

Press Release

**Democracy Ensures Plunder of our Resources:**

**No Matter who comes to Power on July 25<sup>th</sup>, Pakistan's Economic Future will Remain Subservient to the West through IMF and the Capitalist System**

On 16<sup>th</sup> July 2018 Pakistani rupee lost 5.7 per cent of its value against the US dollar in inter-bank trading with the US dollar being traded at Rs128.50 in the market. This was the second devaluation of the rupee under the caretaker setup. Before this the caretaker setup twice increased fuel prices as well. Taken together these measures will result in massive inflation within the country the immediate effects of which are already being felt by the masses. Bankrupt of any ideas, Pakistan's policy makers slavishly resort to decades old tried and tested and failed Western solutions in their desperate attempt to manage the crisis which has been building in Pakistan's economy for some time. Infact the recent rounds of devaluations and increase in petrol prices are infact preparations for once again joining yet another IMF program to increase country's falling foreign exchange reserves. Caretaker Finance Minister Dr Shamshad Akhtar while addressing media at the Pakistan Stock Exchange on 14th July 2018 said: "Groundwork is being launched so that the incoming government, should it agree (on the IMF bailout), can proceed fast with its processing,".

As for what the IMF program will entail for the country, a taste of that is visible from the "preparatory actions" for the program in the form of currency devaluation and fuel price hikes. Much more stringent conditions are expected to follow these actions with the IMF demanding its customary reduction in expenses and increase in taxation policy reforms which are now unanimously seen as extremely harsh and recessionary in their resultant impact.

Since 1958, Pakistan has availed 16 programs of the International Monetary Fund (IMF) and yet the economic condition in the country remains dire. What is shocking is the continuity of this failed approach when despite massive experience of failure and negative results, Pakistan's rulers insist on returning to the IMF yet again. Indeed this is evidence of their incompetence, intellectual bankruptcy and slavery to Western powers.

In view of the prevalent political environment where the country is engaged in a discussion about change and its own future, **Hizb ut Tahrir / Wilayah Pakistan** wishes to present some of the policy prescriptions which the Islamic Khilafah State (Caliphate) will adopt to radically alter Pakistan's economic condition and put it on the path to prosperity and economic security:

- The adoption of the Gold Standard as the currency of the State and delinking of the Rupee from the Dollar. The Khilafah state will adopt Gold and Silver as its currency. Due to the intrinsic value of Gold, the Gold Standard offers stability in international trade and reduces the ability of different states to manipulate their currencies to gain advantage in international trade. Secondly, the Gold standard constraints the ability of the State to print currency at will. The State can only issue currency according to the Gold and Silver reserves it possesses. This protects the domestic economy from inflation by restricting the amount of currency in circulation.
- Islam prohibits loans based on interests. Currently approximately 30 % of the revenue generated from Pakistan's economy by the Pakistani State is spent on Debt servicing. The highest expenditure head by far in Pakistan's budget. In the current budget the

Government set aside 1620.2 Billion rupees for Debt Servicing. Approximately the same amount required for construction of Bhasha Dam. The Khilafah State will abolish all interest based loans and will only return principal amounts of loans if any remain. This will free up massive amount of revenue which can then be spent on the masses and other needs of the state.

- Islam prohibits the current system and practices in the financial markets and stock exchanges of buying and selling of shares, financial instruments and commodities that does not require possession of goods which causes speculation, financial instability and diversion of capital to non-productive sectors of the economy. Moreover Islam rejects the current capitalist company structure of limited liability relying on massive loans from big banks. Islam's rules about business and company structures do not easily allow private sector to dominate capital intensive industries thus giving the Khilafah State a major role in capital intensive industries. Hence huge amount of capital is available to the State which currently is diverted to the rich few in the private sector.
- Islam has a unique viewpoint towards property ownership and the Khilafah State will implement this viewpoint in its management of the economy. In Islam there are three types of ownerships:
  1. Public Ownership: consisting of solid, liquid and gaseous minerals including petrol, iron, copper, gold, natural gases etc, found in the depths of earth, all forms of energies and the energy-intensive, heavy industrial plants. These public properties are to be managed by the state and their benefits distributed amongst all the people.
  2. State Ownership: consisting of various taxes that are collected by the state, along with revenues for the state from agricultural, trade and industrial activity, outside the ambit of public properties. The state spends these incomes on state expenses.
  3. Private Ownership: unlike the above two, it is held by individuals and disposed in accordance with the Shariah rules.

Currently the energy sector in Pakistan is dominated by the private sector which reaps huge profits for itself. The Khilafah State will end the private ownership of public properties and thus a huge amount of revenue which is currently being siphoned away by the rich few in the private sector will be available for the state to spend on the masses.

## **O Muslims of Pakistan!**

Allah (swt) has granted you the most honorable status through the great Deen of Islam. It is due to Islam that you are raised as the best of nations before all of humankind. Your honor and prosperity lies in the implementation of this Deen. And this prosperity is not for you alone, but for all of humanity, after it has endured and continues to endure oppression, under the devilish man-made systems. So rejoice in your blessing, prepare yourselves and stand up to work with Hizb ut Tahrir and support it, and seek Allah's grace to be with a Hizb which Allah (swt) has blessed. So, that Allah (swt)'s promise of granting authority and succession, as well as the glad tiding by the Prophet (saw), of the re-emergence of the Khilafah on the method of the Prophethood, are realized.

﴿وَاللَّهُ غَالِبٌ عَلَىٰ أَمْرِهِ وَلَٰكِنَّ أَكْثَرَ النَّاسِ لَا يَعْلَمُونَ﴾

“And Allah has full power and control over His Affairs, but most of men know not.” [Surah Yousuf 12:21]

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