**Two Sides of the Coin**

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The news of Pakistan’s exit from the FATF grey list came in as a sigh of relief to many agencies, ministries, and institutions. This was, indeed, a joyous moment for many. Also, in the Twitter war between who should be given the full credit for this victory, many simply forgot to mention the services provided by the Pakistan Army. For those who are unaware, DGISPR Major General Babar Iftikhar shed great light on all the steps taken by the special cell from the conception to the development and the execution of a comprehensive framework to combat Terror Financing and Money Laundering in the country.

It was the special cell created under the DGMO that designed an action plan and led the coordination mechanism between 30 plus departments, ministries, and agencies. Furthermore, DGISPR also highlighted that Rs 58 billion were recovered due to the effectiveness of our Anti-Money Laundering Laws. So, while the political opponents can take their time to fight over who will take the cake, I think we must appreciate the role our army has played in ensuring much success in this endeavour.

Now moving on to the impact that exiting the FATF grey list will have, are very interesting to analyze and definitely a topic worth exploring. Pakistan first entered the FATF’s grey list in the year 2018 when the international watchdog felt that the country was not taking satisfactory action to introduce Anti-money laundering and Terror Financing laws. However, our relationship worsened in recent times due to some really interesting factors. Firstly, it was the “Absolutely Not” in response to the “Do more” that did not sit well with the international power poles. We are all well aware of the weak diplomatic ties of our former prime minister with the QUAD, especially with the United States. Also, his pro-Taliban sentiment never sat well with them. Secondly, our neighbour had been propagating Pakistan’s involvement in a number of fabricated terror attacks to convince the international powers. Thirdly IMF and Pakistan’s constant back and forth over its conditions would have naturally rubbed the Global Power poles the wrong way. All of these together triggered a response that led to international pressure on Pakistan. These and more factors played their part in Pakistan’s continued existence on the grey list for an extended period.

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However, since I titled this article as two sides of the coin, I firmly believe that there are two sides to FATF and Pakistan is walking on a thin line.

Now to begin with the upside of exiting the grey list. First and foremost, Pakistan will see a revival of the IMF deal and as promised earlier, will receive a bigger amount than the initial agreement. The government seems to have received a green light on the budget for FY 2022-23 including the 15 per cent salary increment for government employees and the tax relief granted to people earning 1.3 million or less annually. Even though the experts at International Monetary Fund had more expectations from this budget, I already term budgets like these a downfall of democracy. Secondly, Pakistan’s diplomatic ties will see an instant revival in its relationship with Saudi Arabia, China, and other countries. We will begin to see a renewed keen interest of the international business community in Pakistan’s critical economic projects such as the CPEC, Gwadar Port, and BRI. Also, as the Arab states rekindle their economic ties with important strategic allies, there may be something to gain for Pakistan as well. Foreign Minister in his recent statements termed the relations with China “cornerstone” and recognized BRI’s economic potential by saying “it has enormous economic potential globally.” Another major incentive I see coming forth is the investor’s confidence in Pakistan which is sure to benefit the Special Economic Zones that have been much neglected and not utilized to their full capacity.

All of this is great and I as an economist can not stress enough reaping the benefits of opportunity in enhancing a country’s economic performance. However, there is a flip side to this “sigh of relief” from FATF. I warn my readers to not be startled when they begin to read or hear a few different versions to “DO MORE” from international players. There will be global powers with high expectations from Pakistan on various economic, geostrategic and political issues. To this, we will not have any option but to obey and do what is expected of us. However, I fear that this obedience will come with a huge cost to Pakistan.

I have always professed the importance of making independent economic decisions that are a true reflection of the national growth and progress we want to see Pakistan making. For this national economic vision to succeed, political alliances will have to take a backseat as we decide on a tougher reformative and restructuring role. This also means taking unpopular decisions, sacrificing opportunities that may benefit the personal politics of a party or a person or even creating strategic alliances with countries that have greater economic benefits to offer. We can only achieve this if we for once introduce the age-old concept of letting the right people do the job, the TECHNOCRATS. We must put together an unbiased and truly talented pool of individuals together who not only have the nerve to take the tough decisions but a thick skin to withstand their consequences.

Hence, if we are to avoid turning Pakistan into a confused banana republic, we will have to keep the international political powers close but our economic growth and stability closer.

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