

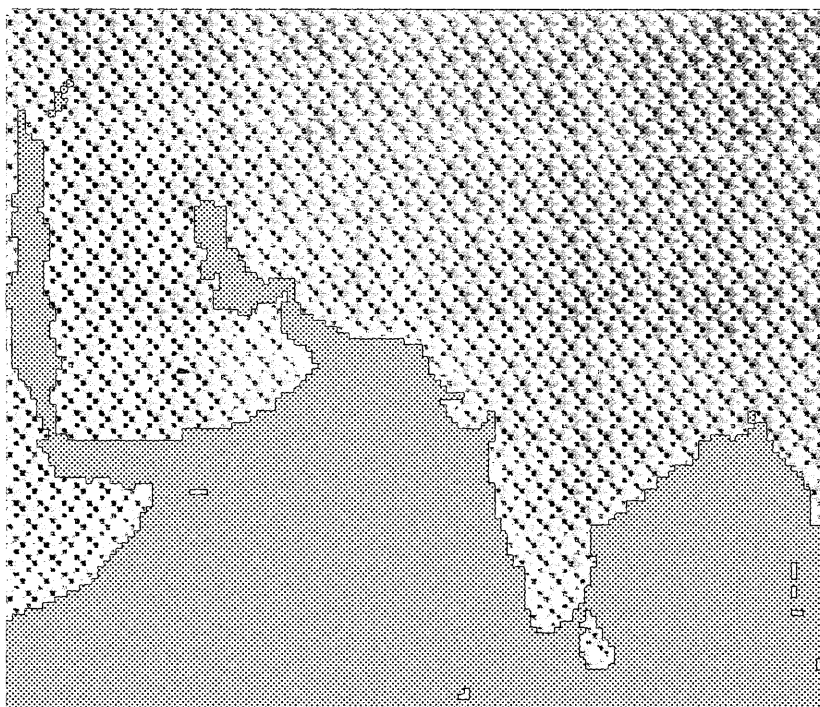
Title page, Content, etc.

権利	Copyrights 日本貿易振興機構 (ジェトロ) アジア 経済研究所 / Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO) http://www.ide.go.jp
journal or publication title	Pakistan's Crisis Political and Economic Analysis
year	2000
URL	http://hdl.handle.net/2344/00010344

IDE Spot Survey

Pakistan's Crisis ***Political and Economic Analysis***

March 2000



Edited by Shuji Uchikawa

INSTITUTE OF DEVELOPING ECONOMIES
IDE-JETRO

The aim of the Institute of Developing Economies (Ajia Keizai Kenkyusho) is to conduct basic and comprehensive research on economic and related affairs in Asia and other areas which are on the road to development. It, thereby, contributes to the promotion of economic cooperation and the improvement of trade relations between Japan and these areas and, ultimately, toward the prosperity and welfare of developing countries.

The Institute was founded in December 1958 as a nonprofit organization. In July 1960, it was recognized by law as a semi-governmental body. The Institute merged with JETRO on July 1, 1998 to strengthen trade and economic cooperation with the Asia Pacific and other regions.

As of March 1, 2000, the number of staff members was 252, of whom about two-thirds are engaged in research (including 30 stationed overseas), with the rest employed as librarians, statisticians, or secretarial personnel.

*IDE Spot Survey intends to respond to public demand by offering prompt and proper analyses of emerging problems in developing countries. Previous issues include **From Storm to Thunder—Unfinished Showdown Between Iraq and U.S.**, March 1998, **Deepening Industrial Linkages Among East Asian Countries—In the Light of International Input-Output Analysis**, March 1998, **China's Roadmap as Seen in the 15th Party Congress**, March 1998, and **The Caspian Basin and Its Impact on Eurasian Power Games**, June 1998, **Asian Economic Crisis 97/98—Issues in Macroeconomic Imbalances, Capital Outflows and Financial Crisis**, March 1999, **Economic Crises and Korea/Taiwan**, March 1999, **China's Non-Performing Loan Problem**, March 2000, **Indonesia Entering a New Era—Abdurrahman Wahid Government and Its Challenge**, March 2000.*

3-2-2, Wakaba, Mihama-ku, Chiba-shi, Chiba,
261-8545, Japan
Telephone (Direct, Research Project Division):
81-43-299-9521
Fax: 81-43-299-9724
Homepage: <http://www.ide.go.jp>

IDE Spot Survey

Pakistan's Crisis
Political and Economic Analysis

March 2000

Edited by Shuji Uchikawa

INSTITUTE OF DEVELOPING ECONOMIES

Contributors

- Aeka INOUE** Visiting Associate Professor, University of Tokyo
- Hisaya ODA** Researcher, Area Studies Department I,
Institute of Developing Economies
- Shuji UCHIKAWA** Researcher, Area Studies Department I,
Institute of Developing Economies
- Kyoko INOUE** Research Coordinator, Institute of Developing Economies

Copyright © 2000 by Institute of Developing Economies

3-2-2, Wakaba, Mihama-ku, Chiba-shi, Chiba, 261-8545, Japan

All rights are reserved. No part of this book may be reproduced in any form or by any means without written permission from the Institute.

❁ IDE Spot Survey ❁

Investment Risk in Post-Deng China
March, 1995

Dynamic Vietnam
June, 1995

The Automotive Industry in Asia
October, 1995

Exchange Rate Fluctuation and Asian Responses
Edited by T. Yanagihara & S. Sambommatsu
August, 1996

Hong Kong 1997
November, 1996

One Country Two Systems
Edited by Y. Onishi
March, 1997

Kim Jong Il's North Korea
Edited by K. Hayashi & T. Komaki
March, 1997

Cuba's Survival
Edited by K. Yamaoka
March, 1997

Examining Asia's Tigers
Edited by K. Kitamura & T. Tanaka
July, 1997

Economic Outlook for East Asian Economies Over the Next Decade
Edited by M. Toida
October, 1997

From Storm to Thunder: unfinished showdown between Iraq and US
Edited by K. Sakai
March, 1998

**Deepening Industrial Linkages among East Asian Countries in the Light
of International Input-Output Analysis**

Edited by T. Sano & H. Osada
March, 1998

China's Roadmap as Seen in the 15th Party Congress

Edited by Y. Nakai
March, 1998

The Caspian Basin Oil and Its Impact on Eurasian Power Games

Edited by M. Shimizu
June, 1998

Asian Economic Crisis 97/98

Edited by K. Kunimune
March, 1999

Economic Crisis and Korea/Taiwan

Edited by M. Abe, Y. Sato & M. Nagano
March, 1999

China's Non-Performing Loan

Edited by M. Watanabe
March, 2000

**Indonesia Entering a New Era: Abdurrahman Wahid Government and
Its Challenge**

Edited by Y. Sato
March, 2000

Published by

INSTITUTE OF DEVELOPING ECONOMIES

JAPAN

Contents

Map

Present Government

Chapter 1

Military Takeover and the Internal Politics in Pakistan 1

Introduction	1
1.1 Behind the Political Takeover	1
1.2 Evaluating Nawaz Sharif	4
1.3 The Army and Religious Parties	4
1.4 Problems Facing the Musharraf Government	5
Conclusion	6

Chapter 2

An Analysis of the Military Coup d'etat in 1999 —Economic Conditions Leading to the Coup— 9

Introduction	9
2.1 An Overview of Economic Performance	9
2.2 Structural Macro-Problems	12
2.3 Economic Situation under the Second Nawaz Government	15
2.4 Economic Management by the Musharraf Regime	19
Conclusion	20

Chapter 3

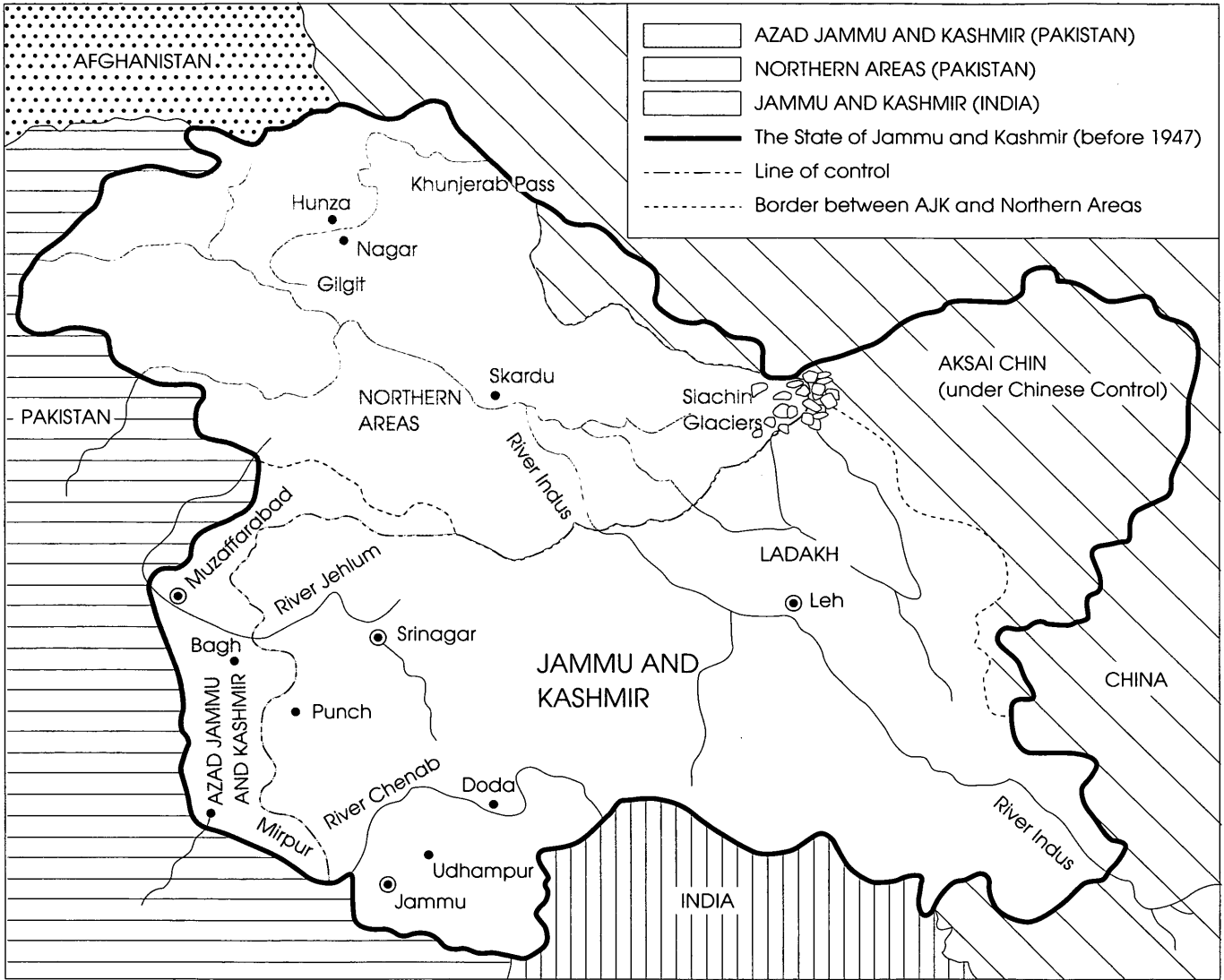
The Privatization of the Power Sector and Industrial Production 23

Introduction	23
3.1 Privatization of the Power Sector in Pakistan	23
3.2 Political Issue of IPPs	25
3.3 Stagnation of Industrial Production	27
3.4 Industrialization and the Middle Class	28
Conclusion	32

Chapter 4

India-Pakistan Relations: The Heightened Confrontation after the Military Coup in Pakistan33

Introduction	33
4.1 India-Pakistan Relations in Retrospect	34
4.2 Process of Failure: From Nuclear Tests to Kargil Conflict via Lahore	40
Conclusion	45



- AZAD JAMMU AND KASHMIR (PAKISTAN)
- NORTHERN AREAS (PAKISTAN)
- JAMMU AND KASHMIR (INDIA)
- The State of Jammu and Kashmir (before 1947)
- Line of control
- Border between AJK and Northern Areas

Present Government

Head of State President Muhammad Rafiq Tarar

Head of Government Chief Executive General Pervez Musharraf

Pakistan National Security Council

Name	Portfolio
General Pervez Musharraf (Chief Executive of Pakistan)	Chairman
Admiral Abdul Aziz Mirza (Chief of Naval Staff)	Ex-officio Member
Air Chief Marshal Parvaiz Mehdi Qureshi (Chief of Air Staff)	Ex-officio Member
Sharifuddin Pirzada	Senior Advisor to the C.E. and ex-officio Member
Attiya Inayatullah	Member
Imtiaz Sahibzada	Member
Mahmood Ahmad Ghazi	Member
Muhammad Shafi Niaz	Member

Federation Ministers

Name	Portfolio
Razak Daud	Commerce, Industries and Production
Zubeda Jalal	Education, Women Development, Social Welfare and Special Education
Omar Asghar Khan	Environment, Local Government, Rural Development, Labour Manpower and Overseas Pakistanis
Shaukat Aziz	Finance, Revenue, Economic Affairs, Planning and Development and Statistics
Shafqat Ali Shah Jamot	Food, Agriculture and Livestock
Abdus Sattar	Foreign Affairs
Abdus Malik Kasi	Health, Population Welfare, Religious Affairs, Zakat and Usher
Moin-ud-din Haider	Interior, Narcotics Division, Control and Capital Administration and Development Divisions
Abbas Sarfraz Khan	Kashmir Affairs, Northern Areas, SAFRON and Housing and Works
Usman Aminuddin	Petroleum and Natural Resources
Aziz A Munshi	Law Minister and Attorney General of Pakistan
Javed Jabbar	Advisor to the Chief Executive on National Affairs and Information/ Chairman IPRI (Islamabad Policy Research Institute)
Derick Cyprian	Sports, Culture and Minorities