

Without the Economic System of Islam, there is No Economic Revival Plan

News:

The Pakistan Investment Policy (PIP) 2023 has been given the go-ahead by the federal cabinet through the circulation of a summary. It is anticipated that the new policy will attract \$20-25 billion in investment over the next few years. The policy is developed in consultation with the World Bank, International Finance Corporation, and provincial and federal institutions.

Comment:

Before the rolling out of the Pakistan Investment Policy, the Prime Minister Shabaz Sharif created the Special Investment Facilitation Council (SIFC), an apex body that includes the army chief and provincial chief ministers. The council's goal is to facilitate foreign investment and remove obstacles that hinder investment inflows. The civilian and military leadership have devised an 'economic revival plan' to capitalize on "untapped potential in key sectors" through foreign direct investments. These "key sectors" are identified as defence production, agriculture, livestock, minerals, mining, IT, and energy.

The current ruling regime is presenting this economic revival plan as a "game changer," that will be followed by the state no matter who comes in power. Actually, it is not a new policy. It is an old prescription in new packaging to address the economic crisis. Since 1990's, the consecutive regimes followed the policy of attracting foreign investors, under the title of the liberalization of the economy. This policy helps a short term objective of attracting dollars to balance the current account deficit and ensure the payment of the foreign obligation. It is not to build the economy of Pakistan on strong footing. The objective of foreign investors is to make easy money and profits by using the resources of Pakistan. Their objective had never been, and will never be, to build Pakistan's economy.

In the past Pakistan offered the whole of Saindak in Balochistan's Chagai District in 2001. This area is immensely rich in gold and copper. The mining of these metals has not even changed the fortunes of this area. The area still has "features of the medieval era". Mud houses, muddy and unpaved roads, a lack of potable water, poverty, deprivation, underdevelopment and backwardness are still prominent.

Similarly, under the China Pakistan economic Corridor (CPEC), billions of dollars were invested in different projects in Pakistan. At the time of its inception, it was also touted as the "game changer". It has not changed any game. Instead, Pakistan is now drowning under the pressure of Chinese debt. Pakistan has been receiving investments in dollars for quite some time, but they have not helped to make its economy stronger. Instead, it has helped the foreign investors, whilst only offering some, temporary balance in the current account deficit. So this so-called policy for the economic revival of Pakistan will fail as others before it.

Pakistan needs an economic policy which encourages the local entrepreneur to envisage new projects to fulfil the needs of local economy. This can only be done when the economic system of Islam is implemented under the ruling system of Islam, the Khilafah (Caliphate) on the Method of Prophethood. The economic system of Islam provides radical solutions, which will build Pakistan's economy on a solid basis. The state itself is the major and dominant party in large scale industry. It encourages the local investors and entrepreneurs to build industry, agriculture and every other sector of the economy. It focuses to build these sectors to primarily fulfill the domestic needs, making the economy independent of any foreign pressures. This is the only option Pakistan has to get out of this economic mess.

﴿وَلَوْ أَنَّ أَهْلَ الْقُرَىٰ أٰمَنُوا وَاتَّقَوْا لَفَتَحْنَا عَلَيْهِم بَرَكَاتٍ مِّنَ السَّمَاءِ وَالْأَرْضِ﴾

"Had the people of those towns believed and been God-fearing, We would certainly have opened up to them blessings from the heavens and the earth." [TMQ Surah Al-A'raf; 7: 96]

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