

# The mirage of financial freedom

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**The tantalizing promise of “financial freedom” has always been a magnet for the middle class, the unskilled, and the unemployed in Pakistan. This dream, repeatedly echoed in seminars and meetings, paints a picture of prosperity just within reach.**

However, for many, this dream has turned into a nightmare, courtesy of Multi-Level Marketing (MLM), Pyramid, and Referral Marketing Ponzi schemes. Historically, Pakistan has been no stranger to such fraudulent schemes. In the past, numerous companies, often operating under the guise of brokerages, have duped countless individuals out of their hard-earned money. But as times change, so do the tactics of these scammers.

Recently, these fraudulent enterprises have taken on a new guise, intertwining themselves with the booming world of crypto currencies. Exploiting the unregulated nature of crypto trading in Pakistan, these schemes have found a new avenue to ensnare unsuspecting victims. The modus operandi is eerily familiar.

A seller or networker approaches potential investors, enticing them with the promise of hefty returns. To join this “lucrative” opportunity, one must purchase a “starter pack” or share. The catch? Recruit others into the scheme, and as they invest, you reap a share of their profits. It’s a cycle that thrives on recruitment, creating a pyramid-like structure that’s destined to collapse.

One glaring inconsistency in these schemes is the absence of a tangible product or service. If these companies truly had valuable offerings, why would they need individuals to become distributors or networkers? The truth often reveals itself: these schemes rely on a mere rotation of money – taking from one investor to pay another.

When questioned about their astronomical returns, these companies often resort to vague explanations, citing physical businesses or trading ventures. But in reality, it’s a house of cards, sustained only by new investments. Once the influx of new investors slows down, the scheme collapses, leaving behind a trail of financial ruin.

Many people in Pakistan have seen its fair share of devastation due to these schemes. An MLM company, purportedly scammed nearly 70 billion rupees from unsuspecting Pakistanis, wreaking havoc in southern Punjab, and it’s not an isolated incident. These MLM Companies and now the so-called crypto brokerages have left a legacy of financial ruin and shattered dreams.

The victims are often the most vulnerable – those with limited education, small business owners,

housewives, and nine-to-five workers seeking a better life.

These schemes exploit their hopes, leaving them with empty pockets and broken promises. Despite crackdowns and regulatory measures, the landscape remains ripe for new entrants.

These scammers are adept at rebranding and adapting. When one scheme is exposed, they simply re-emerge under a new name, with new faces, but the same old play book. These MLMs continue to operate, luring unsuspecting investors with their enticing promises. They often collaborate with local influencers to promote their schemes, further amplifying their reach.

While Pakistan has laws in place, such as the Companies Act, 2017, to curb these fraudulent activities, there's an urgent need to revisit and strengthen these laws. Greater public awareness, stricter regulations, and harsh penalties for perpetrators are essential to protect the vulnerable and curb this menace.

While the promise of "financial freedom" may be tempting, it's crucial to approach such schemes with caution. Education, awareness, and due diligence are our best defences against these predatory schemes. Only by staying informed and vigilant can we hope to protect ourselves and our communities from these financial predators.

The allure of "financial freedom" continues to captivate many, but it's essential to differentiate between genuine opportunities and fraudulent schemes. As the saying goes, if it sounds too good to be true, it probably is. It's time to shatter the mirage and arm ourselves with knowledge to safeguard our financial future. Awareness campaigns, financial literacy programs, and community engagement are vital steps in this direction.

As long as there are those seeking easy money or opportunities that promise instant wealth, scammers will continue to find ways to exploit such aspirations. It's crucial for individuals to be equipped with the knowledge and understanding to discern genuine opportunities from deceptive schemes, safeguarding themselves and their hard-earned money

All things considered, the role of the media and influencers cannot be understated. Responsible reporting and ethical endorsements can play a significant role in exposing these schemes and reducing their impact. By working together as a community, we can create a safer environment for all, where dreams of financial freedom are achieved through legitimate means, not at the expense of others' hard-earned money.

It's high time we break the cycle of exploitation and ensure that the promise of "financial freedom" becomes a reality for all, not just a deceptive mirage. The path to prosperity should be built on trust, transparency, and integrity, not deceit and deception.

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