

Contradicting campaign promises, Imran Khan seeks massive IMF loan for his 'New Pakistan'

News:

According to *Bloomberg*:

Pakistan devalued its currency while its stocks and bonds rose after the government said it would seek the nation's 13th International Monetary Fund bailout since the late 1980s in a bid to stabilize the economy.

The South Asian nation's key stock measure snapped six days of losses to advance 1.6 percent, the most in three weeks, at the close while its dollar-denominated bonds maturing in 2027 climbed the most since July 26 before paring gains. The rupee, a managed float, fell 7.5 percent to 133.64 against the dollar, the most in a single day since Bloomberg started tracking data from 2000. The move is speculated to have been pushed by authorities in response to the IMF's calls for a weaker exchange rate.

After consulting with "leading economists", Pakistan will formally approach the IMF for support and Finance Minister Asad Umar will hold talks with officials during the lender's annual meetings in Bali this week, the Finance Ministry said in a statement late Monday. Umar told Bloomberg in August that the government may need more than \$12 billion.

Prime Minister Imran Khan, who came to power after July elections, is under pressure to generate external funding as the country faces the latest in a long line of financial blowouts. The IMF said last week that recent government efforts haven't been sufficient to stem a looming crisis.

"The challenge for the current government is to ensure that fundamental economic structural reforms are carried out to ensure that this spiral of being in an IMF program every few years is broken once and for all," the Finance Ministry said. "To correct the underlying imbalances, fiscal and monetary actions needed to be undertaken without delay."

Comment:

Pakistan's current Prime Minister, Imran Khan, spent more than two decades as an opposition politician, most of them decrying governments for taking foreign loans, especially from the IMF. Yet, before even his first 100 days are complete, he is sending his finance minister, cap in hand as it were, to beg and scrape for money from the IMF. Furthermore, it is quite evident that moves such as extreme currency devaluation are intended to show a humiliating willingness to implement IMF conditions even before a deal is imposed.

The IMF is the institutional guarantor of the international Capitalist order, the purpose of which is to maintain Western economic superiority over the rest of the world, the continuation of empire by other means. But Pakistani economists schooled in textbook Capitalist economics are fully persuaded of the IMF's prescriptions and, indeed, are actively calling for their government to turn once more to that exploitative institution.

The West preaches Capitalism to the rest of the world but is itself selective in its practice of Capitalist economics as its politicians are well aware of the dangers of its prescriptions: France favours an overbearing public-sector, Scandinavia maintains near-communist social policies, and America, particularly under Trump, implements heavy protectionism. Britain only initially championed the ideas of Adam Smith who wrote his book *The Wealth of Nations* in 1776, in order to impose its free trade thinking upon the newly created United States of America, which coincidentally gained independence from the British Empire in that same year. Meanwhile, today, third-world politicians and economists continue to tragically presume that a full implementation of Capitalism is the solution to all their ills, whereas the true result of implementing Capitalist economics is the complete impoverishment of entire nations through the dismantling of state control and the unlocking of the unprotected economy to exploitative private and foreign interests. The country's wealth and resources are enthusiastically exported for what is today fiat money whilst the population is made to consume overly priced foreign goods, a great many of which have been proven to be responsible for health, ecological and environmental calamities.

Pakistan, despite its independence from British rule more than 70 years ago, continues to mindlessly implement the Capitalist economic system that the British had imposed upon India (of which the land of Pakistan was formerly a part) after the British terminated the Islamic rule of the Mughals and those before them. And quite unfortunately Imran Khan is just one more superficial, naïve politician who thinks that personal character is enough to solve complex systemic crises without the need for any investigation of the actual reasons for these crises. As a result tens of millions of sincere Pakistanis were fooled into voting for him, thinking that he could bring some real difference to Pakistan's situation.

Pakistan will never be able to escape its economic trauma until it abandons the Capitalist economics and returns to the implementation of Islam, which brought such prosperity to India over its 800 years of implementation that this land was the foremost industrial region of the world, the quintessence of wealth and fortune that drew explorers from the backward countries of Western Europe to risk their lives on the perilous high seas in order to seek out alternate trade routes to reach the Indian jewel.

Allah (swt) says in the Noble Qur'an:

﴿يَا أَيُّهَا النَّبِيُّ اتَّقِ اللَّهَ وَلَا تُطِعِ الْكَافِرِينَ وَالْمُنَافِقِينَ إِنَّ اللَّهَ كَانَ عَلِيمًا حَكِيمًا * وَاتَّبِعْ مَا يُوحَىٰ إِلَيْكَ مِنْ رَبِّكَ إِنَّ اللَّهَ كَانَ بِمَا تَعْمَلُونَ خَبِيرًا * وَتَوَكَّلْ عَلَى اللَّهِ وَكَفَىٰ بِاللَّهِ وَكِيلًا﴾

“O Prophet, fear Allah and do not obey the disbelievers and the hypocrites. Indeed, Allah is ever Knowing and Wise. And follow that which is revealed to you from your Lord. Indeed Allah is ever, with what you do, Acquainted. And rely upon Allah; and sufficient is Allah as Disposer of affairs.” [al-Ahzab: 1-3]

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