



# CHIMERA'S BANE

*demystifying and demythologizing  
capitalism with heterodox analysis*

ISSUE 7  
MARCH 2026

*Dear readers,*

*I hope Chimera's Bane is delivering to you something worth reading in these days of war. I hope most of all that you are well. This issue was initially going to be about the SBP's monetary policy committee's decision to hold the policy rate unchanged. Then I started writing about foreign policy as well but the two didn't exactly fit together. So I've ended up focusing on the latter in this issue and will write about monetary policy in the next one. I'm also hoping to squeeze in a short piece about Adam Smith and The Wealth of Nations later this month, since the economics classic has just turned 250. I should mention that I wouldn't be able to keep writing if it wasn't for the love of my life who continues giving me space and understanding. Thanks also to my luddite friend who perhaps sees what I'm trying to do, even if I don't.*

*Sincerely,*

*Daniyal Khan*

*March 15, 2026*

## MIRAGES OF POLICY

Nationalists are very impressed by what they consider to be Pakistan's masterclass at walking an impossible tightrope in diplomacy and foreign policy. The country is, if you would believe the praise, apparently a United States ally as well as an old, trustworthy mate of China's. It stands with the Gulf countries yet has brotherly relations with Iran. It is a member of the Committee from Hell but is also committed to Palestine. It is my contention that Pakistan's purported brilliance at somehow being on everybody's side and nobody's side is exactly what it sounds like: nonsense. It is a mirage, and what is practically now a third world war may yet reveal the reality of the situation and do so painfully.

Where does Pakistan stand in the current West Asia hostilities? Being a member of the Committee from Hell and holding strong to [a mutual defense pact with Saudi Arabia](#), there is little doubt about Pakistan's allegiance to the US-led (if the US is still in fact leading) group of countries. If anyone had any doubts, some important developments should have put them to bed: the [prime minister's foreign media spokesperson's interview to Bloomberg](#) where he has reiterated Pakistan's commitment to the agreement with the Saudis, and the [vote in favor of the UN Security Council's resolution](#) condemning Iran's attacks on its neighbors. As and when push comes to shove, Pakistan will side with US interests, with the Saudis and the Gulf

countries. Calls for Pakistan to leave the Committee from Hell, such as [from former ambassador Maleeha Lodhi](#), are naive. The military and its select civilian lapdog – perhaps the very platonic ideal of one – have not grovelled at the White House and in West Asian palaces for so long only to now surrender their position on the global strategic chessboard.

They will now protect this position with all they've got. They do not want their US and Arab allies thinking for even an instant that the Pakistani public, not liking what it sees being done and said in its name, might become an inconvenience in the way of fully utilizing this position. Thus to keep their allies on side, the military-led regime has decided to adopt exactly the flavor of authoritarianism that its allies prefer. Everyone is doing their part wherever they can however they can. The federal [law minister has been anticipating and pre-empting dissent](#) with talk about red lines which may not be crossed in discussions of foreign policy, lest the Gulf countries should be offended. The prime minister has kept mum about [Pakistanis who died protesting](#) the murder of Ayatollah Ali Khamenei. [Aurat March activists were arrested in Islamabad](#) because any and all dissent – even peaceful protest – is considered a threat to foreign policy and hence considered criminal. That is how insecure and illegitimate the current governance setup is, that is must maintain its foreign policy and diplomacy through unhinged totalitarianism at home. (In a clownish bid to stay relevant amidst the seriousness of domestic repression, Fawad Chaudhry decided to wade into the fray only [to ask what Aurat March was about](#).)

There should be no doubt about this: Pakistan's foreign policy, oppressive in its own right by supporting the US in the region, is sustained by cranking totalitarianism at home up to eleven. The regime and its nationalist cheerleaders are so desperate for the "hard state" claim to be true that, like a man taking out his rage at his own family after being humiliated at work, the Pakistani state will beat anyone and every that it can who won't say and do exactly the things it wants. To borrow a phrase from Osman Samiuddin (though from a completely different context), [the Pakistani state offers its people and anyone else within its sphere of influence a carrot-and-stick approach, except in a novel twist there's no carrot](#), only stick. Therefore, amidst half-hearted austerity measures to save fuel and energy, the military is [bombing Afghan civilians](#) while the minister of defence [Khawaja Asif continues to spout the anti-Afghan bile](#) which has helped sustain the [deportation of Afghan refugees and in some cases their Pakistani descendants](#).

The problem is that Pakistan's foreign policy, while being celebrated by nationalist types who wear blinders as if it was the hallmark of intelligence, actually carries with it severe risks of running into entirely unforeseen and unforeseeable situations. As a case in point, consider the Israel's airstrikes on oil facilities in Tehran which practically imposed [a kind of chemical warfare on Tehran](#). The toxic chemicals that these strikes have released into the city air could very well become a problem for Pakistan, as the [Pakistan Meteorological](#)



# CHIMERA'S BANE

demystifying and demythologizing  
capitalism with heterodox analysis

ISSUE 7  
MARCH 2026

[Department warned](#) that “[d]ue to recent situation in Iran, the winds may carry pollutants, and deteriorate air quality in the western parts Pakistan.” This is indicative of the larger issues that the country faces, issues which a natsec-centered governance and foreign policy simply cannot see coming and in fact might actually be the one bringing those issues into existence unknowingly. Thus there are risks Pakistan faces that its foreign policy can simply not anticipate, let alone deal with preemptively. It might have been able to, but the current blanket ban on even the most minor of disagreements makes such anticipation impossible. The space for dissent and difference of opinion has shrunk to the point that rather than standing on a knife edge, the country is left standing on the point of a needle – with no leg to stand on and with nowhere to go.

But our overlords, in their delusional foolishness, would have us believe Pakistan is the tip of the sharpest spear in the armory. They might yet be brought back down to earth by public anger, because now the [petrol dealers worried about their margins are threatening to shut down petrol stations](#). It's a shame nobody is talking about the [worker shot at a Sialkot petrol pump](#) earlier this month when word leaked that a fuel price hike was coming. His death might very well have been the sign of bigger troubles to come.



***Postscript on higher ed:** What this all means for the Pakistani public now is that while the regime is relishing its global position, life in the country has become disrupted to the point that [schools and universities have gone online](#). The situation really ought to give some pause for thought to the education sector, especially universities. They decided to gladly host military men for whom these appearances were and continue to be reputation laundering exercises, and then had the nerve to say that they could not be political, and that things such as wars, foreign policy, the environmental problem, were not in their hands or under their influence. The claims of helplessness are hard to reconcile with claims of producing “change makers” and “shaping the future”. Higher education in Pakistan must now face disruptions because it has refused to properly leverage its role in the country's political life (or because it has simply let that role erode) and has refused to influence policy in ways that might actually matter beyond tinkering with the system here and there. Universities have been cowardly and have paid the price for pretending to be apolitical while they hosted generals. This is an important reason for why the military-led regime feels so comfortable with exercising control the way it does and why it expects instant and total compliance.*

