

Press Release

## Privatization Has Already Ruined the Energy Sector, Yet the Rulers are Still Following the Destructive Dictation of the International Monetary Fund (IMF)

The rulers of Pakistan are on a drive to attract investors for privatization because of the orders of the International Monetary Fund. On 23 May 2024, the International Monetary Fund stressed that Pakistan's authorities must, "secure energy sector viability, including reforms to reduce the high cost of energy... improve public service provision through state-owned enterprise (SOE) restructuring and privatization; and promote private sector development, by securing a level-playing field for investment and stronger governance." The very next day, on 24 May 2024, Pakistan's Federal Minister for Commerce met the Republic of Korea's Ambassador to Pakistan. According to the Press Information Department press release, the Minister "extended an open invitation to Korean companies, urging them to explore and invest in Pakistan's commercial and strategic projects. Key sectors highlighted for potential investment included energy." The entities that are targeted for privatization include large profitable energy projects, such as the RLNG plant and Genco 1, 2, 3 and 4 power distribution companies.

In blind slavery to the colonialists, the government is recklessly creating a gold rush over Pakistan's energy sector, which is the backbone of industry, including the strategic military industry. The colonialist capitalist principles of "reducing the burden of public institutions on the national exchequer" and "it is not the job of government to do business" have become the mantras of the rulers and Western-trained IMF economic hitmen. The rulers do not care that the general public is paying the price for this destructive prescription of the post-Washington Consensus in the form of poverty, hardship, debt and suicides. The disastrous reforms and privatization of the energy sector that have wreaked havoc with the energy sector, began in the nineties of the last century, at the behest of colonialist institutions, including the International Monetary Fund and the World Bank. For the year 2024-25, the government is going to spend 2200 billion rupees on capacity payments, out of the total electricity expenditure of 4000 billion rupees. It will spend on capacity payments, even if these independent power producers (IPP's) do not produce a single unit of electricity.

The reforms of the energy sectors have filled the pockets of local investors, foreign investors and owners of banks. The reforms have ensured the daylight robbery of the people's hard earned savings and earnings. Yet, the rulers are even privatizing the profitable projects of the energy sectors. They claim that, "after privatization, the institutions will stand on their own feet." Yet, they cannot answer the

question, “Why were 130 of the first 160 institutions that were privatized, liquidated?” They claim that “It is not the job of the government to do business.” Yet they cannot answer the question, “Who made the provision of basic needs and utilities to people a business in the first place?” They claim that “We will pay foreign debts with the proceeds of privatization.” Yet they cannot answer the question, “Why is Pakistan’s debt continuously on the rise after the privatization of dozens and dozens of institutions?” Capitalism only concentrates the wealth in the hands of a few, depriving the masses of their share in the wealth of the nation.

Both socialism and capitalism fail to understand which resources must be owned by the public and which must be owned by the private sector and state. This is because the depth of the subject of ownership of property is beyond the comprehension of the limited human wisdom. Allah (swt) has bestowed His Mercy on humanity by solving the subject of ownership with His Limitless Wisdom. The Messenger of Allah (saw) said, «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثٍ: الْمَاءِ وَالْأَعْلَى وَالنَّارِ» **“People are partners in three: water, food and fire (anything which produces fire).”** (Ahmed) In Islam, energy and minerals fall under the definition of public ownership. These resources are a common need of the public, being of mandatory consumption. Whether they are cheap or expensive, people cannot manage without them. The state supervises the public property assets, such as oil, gas, water, grazing pasture land, electricity and water, for public expenditure. The Khaleefah (Caliph) of the Muslims is not allowed to transfer these publicly owned assets into private ownership, through privatization.

In the Khilafah (Caliphate), a huge source of wealth in the economy, energy, is allocated to the people, collectively. Due to its unique approach to ownership, Islam ensures the circulation of wealth in society. Islam prevents wealth from being concentrated in the hands of a few investors. Moreover, as a result of Islam’s economic rulings, electricity, oil and gas become available to the people at cheap prices. It is the Khilafah on the Method of Prophethood which will end the exploitation of public property, such as energy and fuel, through privatization. It will ensure the provision of fuel and energy at reasonable prices, generating an industrial revolution. The Muslims must give the collapsing colonialist system a final push, so that they rid themselves of its burden. The Muslims must demand that the military officers of the Ummah give Nussrah to Hizb ut Tahrir for the establishment of the Khilafah Rashidah (rightly guided Caliphate) on the Method of Prophethood so that the Ummah can once again fully benefit of the immense wealth that Allah (swt) has bestowed the lands of Muslims.

## **Media Office of Hizb ut Tahrir in Wilayah Pakistan**