

Project Imran Khan is Failing

News:

Hundreds of thousands of businesses went on strike across Pakistan on Saturday 13th July to protest against increased sales tax, imposed as part of the government's recent bailout agreement with the International Monetary Fund (IMF). The euphoria that gripped Pakistan in July 2018 now seems a distant memory. The grand promises of creating a new Pakistan, ending corruption and reducing dependency on foreign institutions still remain promises a year later. Imran Khan still says all the right things but has no idea on how to implement the tall promises he had made and continues to make. What Khan didn't realise was his electoral victory was largely irrelevant as whoever won, they faced multiple, multifaceted and deepening challenges.

Comment:

When Imran Khan announced his cabinet after assuming power, many were surprised by the fact that the overwhelming majority of its members were relics from past regimes. With some notable exceptions, such as Asad Umar, most of his ministers and advisers had either served under Pervez Musharraf or the governments that succeeded him. Their inclusion was the first sign that stated commitments were now outdated. Asad Umar was eventually removed to reduce the dead wood in the regime.

Pakistan's economy was drowning in debt, with an ever increasing budget and trade deficit when Imran Khan took office. Despite promises of change an after-spending years lamenting the previous regime for turning to the IMF, Khan turned to the IMF. After spending weeks hiding behind the meetings with the IMF being to explore options, the truth is now clear. Imran Khan, like his predecessors, has continued dealing with the IMF. After months of negotiations, the IMF approved a \$6 billion financial bailout package for the Khan regime. The IMF imposed tough conditions for the bailout, including a commitment to let the market decide the Pakistani rupee rate, rather than have it be protected by the Central Bank. The Pakistani currency plunged more than 40%. *"The IMF deal, with the austerity measures it will entail, will be a political blow to a Pakistani government that had promised to build out a new welfare state,"* Michael Kugelman, a South Asia expert at the Washington-based Woodrow Wilson Center for Scholars, told DW. *"The IMF package will make it quite tough for Khan to achieve his economic promises and therefore undercut the populist image that he has sought to showcase to the electorate,"* he added.

Inflation has now begun to bite Pakistan's 200 million population. Advisor for Finance Abdul Hafeez Shaikh said the government this year spent Rs 2.3 trillion beyond its revenues by printing new currency which created inflation. *"If you spend trillions beyond your income, you will need to borrow, print money and increase prices. These all lead to increased inflation,"* he said.

Imran Khan spent decades in the political wilderness as he was unable to attract any of the movers and shakers of Pakistan. With populist polices and an economy in freefall he turned to the countries 'electables' who were looking to continue their patronage systems. Imran Khan freely welcomed them and then with the army stepped aside as he undermined the Nawaz Sharif regime and this allowed him, as the change candidate, to win the elections in July 2018. But today he has turned out to be no different to the previous regimes; he continues to make promises and talks about change when he has done everything to maintain the status quo.

**Written for the Central Media Office of Hizb ut Tahrir by
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