

Pakistan's Failing Economy Arises from Oversized Pak Army's Budget

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Pakistan in 2018 has ended up as a 'Economically Failed State' chiefly due to massive appropriations by Pakistan Army GHQ in Rawalpindi with no questions dare asked nor accountability called for by Pakistan's elected/nominated Prime Ministers sitting in Islamabad. Pakistan's gullible populace is sedated by Pakistan Army hierarchy that this is required to face Pakistan's threats emanating from both flanks.

Afghanistan and India over the decades have not posed any military threat to Pakistan or threatened it as such. It is the Pakistan Army flush with 'black money' diverted from Pakistan's national exchequer has financed and trained Islamic Jihadi terrorist monsters inflicting terror and suicide bombings in Afghanistan and India.

The Pakistan Army also in the absence of any credible military threats from India or Afghanistan maintains an oversized military machine and an expanding nuclear weapons arsenal. This has drained a limited economy of Pakistan of vast funds which could have been usefully used for stimulating Pakistan indigenous economic activity and for economic and social upliftment of the Pakistani population.

It is commonly said that the Pakistan Army and not the Prime Minister that controls Pakistan's foreign policy but it would be equally true to assert that the Pakistan Army has a stranglehold on Pakistan's economy and has distorted Pakistan's economic priorities and its international economic directions by selective selection of Pakistan's economic partners who toe Pakistan Army's agenda.

The prime example is China virtually colonising Pakistan like the East India Company not only economically but also militarily. This was analysed year or so back in a Paper so titled. People of Pakistan have not realised that China has made use of the Pakistan Army to virtually embrace Pakistan in a tight grip to ensure that Pakistan Army continues to further China's strategic blueprint in the Indian Subcontinent and

the Indian Ocean.

China's flagship latest blueprint to engirdle Pakistan strategically and economically was furthered by the Pakistan Army. The Pakistan Army Chief on his recent visit to China and not the Prime Minister who has yet to visit China gave assurances in Beijing that Pakistan Army would ensure that the CPEC is completed.

Strong murmurs have started sprouting within Pakistan against Pakistan's hidden clauses on the CPEC endorsed by the Government and Pakistan Army. It forced Pakistan's new PM Imran Khan to assert that it would be reviewed. Pakistan Railways projects have already been dropped which were part of CPEC.

Pakistan with an already abysmal economy will be entrapped by China in an irretrievable 'debt-trap' from which Pakistan will never be able to extricate it. Sri Lanka is the prime example as to how that nation had to lease Hambantota Port to China for 99 years to get out of the Chinese debt trap. Would Pakistan end up the same way for an indefinite lease of Gwadar Port till such time Pakistan clears Chinese exorbitant principal debt and also the interest on loans.

In 2018, what Pakistani citizens must finally recognise that the Pakistan Army favoured external patrons like China and Saudi Arabia have but for a token financial aid to Pakistan have not 'bailed out' Pakistan from its economic woes?

Effectively, China and Pakistan have thereby pushed Pakistan into formally approaching the International Monetary Fund for 'bail-out loans' totalling nearly 10-12 billion dollars. Pakistan's new Government was reluctant to approach the IMF for three major reasons.

The first reason is that the Pakistan Army stands indicted by the US President Trump twice publicly this year as that Pakistan has not done enough to rein-in terrorist groups from Pakistani soil targeting Kabul and India. Pakistan Army bristles at such indictments as it wants the world to believe that what action it has taken against Pakistan Army targeted terrorism as Pakistan combating terror overall. The United States cut off US military aid to Pakistan because of the above reasons.

The second reason is that PM Imran Khan has at present no personal equations with US President Trump to count on to soften the edges of US strategic distrust and pursue US support for IMF loans. PM Imran Khan has also to live down his reputation of being termed in the past as 'Taliban Khan' and his anti-US rants while in the Opposition.

The third reason is that in 2018 the strategic utility to the United States of Pakistan stands that much devalued because of geopolitical reasons. India carries more weight today in Washington and unlike in the past when Pakistan Army was pandered both by US State Department and the Pentagon.

The United States is also enraged because the Pakistan Army has not prevailed over the Afghan Taliban to sit at the peace negotiating table

with Kabul Government on future of Afghanistan stability. Can the United States ever see reason that it is not in Pakistan Army's interests to have a stable Afghanistan, which implies that there should be a Pakistan Army-preferred Kabul Government?

Then of course Pakistan's virtual sell out to China is a strategic irritant in United States eyes in terms of Indo Pacific security.

With the above backdrop the United States at the highest levels has publicly asserted that the US will not allow US-funded international financial institutions or US tax payers money be given to Pakistan to service Pakistan's China-CPEC loans.

Also, as Pakistan now formally approaches the IMF for a bail-out package the IMF would insist that Pakistan lays on the table the complete details of Pakistan's contracts and commitments made to China by Pakistan on the CPEC. Would Pakistan Army allow the Pakistan Finance Minister to provide such details?

Pakistan in 2018 is in economic distress because the internal stability within Pakistan and on its peripheries is disturbed and turbulent and that does not induce Foreign Direct Investments. Also loaded against external FDI coming to Pakistan is the fact that Pakistan does not provide a level playing field to foreign investors when it comes to competing with China in Pakistan.

In an age of global economic inter-dependence, the natural course of action was to plug into the vibrant Indian economy next door and add vibrancy to its economic activity. But sadly, the Pakistan Army has consistently opposed any Pakistan Government from extending MNF status to India. India is not the loser but Pakistan definitely is.

Similarly, Pakistan could generate sizeable transit revenue if it allows India land routes transit through Pakistan to Afghanistan and Central Asia. But here once again it is the Pakistan Army again that puts spokes in the wheel.

Concluding, it needs to be asserted that in 2018, it is the Pakistan Army which has mortgaged Pakistan's economic future to China, foreclosed its economic options with India and with its ISI aid to Islamic Jihadi groups' generated turbulence with its neighbours.

In the process, Pakistan is not considered as an attractive and safe destination to park external FDI. Pakistan Army has made Pakistan a safe destination for economic investments only for China. If Pakistan has to progress economically, which it can, and then it becomes imperative for all right-thinking Pakistanis to raise their voice against Pakistan Army's dictates on selective choosing of Pakistan's economic partners.

Besides virtual misappropriation of scant Pakistan's economic resources, the Pakistan Army like the Chinese PLA has created a parallel economic empire through its Fauji Foundation running everything for logistics requirements of Pakistan Army. One wonders whether revenues so earned from such Pakistan Army monopolies are ploughed back to Pakistan's economic coffers.

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