**[A split world](https://www.dawn.com/news/1771675/a-split-world)**

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FOR three long decades, the world appeared to be moving towards greater interconnectedness. Trade ties between countries increased and pointed towards improved political stability. If emerging powers needed the consumer markets of existing superpowers in order to survive, it suggested that neither could afford a protracted war. This status quo of an integrated world now appears to be dissolving before our very eyes.

This time, the alarm was sounded by IMF chief Kristalina Georgieva. She would know; not only does she have an inside view of the cumulative health of the world’s struggling economies, her own experience, too, makes her particularly sensitive to early signs of want. Georgieva, who is 70 now, grew up behind the iron curtain in Sofia, Bulgaria. While neither of her parents belonged to the Communist Party, they were still caught up in the extremely restricted world that existed at that time under the shadow of the Soviet Union over East Europe. According to her, “things were cheap but not available”. Her latest remarks came just after US President Biden announced a partial ban on American investment in China in sectors that could be used for military applications.

While the strained ties between the US and China is one indicator of a world moving farther apart, so too is the war in Ukraine. Recent US intelligence estimates, along with expert analysis, suggest that Ukraine, whom the US and Nato have championed, is unlikely to recover all the territory that it had prior to the Russian invasion. The fact that this is true despite the billions of dollars in weaponry and training that the US has provided is likely to affect the future of American aid to the country. In the meantime, not only can Vladimir Putin declare this a victory, he is also unlikely to withdraw from the country until after the results of the US election of 2024 are known. If former US president Donald Trump is the Republican Party’s nominee (as it appears he will likely be), then Putin has a 50 per cent chance of a friend in the White House and an opportunity to not only keep whatever bits of Ukraine he has captured but also to likely grab much more than that.

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It is unlikely to happen but that result, while terrible for Ukraine, would suggest a less fragmented future for the world. The more likely outcome is pockets of the world finding themselves forced to choose loyalties between the US and China. This will be terrible for countries like Pakistan who would like good relations with both. Failure to listen and act on what Washington wants will expose it to the risk of losing access to funds that Pakistan and other developing economies need in order to function.

Pakistan is not alone; countries like Argentina, Ghana, Sri Lanka and many more are highly leveraged and owe a huge debt to international institutions. While China has invested billions in infrastructure projects to developing countries, its dependence on a weak yuan means that in economic terms it would not be able to overtake the dollar. This conveys a huge benefit to the US because it allows the dollar to remain the world’s principal reserve currency. The US can literally print money when more dollars are needed.

Given these realities, it is not surprising that the IMF chief is feeling dismal about the world’s prospects. Having to choose between China and the US will promote its own sort of extremism as economies who need the assistance of both countries to survive the current post-Covid slowdown continue to struggle. Investors, too, may have to choose between one or the other. This does not bode well for China whose lack of transparency is likely to deter investors who feel that the lack of the rule of law may limit their ability to recover funds, etc, in the event of a dispute.

At the end, this is a reminder of the adage that beggars cannot be choosers. A lot of political debate in Pakistan suggests that the choice of allies is a product of ideological allegiances. Many think that turning away from the US suggests a greater commitment to decolonisation and autonomy. However, the fact is that the global economy makes it nearly impossible for struggling economies with high levels of debt to make very many independent choices.

Aid makes countries like Pakistan dependent for as long as Western countries make it impossible for them to compete fairly in the global market. Independent decisions by struggling economies will only be possible if Western countries stop subsidising their industries to protect their own companies. When American wheat sells for less than Pakistani wheat because the American farmer is protected by subsidies and can sell below the market price, the premise that the world functions along the lines of free market capitalism is exposed as a lie.

The prospect of darker times to come seems almost unbearable in times that already appear dismal. And yet, that is just where the world appears to be headed. If the poor in US cities are taking to looting expensive stores and shoplifting complaints have risen exponentially, imagine the fate of the poor struggling Pakistani aghast at the insane rate of inflation in the country. The split world is materialising before our eyes and it threatens to tear up lives, countries and much more. The perilous economic condition in which Pakistan finds itself is going to make it even more dependent on international financial institutions like the IMF as the already squeezed populace suffers ever greater privations. The most dangerous people are those with nothing left to lose, and it appears more and more that Pakistanis might end up in that category.

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