The visitors

The experts have arrived in Pakistan over the past week to dictate the terms of economic policymaking. Delegations from the World Bank, IMF and Saudi Arabia landed in Pakistan over the last week to offer their view on the best course to follow. So many sets of economic experts visiting Pakistan at a crucial time in economic policymaking may not be new, but it does present a dim picture of the ability of those in charge to come up with an independent policy framework that serves our own needs first. Perhaps we must defer to foreign experts for solutions, but then why have any independent economic policymaking bodies at all? Much of the unease around the IMF and WB visits this week can be summed up by the feeling of déjà vu. We have been here before – and it did not turn out as promised. One would have hoped that the 'Naya Pakistan' promise would mean shedding the rule by foreign experts that had become standard practice in 'Purana' Pakistan. We have witnessed no such thing. Instead, we are seeing the limits of a political party whose singular focus has been corruption.

Such a single point narrative is a recipe for disaster when it comes to actual economic policymaking. All the structural problems in an economy are thought to boil down to the issue of corruption. This is blatantly not true, but this is exactly why it seems that the PTI's big team of economic advisors is so enamoured by the latest set of international experts that have arrived. All the words spoken and headlines generated is stuff we have read before. Finance Minister Asad Umar has claimed the IMF is not here to negotiate a bailout, but the IMF team has indicated that the visit is designed to work out what the exact nature of Pakistan's external financing needs would be. The week-long stay is not standard practice, even for assessments of previous bailout packages but we have been promised that we will hear more in a press release on October 4.

The reasons to be sceptical of the IMF may have been repeated more than once – but one must remember that it was only two years ago that IMF Chief Christine Lagarde stood in Islamabad and praised Pakistan's sound economic recovery. Either the IMF got it wrong then or it is getting it wrong now, either of which is a strong reason not to trust its advice. The Saudi minister of finance is expected in Pakistan to discuss a $2 billion financing facility for the country, but it appears any such deal with be premised on Pakistan offering the kingdom something tangible. An oil refinery in Gwadar for the Saudis and participation in CPEC seems to be the cost of the financing facility, neither of which may be a bad thing for the country. The WB delegation has worked with the FBR on a plan to increase tax-to-GDP ratio in Pakistan from 10 percent to 15 percent. It is difficult to know whether the visiting experts mean well for Pakistan. But it would be prudent if the PTI government were to look at what lies beyond benign appearances.