**[CPEC to SIFC](https://www.dawn.com/news/1769036/cpec-to-sifc)**

[Dr Niaz Murtaza](https://www.dawn.com/authors/385/dr-niaz-murtaza) Published August 8, 2023

A WEARY nation is being sold a new acronym-based dream about huge progress. It was Seato and Cento in the 1960s, OIC in the 1970s,; CPEC in the 2010s and the Strategic Investment Facilitation Council (SIFC) now. Similar dreams in the past only resulted in short-term, inequitable and distorted progress.

The common thread across all was the attempt of our rulers to attract politicised lumpy investment via political ties with autocratic patron states like the US, China and those in the Gulf, rather than from a wide range of local and foreign investors, as India and Bangladesh did by becoming economically attractive by implementing reforms. Autocratic states make us dependent on the political agenda of autocratic states, whose shifting moods can stall progress. Local foreign investors would give no single entity control over our destiny and allow us policy freedom.

While CPEC is not dead, it has stalled and is not living up to its dizzying marketing. It is unclear what impetus the new agreement signed on its 10th anniversary gives. But it is telling that China sent only a vice premier for the partying of supposedly the crown jewel of its huge global Belt and Road Initiative. In 10 years, China pumped in $25 billion but we are much worse off economically now than in 2013, with the PML-N responsible for one and the PTI for two economic crises. The power plants are expensive and technically dubious; the freeways have made travel easier but not added economic value to pay off the foreign loans. The economic zones and the Gwadar port are inactive. Why have things stalled? Has China concluded that Pakistan is not the right place to do business in, given our political instability, bureaucracy and elite-dominated economy?

With apparently less Chinese interest, we are now beseeching the Gulf sheikhs for patronage. Can the SIFC result in sustainable and equitable progress? The immediate prognosis looks dim. Firstly, it is a huge demotion to go from China to them. There is the difference in economic size. China’s GDP is $20 trillion; that of the six Gulf states around $2tr.

The type of projects being championed the most raise concerns.

More critically, China is a highly productive and dynamic state that has grown through creativity and hard work and possesses amazing managerial and technological prowess to share, though its autocratic ways are a concern. The Gulf states are living off natural resources, with no economic dynamism to share beyond investing huge oil money abroad. They will come to us only if they can make much more money than in the competitive West, as we give them all sorts of advantages not available to other actors in our economy. So, instead of being a haven for the fittest, we will be a pillage ground for the fattest.

To predict the fate of the SIFC, one only has to view the intellectual prowess and economic dynamism of the three driving forces — Gulf sheikhs, the establishment and Raiwind. Economic dynamism, productivity, creativity and vision are the last things that come to mind about them (the PTI and PPP are no better). With the three joining forces, we do not get much.

With major economic reform to fix unproductivity on hold (let alone restructuring to create a fair economy), this is just another attempt by rulers to postpone reforms and restructuring, maintain an exclusionary, elitist economy that benefits them but still relaxes our binding current account deficit constraint. That constraint periodically forces them into attempting to undertake patchy, dubious reforms under IMF diktat as the economic unproductivity and large money supply increases and fiscal deficits produced by our elitist, rapacious economy frequently deplete our foreign reserves.

The type of projects being championed the most — corporate farming and mining — raise concerns further as globally these sectors are known for economic inequity and environmental destruction. The lack of transparency and involvement of civil society in a democratic way and the powers and role being given to the establishment raise hackles further. This economic strategy is going hand in hand with political autocracy as all players look to increase their political control, silence all opposition and media and crush freedoms.

Thus, Pakistan is entering a new and dangerous phase of economic inequity and political repression, apparently led by the establishment with the help of a new set of political lackeys to replace the PTI. As always in our history, the promised rosy dream may soon turn into a traumatic nightmare and a lived tragic reality soon for a hapless nation. Sadly, one sees little chance of major change in the foreseeable future.

*The writer is a political economist with a PhD from the University of California, Berkeley.*

[**murtazaniaz@yahoo.com**](mailto:murtazaniaz@yahoo.com)

**Twitter:** [**@NiazMurtaza2**](https://twitter.com/NiazMurtaza2)

*Published in Dawn, August 8th, 2023*