

ELEVEN YEARS OF OUR ECONOMY ACHIEVEMENT & FAILURES

STUDENTS' VOICE

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IN MEMORIAM: MARGHOOB – MY BROTHER

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The establishment of Pakistan has been one of the most significant events of contemporary history. It was an unparalleled historic achievement. But it was not a mere achievement as such; its establishment was a great challenge as well. Throwing off the imperialist yoke from our political shoulders was not the be-all and end-all of our struggle. It was only the first step in the direction. The fact is that the real task began only after the dawn of freedom. A historic mission was cast unto us. We were put to trial. We had to prove to the world that we were true in our professions and had the guts to meet the challenge which was thrown to us. In the political field we had to open a new chapter of our life. In the educational world we had to replace the British-imposed academic order by a new educational order which could cater to our new ideological, national and managerial needs. In the cultural sphere we had to discard the blind imitation of the West and had to bring about a social renaissance based on the values of Islam. In the economic field we had to abolish poverty, unemployment and severe disparity and had to establish a new order guaranteeing equity, prosperity, and ever-increasing well-being —The question is that how far have we succeeded in meeting this multi-faceted challenge. In the decade that is gone, what have been our achievements and what were our failures.

The Economic Objectives

Before embarking upon the study of our successes and shortcomings, it is essential that we become quite clear about the criterion on which we are to judge the economy. The basic economic problems that beset the country and the objectives of the Pakistan movements, may briefly, be summed up as follows:

- (a) The basic problem which confronted us was that of the economic system. We inherited an economic order that was semi-feudalistic, semi-capitalistic. It was a product of the age of economic slavery and was nurtured by a foreign power to exploit the country and its people and to keep it in a perennial state of the hewers of wood and the drawers of water. This system is unsuited to our needs, is diametrically opposed to the values and the ideology of the country and is unable to support and foster economic growth in the country—nay it is the greatest impediment in the way of progress and vitiates all attempts at reform. Our first problem was to change this system and adopt an economic order based on moral values of Islam and guaranteeing unhampered economic progress, general well-being and social justice.
- (b) The second objective was economic independence. Muslim India had long languished under the economic heels of the English and the Hindu capitalists. Pakistan gave the message of hope to the long-oppressed Muslims of the sub-continent. This economic independence was to be achieved by developing our own industry and trade and thus enabling the country to stand firmly on its own feet.
- (c) Third objective, closely related with the above two, was to achieve economic progress and social well-being. This consists in:
 - * continuous expansion of the economy resulting in unhampered and unbroken increase in the standard of living of the people;
 - * An increasing rate of progress so that the expanding needs may be successfully met;

- * elimination of poverty and unemployment and the provision of the basic needs of life for every citizen; and
- * the greatest possible diffusion of the national income among the members of the society so that the inequalities may be reduced to the minimum and the common man may be able to enjoy the real amenities of life.

These were the economic objectives of the Pakistan Movement and the success or failure of our economy must be judged on this criterion.

11 Years in Retrospect

Pakistan joined the committee of Nations on 14th August 1947. Ever since its creation it is riding on the neck of problems. Partition brought in its wake a host of economic complexities which the nascent state had to face willy-nilly. We literally started from the scratch. Economic organisation of the country, rehabilitation of the refugees, achievement of economic independence from Bharati interests, were the primary problems. In December, 1947, an Industrial Conference was held to formulate scheme for economic development. In July, 1948, State Bank of Pakistan was established and in November 1949 the National Bank was inaugurated. Pakistan economy was put to test in 1949 when the pound sterling was devalued. Pakistan refused to devalue. But Bharat did not agree to our exchange rate and a trade deadlock ensued. It was a severe blow to our economy.

In 1950, with the outbreak of Korean War boom conditions prevailed in the commodity markets and our export trade prospered like anything. This was followed by liberalisation of trade which continued even after the close of the war and dispelled grand havoc on our economy. Everything was topsy-turvy in 1952 and sudden checks had to be imposed upon the trade. In 1955 conditions became such that we had to devalue and after that the trade registered a happy increase. But during the last year trade conditions have again become extremely unfavourable to the country and in 1957 our deficit has soared up to 25 crores. The reserves have fallen to 102 crores which borders on the dangerous limits.

In 1950 a six year Plan was formulated. But the economic conditions changed even before the plan was introduced. As such a two-year priority plan was prepared, mainly for industrial development. In 1952 industrial growth entered a crucial stage and ever since, industrial production is expanding. In May 1955 the Five Year Plan was presented for the period 1956-60. This inaugurated the era of Planning in Pakistan.

Agriculture has not been in a happy state during these years. The production has failed to register happy improvements. Food crisis has deepened and during the last three years the Government has to spend some Rs. 110 crore worth of foreign exchange to import food-stuffs. This is a heavy drain on our economy.

An Evaluation

After this cursory glance over the last ten years, we may assess the achievements and the failures of our economy in the light of the objectives we had set before us.

As far the question of the economic system is concerned, our failure is clear and explicit. The basic defect of our economic policy is that we have failed to realise where the malady lies. We are

lighting with the symptoms of the disease but have paid no heed to the real causes which defeats every attempt at reform. In the face of an out-model system no improvement can be effected in different branches of the economy. If the system is based on injustice and exploitation, it can never win the wholehearted support of the people. If it is in conflict with their values and ideals and hopes and aspirations, it cannot catch their enthusiasm. If it cannot establish equity, it cannot work unhampered and unrestricted. This fact has been ignored by the Government and administration and the result is that despite so much use of money and energy, the basic problem remains un-solved.

No attempt has been made to reorient the economy according to the values of Islam and Islamic justice. Even the Five Year Plan fails on this count. Nothing in the Report suggests that the Board tried to have a detailed idea of the pattern of economy which Islam envisages. Nor is there any indication to believe that they planned to establish in Pakistan a new economic order based on the values of Islam! No attempt seems to have been made to introduce the Islamic values and institution and to plan for the domination; of those institutions which Islam disapproves. The problem of interest and that of the collection and distribution of Zakat and Sadaqat are two specific points on which one would have expected the Government, and in particular the Planning Board, to suggest and adopt any plans. But no importance has been given to either. In the Five Year Plan no mention is made of the problem of interest and about Zakat one finds nothing but a liptribute that: "The teachings of Islam, in particular, the institution of Zakat, are powerful stimulants to quiet and unnoticed charity, which benefit without offending the self-respect and dignity of the beneficiaries."

The fact is that interest is the most hostile form of exploitation and Islam disapproves of it in all forms. Quran says that those who take interest, they declare war against Allah and His Prophet. Zakat is an state institution in 'slam and its public- collection and disbursement is essential. But the Report pays no heed to these and but it gives us the good- tidings that its social policy will "enable the Muslims to' order their lives according to the teachings of Islam."

Economic independence

Have we achieved economic independence? The question is quite complicated and cannot be answered in simple affirmation or negation.

Pakistan has become independent and the new avenues have been opened before the people. Some significant progress too has been achieved. But despite that our dependence has not come to an end.

This is an open secret that in East Pakistan Bharati capitalists still rule the rust. They dominate over the financial scene and are pilfering the economy in every conceivable way. Dr, Saddiq, Statistical Officer of the East Pakistan Govt, has conclusively proved that more than 38 crore rupees are being transferred to Bharat every year. (See Economic Emergence of Pakistan Vol. I. by Dr. Saddiq) In every field they wield a dangerous influence and are not only sapping the fountains of strength, but are capable of destroying the economy whenever they like. This is a basic weakness of our economy.

Then is the problem of foreign dependence. The last five years prove that we have become totally dependent upon foreign aid even for our survival. This cringing dependence is another major lacuna and unless it is filled we won't be able to rise up and say with confidence that we are free!

The State of Agriculture

Now we come to the third objective. During the last ten years significant progress has been achieved in the industrial sector. New industries have been established and Pakistan is said to have achieved self-sufficiency in cloth, jute goods, and several other consumers goods. The index of production has recorded encouraging increases. Taking the year 1950 as 100 in 1954 it was 253, in 1956:359 and in July- September 1957:385. This is "a marvellous achievement.

But the position in other sectors of the economy is far from satisfactory and the general economic picture is very gloomy. Let us refer to some aspect of the economy.

In Agriculture the position has been very precarious Total food-grain production in 1957 was only a little more than the 1947-48 level. The per capita- production of food-grains is reflected in the following statistics: Per Capita Production of food grains is reflected in the following statistics:

Per Capita Production of food-grains

1947-48.	16.5 ounces per day
1950-51.	18.4 "
1951-52.	15.5 "
1952-53.	14.8 "
1953-54.	18.0 "
1954-55.	16.1 "
1955-56.	14.8 "
1956-57	17.0 "

Although more land has been brought under cultivation, more fertilisers are being administered and new irrigation projects have been brought into operation but the food deficit has persisted and become more and more grave. During the last ten years the country had to import about 2.42 million tons of food-grains. Over and above this during the last year we had to procure some 1.86 million tons of food-grains to meet the home needs. The average yield per acre is not only the lowest in the world but has further declined very severely. An idea can be had from relevant facts about wheat.

Per acre production of wheat

1948-49	10.4	tons
1950-51	10.2	"
1951-52	8.1	"
1952-53	7.2	"
1953-54	9.7	"
1954-55	8.3	"
1955-56	8.2	"
1956-57	8.6	"

Thus in 1957 the per acre production was nearly twenty percent below the 1947 level. Then what else, except food crisis, is in store for us?

The system of Land tenure has not been changed and the implacable landlords still rule the roost. In East Pakistan a very long-term plan, extremely defective in innumerable aspects, was introduced

but the execution of this defective plan too has been hopeless. Only a little over 3 percent of the total area in East Pakistan has been brought under the project. The Planning Board's comments on this snail space are eloquent without a word of comment:

"We are inclined to think that there was a lack of will and, therefore, of planning and fore thought for the execution of the project." (p124).

Criminal wastes are taking place and no steps are being taken to overcome them. Some 5 to 10 percent of the crop is being spoiled because of lack of storage facilities. Some 2 million acres have been destroyed by water-logging but 95% of the funds allocated to it in the last year's budget for West Pakistan remain unused and have relapsed. Over 2 lakh acres of land is lying idle in G.M. Bar-rage area for the last two years. Some 7 lakh acres have not been utilised in the Thai Project area, where acreage under cultivation has now fallen below the 1954 level.

This is the apathy of agriculture. The poor man is living a miserable life. In East Pakistan an agriculturists' average income is Rs. 125/- per year (Agricultural Inquiry Committee Report p.1). How can a man make his both ends meet in this paltry amount?

Along with this chaos of agriculture there are the evils of hoarding and smuggling. Procurement drives have proved a flop and smuggling is going on at a heavy pace. These are the corroding evils of our agriculture.
