INTERNATIONAL THE NEWS

10th May, 2019

Capitulating to IMF will cause massive unemployment, warns economist

The International Monetary Fund (IMF) has one-point agenda in Pakistan, namely the privatisation of all the assets of the country which will cause large-scale unemployment.

Economist and former adviser to the Sindh and Balochistan chief ministers Dr Kaiser Bengali stated this while speaking on Thursday evening at a consultation meeting, titled 'The current economic scenario and its effects on the common man', at the Arts Council of Pakistan.

The event was held under the aegis of the Pakistan Institute of Labour Education and Research (Piler) and the Shaheed Zulfikar Ali Bhutto Institute of Science and Technology (Szabist).

Dr Bengali said he feared that after selling off all the national assets to foreign conglomerates, the government would also sell off the natural resources. He maintained that the PTCL, which was privatised in the Musharraf era, owed $800million to the Pakistani government which was still not forthcoming.

According to the economist, the State Bank of Pakistan (SBP) had been in the grip of the IMF-World Bank duo for the last 16 years during which period it was overseen by Dr Mohammad Yaqub, Dr Ishrat Husain and Dr Shamshad Akhtar.

Talking about technocrats, he said any technocrat who did not have their roots in the masses was no better than a contractor and they just would not be bothered about national or public welfare.

"Now", he said, "The World Bank and the IMF have taken over total control of the Pakistani economy and have established their stranglehold on it." Talking about Dr Hafeez Sheikh's reported obstinacy, he said, "It's because he knows that he is just answerable to Washington."

Dr Bengali attributed the failing economy to the decisions of increasing non-productive expenditures. He said many new ministries were made without any good reason like the ministry of national reconciliation.

By increasing expenditures, we were increasing the dollar gap, he said, adding that when our imports outstripped our exports, the dollar gap would widen.

He said that till recently for every $100 of exports, we had $125 of imports. Now, he said, for every $100 of exports there were $230 of imports. He added that in most of our cities, department stores were just stacked with imported consumer items so much so that a locally manufactured product was really hard to come by.

The speaker predicted that by the coming December, a dollar would be worth Rs200 and next year around this time, it would be worth Rs250. He firmly asserted that we had to cut back on non-development expenditures right away, otherwise, things would get totally out of hand.

According to Dr Bengali, foreign companies in Pakistan converted their profits into dollars and then remitted them back home, which drained the country's dollar reserves. He said the country right now was in the grip of 'Mir Jaffers'. He remarked that there could be no revolution as the era of revolutions was over. However, he said industrialisation could break the back of feudalism.

Zehra Khan of the Home-Based Women Workers Federation said it was after a great struggle that they had made the provincial government pay the mandated Rs16,200 to a labourer but even that was a pittance under the present circumstances given the back-breaking inflation.

She said that the public would have to be mobilised to launch a struggle for their genuine rights. Political parties, she said, were least bothered about the plight of the toiling have-nots.

Piler Executive Director Karamat Ali quoted a recent World Bank study which stipulated that a large majority of Pakistanis were living on $2 per day, which was well below the poverty line. Tracing Pakistan's involvement with the IMF from 1988 onwards, he said real incomes had dropped by 50 per cent since then. He said, "The Nawaz Sharif government went on a privatisation spree as a result of which we stand de-industrialised today."

Dr Riaz Shaikh, dean of the Szabist social sciences department, towards the beginning of the consultation, pointed to the air of fear that had been bred in the country whereby people were scared of speaking their minds out on issues affecting them for fear of punitive reprisals. He pointed out the repressive measures that the media was being subjected to in order to stifle freedom of thought and expression, and debate on vital issues.

The speeches of the main speakers were followed by an animated and highly charged question-answer session.

Our Correspondent