning commission assisting the federal government were able to get a consensus from all the provinces to the above extremely adverse distribution formula which reduced the share of provinces from 80 per cent to 37.5 per cent in the federal divisible pool. Perhaps, no one in the provinces realised at that time, the extent to which the figures were inflated, nor did they comprehend that the projections of revenue made by the federal government were only hypothetical and that the actual funds will be disbursed based on the proceeds of tax revenue actually collected in the proportion of the revenue sharing formula recommended by the commission. The extent to which the figures of revenue have been inflated in the 1996 award can be gauged from the following comparison between the actual revenue receipts during the first two years of the award period:

This means that in the first two years the actual revenue collections compared to NFC projections are short by Rs271 billion. Assuring that the tax revenues, which have almost remained stagnant in the last three years, will start growing at the rate of 18 per cent per annum in the remaining three years of the NFC period, which is extremely optimistic assumption, even then the expected shortfall in revenues in the five year period will be a staggering RS1,002 billion. Consequently, transfers to the provinces will be lower than the NFC projections by a magnitude of RS351 billion during such period. Anyone can understand that such shortfalls could not be accidental and they were part of a cleverly designed scheme to dupe the provinces besides total failure of the government in revenue collections.

Discrimination with Sindh

Consistent with the previous awards, all the important demands of Sindh were rejected. The revenues were decided to be shared again on the basis of population alone that inherently favoured the largest province, ignoring all the other factors. Again, disregarding the actual current population, it was decided that the 15-year-old figures of 1981 census will continue to be used until the next census. But the most blatant injustice to Sindh was that its benchmark figures, that were to form a basis for the expenditure projections, were rejected forcing it to lower its current expenditure for 1996-97 by Rs 5billion, from Rs41 billion to Rs36 billion. Consequently, Sindh, the most financially distressed province, did not qualify for the special annual grants similar to NWFP and Balochistan of Rs3.3

billion and Rs4 billion as their resources fell short of their projected expenditure. Ironically, Sindh's projections reflected that during the five-year period it would have a surplus of Rs13.4 billion.

This was totally unrealistic and unfair to Sindh as its current expenditure of that year, despite unprecedented resource crunch, has turned out to be Rs 39.8 billion as reported in the accounts prepared by the Accountant General of Sindh which comes under the administrative control of the federal government. The actual expenditure is in fact much larger than what has been reported because a large amount of expenses and liabilities have been deferred, not eliminated, due to the province's inability to pay. Therefore, even if this amount of Rs39.8 billion was kept as a benchmark, Sindh would have received an annual inflation adjustable grant of Rs4.5 billion like Balochistan and NWFP, with a total of around Rs30 billion in the five-year period.

A cursory review of this award highlight the following implications:

* On an overall basis, the share of the provinces in the divisible pool has been reduced from 80 per cent in 1990 award to 37.5 per cent in the 1996 award albeit the divisible pool has been enlarged by including the custom duty;

* A major injustice to Sindh, apart from rejection of its other demands, was an arbitrary reduction in its current expenditure for 1996-97 used as a bench mark year for making expenditure projections. This alone resulted in a loss of around Rs30 billion for Sindh over a period of five years;

* In order to mislead the provinces, the projections of federal tax revenue were highly inflated. Based on the current trend of tax collections, it is estimated that there will be a shortfall of nearly Rs1,002 billion compared to the amount of tax revenues proposed to be collected. This will result in a shortfall in the provincial share (receipts) from the divisible pool of around Rs351 billion compared to the amount reflected in the 1996 NFC award. Loss to Sindh will be Rs81 billion over a five-year period.

* Even if 10 per cent weight was assigned to collection and the remaining resources were distributed based on population, Sindh would have received additional Rs 27 billion in the five- year period based on the current estimates of revenue collection;

* While all smaller provinces will face the financial loss resulting from the use of incorrect benchmark figures as explained above. The financial effect of the above shortfalls in the case of other provinces, to certain extent is compensated by additional annual grants of around Rs 3.3 billion and Rs 4 billion to NWFP and Balochistan respectively, while Punjab continues to benefit from larger resource transfers based on its large population as the expenditure is never incurred in exactly the same proportion as the population;

* The 1996 award is without any legal, constitutional or moral basis because the award was made by a Commission appointed by a non-representative caretaker government, whose job was to hold elections only. Under no circumstance, can unelected interim government assume to itself the

constitutional mandate to take such vital decisions having pervasive and long-term implications in a democratic dispensation.

In the backdrop of the pervasive effect of 1996 NFC award, which has resulted in complete bankruptcy for the Sindh Government, with its overdraft mounting to over Rs 1.2 billion and unpaid liabilities of several billions more despite complete freeze on its development programmes since last two years, the budgeting exercise in this province has become nothing more than a superficial ritual. Already, highly excessive billing of WAPDA, as reflected in the Table 1 above has crippled the provincial finances to such an extent that the government is barely able to meet its monthly salary bill. The extent to which WAPDA had been overcharging Sindh was highlighted when during some joint surveys carried out by WAPDA and the provincial government in early 1996 of some selected local bodies, the following results as shown in table II had emerged.

It was also found that WAPDA had been billing even a small town committee in Kandhkot Rs9 to 10 million per month, whereas it billing to the largest Municipal Corporation of Lahore in Punjab was around Rs5 million at that time. The street lights of town committee Thehri in Khairpur had remained cut off since over a period of two years, yet it was being billed half a million per month. There were countless instances of such nature that clearly reflected enormous amount of inflated billing of WAPDA which has

continued unabated.

Thus the real issues for those at the helm in Sindh are the NFC and large at source deductions of WAPDA. It would be a futile exercise to prepare any budget without properly addressing the above issues.

While, the province and its local councils have largely been rendered

bankrupt now as per the latest decision of the Provincial Co-ordination Committee reported in the press, even the local government levies such as octroi and export tax and the provincial government taxes such as motor vehicles tax and the sales tax on services are being proposed to be taken away from the provinces in the next budget, thus destroying almost completely, even the semblance of whatever little of the provincial autonomy is still left. Such a proposal, if implemented, will be a fatal blow to the concept of provincial autonomy and the local government in the country.

All the parties in the province are abundantly conversant of the grim financial situation of the province. They are fully aware that a major cause of the financial insolvency of the province is the NFC award and unless it is appropriately modified, there will be no respite for the province. I had written earlier, and let me repeat yet again my earlier prediction that this province can sustain no major development programme, including Social Action Program, National Drainage Program or any other programme under the present revenue sharing arrangements. During the last two years, the province has been able to barely sustain its current expenditure because nothing has been paid to WAPDA due to excessive at source deductions of nearly Rs16 billion made during the previous four years up to June 97, for which the government of Sindh should be claiming a refund of at least Rs8 billion.

Further, the development expenditure has remained stalled at a minimum level since last two and half years besides a near freeze on all expenditure other than salaries during most of this time and the State Bank has been extra lenient in allowing it to overdraw an additional Rs 6 billion. Nonetheless, its overdraft has escalated to an alarming level, its essential services to its citizens have greatly deteriorated and most of its infrastructure is in disrepair, fast approaching a possible collapse. Surprisingly enough, on these issues of vital importance, most of the politicians belonging to the urban as well as rural strata of the Province, and even the members of the provincial assembly, have shown unusual complacence, allowing their province to financially crumble. And now, they have also been deprived of democratic right to be ruled through their elected representatives, virtually turning the province into a colony. The question is, how long will the people and their representatives continue to act as silent spectators to the financial and democratic deprivation of this province?

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