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Notes and References

Chapter 1 Introduction

1. *The Sole Spokesman: Jinnah, the Muslim League and the Demand for Pakistan* (Cambridge University Press, 1985). Dr. Jalal is not responsible in any way for the summary interpretations made here from her work.
2. F.P. Ramsey, *The Foundations of Mathematics and Other Logical Essays*, edited by R.B. Braithwaite (London: Routledge and Kegan Paul, 1931), pp. 115-16.
3. Perhaps, too, the souls of Ashoka and Akbar and Aurangzeb, Jinnah and Azad, Patel and Nehru, Iqbal and Khan Abdul Ghaffar Khan, Mahatma Gandhi and S.P. Mookherjee, Kabir and Ramakrishna, Indira Gandhi and Zulfikar Ali Bhutto, Mujibur Rehman and Zia-ul-Rehman, Bhindranwale and Longowal, Zia-ul-Huq and Rajiv Gandhi, and every ordinary soldier and citizen who has died in war, civil war or communal violence in the subcontinent, would finally be at peace.

Chapter 2 Origins

1. C.A. Bayly, *Rulers, Townsmen and Bazaars: North Indian Society in the Age of British Expansion, 1770-1870* (Cambridge: Cambridge University Press, 1983), especially pp. 449-57.
2. Among notable recent books shedding light on this phenomenon are: S.A.A. Rizvi, *Shah Wali-Allah and His Times: A Study of Eighteenth Century Politics and Society in India* (Canberra: Ma'rifat Publishing House, 1980) and *Shah Abd al-Aziz: Puritanism, Sectarian Polemics and Jihad* (Canberra: Ma'rifat Publishing House, 1982); Christian W. Troll, *Sayyid Ahmad Khan: A Reinterpretation of Muslim Theology* (New Delhi: Vikas, 1978); Barbara Daly Metcalf, *Islamic Revival in British India Deoband, 1860-1990* (Princeton, N.J.: Princeton University Press, 1982).
3. Anil Seal, *The Emergence of Indian Nationalism: Competition and Collaboration in the Later Nineteenth Century* (Cambridge: Cambridge University

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4. Francis Robinson, *Separatism among Indian Muslims: The Politics of the United Provinces' Muslims 1860-1923* (Cambridge: Cambridge University Press, 1974), pp. 92-98.
 5. Francis Robinson, *Atlas of the Islamic World Since 1500* (Oxford: Phaidon, 1982), pp. 61-63.
 6. Annemarie Schimmel, *Islam in the Indian Subcontinent* (Leiden-Köln: E.J. Brill, 1980), p. 157.
 7. Barelvi's *Sirat-ul Mustaqim* quoted in Aziz Ahmad, *Studies in Islamic Culture in the Indian Environment* (Oxford: Clarendon Press, 1964).
 8. Troll, *Saiyid Ahmad Khan*, pp. 28-56.
 9. This is the argument of Farzana Shaikh, *Community and Consensus in Islam: Muslim Representation in Colonial India, 1860-1947* (Cambridge: Cambridge University Press, 1989).
 10. Mushirul Hasan, *Nationalism and Communal Politics in India, 1916-1928* (New Delhi: Manohar, 1979), Chapter 8.
 11. Francis Robinson, *Separatism*, Chapters 2-4 and 6.
 12. David Page, *Prelude to Partition: The Indian Muslims and the Imperial System of Control 1920-1932* (Delhi: Oxford University Press, 1982), especially Chapter 4.
 13. Ayesha Jalal, *The Sole Spokesman: Jinnah, the Muslim League and the Demand for Pakistan* (Cambridge: Cambridge University Press, 1985), p. 38.
 14. The argument of proposition B in large part rehearses that of Jalal, *Sole Spokesman*.
 15. Erland Jansson, *India, Pakistan or Pakhtunistan? The Nationalist Movements in the North-West Frontier Province, 1937-1947* (Uppsala, 1981); Ian Talbot, *Provincial Politics and the Pakistan Movement: The Growth of the Muslim League in North-West and North-East India 1937-1947* (Karachi: Oxford University Press, 1988), pp. 1-30; S. Rittenberg, *The Independence Movement in India's North-West Frontier Province, 1901-1947*, Ph.D. dissertation, Columbia, 1987.
 16. Talbot, *Provincial Politics*, pp. 31-57; Sarah F.D. Ansari, *Sufi Saints, Society and State Power: The Pirs of Sind, 1843-1947*, Ph.D. dissertation, University of London, 1987.
 17. Ian Talbot, *Punjab and the Raj 1849-1947* (New Delhi: Manohar Publications, 1988); Talbot, *Provincial Politics*, pp. 82-107.
 18. David Gilmartin, *Empire and Islam: Punjab and the Making of Pakistan* (Berkeley: University of California Press, 1989), pp. 199-205.
 19. *Ibid.*, pp. 205-22.
 20. Talbot, *Provincial Politics*, pp. 58-61.
 21. Sugata Bose, *Agrarian Bengal: Economy, Social Structure and Politics, 1919-1947* (Cambridge: Cambridge University Press, 1986), Chapter 6.
 22. Ruffuddin Ahmed, *The Bengal Muslims 1871-1906: A Quest for Identity* (Delhi: Oxford University Press, 1981), pp. 72-132.
 23. Harun-or Rashid, *The Foreshadowing of Bangladesh: Bengal Muslim League and Muslim League Politics 1936-1947* (Dhaka: Asiatic Society of Bangladesh, 1987), p. 215.

24. Talbot, *Provincial Politics*, p. 76.
25. Rashid, *Foreshadowing of Bangladesh*, p. 222.
26. *Idem.*
27. *Ibid.*, p. 190; for a detailed investigation of the development and fate of the idea of an Independent United Bengal, *Ibid.*, Chapters 4, 6 and 7.
28. *Ibid.*, Chapter 7.

Chapter 3 Social Structure and Flows

1. The term 'Pukhtun' refers to the same grouping as 'Pathan' as in Francis Robinson's essay in the preceding chapter, namely tribal Muslims, originating in the North-West Frontier Province.
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3. Saghir Ahmad, *Class and Power in a Punjabi Village* (New York: Monthly Review Press, 1977); Akbar S. Ahmed, 'The Arian Ethic and the Spirit of Capitalism in Pakistan' and 'Death in Islam: The Hawkes Bay Case', in *Pakistan Society: Islam, Ethnicity and Leadership in South Asia* (Karachi: Oxford University Press, 1986): 46-68 and 100-120; Hamza Alavi, 'Kinship in West Punjab Villages' and 'Peasant Classes and Primordial Loyalties'; Elizabeth Balneaves, *Waterless Moon* (London: Lutterworth Press, 1955). Malcolm L. Darling, *The Punjab Peasant in Prosperity and Debt* (London: Oxford University Press, 1925), *The Old Light and the New in the Punjab Village*

- (London: Oxford University Press, 1930), *Wisdom and Waste in the Punjab Village* (London: Oxford University Press, 1934); Hastings Donnan, *Marriage among Muslims: Preference and Choice in Northern Pakistan* (Delhi: Hindustan Publishing, 1988); Eglar, *A Punjabi Village in Pakistan*; David Gilmartin, *Empire and Islam: Punjab and the Making of Pakistan* (London: I.B. Tauris, 1988); Gazetteer, 'Hazare District'; Joyce Pettigrew, *Robber Noblemen: A Study of the Political System of the Sikh* (London: Routledge and Kegan Paul, 1975).
4. For a useful picture of both groups before 1947 in the Punjab, see Gilmartin, *Empire and Islam*.
 5. Of the eight million who came to what is now Pakistan, about 70 per cent were Punjabis and settled mostly in the Punjab. F. Ahmed, 'Ethnicity and Politics: The Rise of Muhajir Separatism', *South Asia Bulletin*, 8 (1-2), Spring-Fall 1988: 33-45. About 20 per cent settled in Sind where their presence after 1971 would create problems. Although the groups who crossed into Pakistan from India are referred to as muhajirs (refugees), the concept is pervasive in Pakistani society. For centuries Muslims came to India as soldiers, scholars and traders from other Muslim areas. Not fitting easily into India's caste-conscious society they preserved their identity even after generations. A certain status was also associated with foreign origin, as Al-Beruni and Ibn Batuta testify in their comments on Indian society. Thus the very names of the Sayyeds, Qureshis and Ansaris advertise descent from Arab ancestors, the Ispahanis and Tirmizis from Persian and the Durrani from Afghan ones. Major tribes are also conscious of their origin outside India. The Marris of Baluchistan, like the Arains of the Punjab, trace their origin to Arabia, the Bugtis to Persia and the Yusufzai of the NWFP to Afghanistan. Recently a reversal is perceptible as political power and social status are associated with the indigenous groups, 'the sons of the soil'. In particular, they would dominate Category B and reinforce the notion of 'the sons of the soil'.
 6. Stanley A. Kochanek, *Interest Groups and Development: Business and Politics in Pakistan* (Karachi: Oxford University Press, 1983): 92-98.
 7. For a discussion of Arains before 1947, see Gilmartin, op. cit.
 8. Rounaq Jahan, *Pakistan: Failure in National Integration* (New York: Columbia University Press, 1972). Talukder Maniruzzaman, *The Bangladesh Revolution and Its Aftermath* (Dhaka: Bangladesh Books International, 1980); *Group Interests and Political Changes: Studies of Pakistan and Bangladesh* (New Delhi: South Asian Publishers, 1982). Charles P. O'Donnell, *Bangladesh: Biography of a Muslim Nation* (Boulder, Colorado: Westview Press, 1989).
 9. Stephen P. Cohen, *The Pakistan Army* (Berkeley: University of California Press, 1984). Emma Duncan, *Breaking the Curfew: A Political Journey through Pakistan* (London: Michael Joseph, 1989).
 10. 'The most devastating impact of the emergence of Bangladesh on the muhajirs was that it seriously put into question—if not destroyed—the validity of the "two-nation theory" which justified the creation of Pakistan and sustained the muhajirs' faith in the state and in their own actions. If Islam could not hold the nation together, what else would? To many muhajirs the truncated new Pakistan was only a shell of the original Pakistan of an ideological promise. Success of the "fissiparous" tendency in one region could be the harbinger of the rise of centrifugalism elsewhere. If the Sindhis succeeded like the Bengalis did, where

- would the muhajirs go? Would they be treated like the outcast and persecuted Biharis in Bangladesh? For the first time a significant section of the muhajirs was forced to rethink its enthusiasm for the creation of Pakistan' (F. Ahmed, 'Ethnicity and Politics,' p. 38).
11. Akbar S. Ahmed, 'The Approach of Anarchy', *Far Eastern Economic Review*, 19 February 1987: 40-41.
 12. An interesting case supports the point. In January 1988, a senior official, a refugee, was posted in Karachi to an important assignment but his official orders erased the family name, a Pukhtun tribe. The official was being 'transformed' from Category A to Category D.
 13. K. Akhtar, *Safr-e-Zindagi: The Story of MQM as Told by Altaf Hussain* (Karachi: Jang Publishers, 1988).

Chapter 4 External Affairs

1. Liaquat Ali Khan spoke of the 'communist menace' and pledged Pakistani support against the threat. Liaquat Ali Khan, *Pakistan: The Heart of Asia* (Cambridge, Massachusetts: Harvard University Press, 1950).
2. Pakistan joined the South East Asia Treaty Organization (SEATO) on 8 September, 1954. For text and additional papers, see: Council of Foreign Relations, Documents on American Foreign Relations, 1954 (New York: Harper, 1955): 373-83.
3. G.W. Choudhury, *The Last Days of United Pakistan* (Bloomington: Indiana University Press, 1974).
4. Zulfikar Ali Bhutto, *The Myth of Independence* (Lahore: Oxford University Press, 1969).
5. Pakistan received as much as \$2.9 billion at the highest peak (1982-83) of the remittances sent by Pakistani workers from the Middle East. See also Table 7.2, Chapter 7 of this volume.
6. Shirin Tahir-Kheli, *The United States and Pakistan: The Evolution of an Influence Relationship* (New York: Praeger, 1982).
7. Afghanistan, at various times, supported the creation of a Pathan or Pukhtun homeland encompassing areas on the Pakistani side of the Pak-Afghan border. Afghanistan continues not to recognise the existing boundary as constituting the legitimate border between the two countries.
8. US Department of State, *Afghanistan: Soviet Occupation and Withdrawal*, Special Report No. 179, December 1988: 3-6.
9. *The New York Times*, 5 January 1980.
10. Columbia Broadcasting System (CBS), Face the Nation, 6 January 1980.
11. Harold Brown, Secretary of Defence, FY 1981, Department of Defense Report, p. 227.
12. For a discussion of US assistance to Pakistan, see Herbert G. Hagerty in Robert Scalapino and Leo Rose, *US-Pakistan Relations* (Berkeley: University of California Press, 1988): 237-51.

Chapter 5 Administration

1. For an interesting study on Mughal administration, see Dr. P. Saran. *The Provincial Government of the Mughals, 1526-1658* (Lahore: Faran Academy, 1976). This work was first published by Kitabistan in Allahabad, India, in 1941.

2. For an interesting study of British colonial administration in India, see Philip Mason's two volume work, *The Men Who Ruled India* (New York: Schocken Books, 1954).
3. This area coincides with the present-day North-West Frontier Province of Pakistan and will be referred to as NWFP. For a brief discussion of the demarcation process, see *Imperial Gazetteer of India, North-West Frontier Province* (originally published in the early 1900s) (Lahore: Sang-e-Meel Publications, 1979): 25–26.
4. For an excellent study on the canal colonies in Punjab, see Imran Ali, *The Punjab Under Imperialism, 1885–1947* (Princeton, New Jersey: Princeton University Press, 1988).
5. See Woodruff, op. cit.; Keith Callard, *Pakistan: A Political Study* (London: George Allen & Unwin, Ltd., 1957): p. 287–89. The figure of 82 included both ICS officers and officers of the Indian Political Service. Callard's source for this figure was the Constituent Assembly of Pakistan Debates Vol. I: 2104, 26 January, 1956, Hamidul Huq Chowdhury. This figure has been subject to some debate.
6. The attitude of some Pakistani leaders towards the viceregal system during the 1950s is summed up by Iskandar Mirza: 'You cannot have the old British system of administration [and] at the same time allow politicians to meddle with the civil service. In the British system the District Magistrate was the king-pin of administration. His authority was unquestioned. We have to restore that.' See Callard, op. cit., p. 285. Mirza himself was a civil servant with an army background.
7. Shahid Javed Burki, *Pakistan Under Bhutto, 1971–77* (London: MacMillan, 1980).
8. See Robert LaPorte, Jr., 'Civil Bureaucracy: Twenty-Five Years of Power and Influence', *Asian Survey*, Vol. XIV, No. 12 (December 1974): 1094–1103; Charles H. Kennedy, *Bureaucracy in Pakistan* (Karachi: Oxford University Press, 1988).
9. See Government of Pakistan, 'Treatment of Fundamental State Institutions', Vol. II, White Paper on the Performance of the Bhutto Regime (Rawalpindi, 1979): 120–31 and 139–44.
10. Zia's decision to dismiss the National Assembly in May 1988 may well have been in part an expression of his displeasure with confrontations that had taken place between the politicians associated with Prime Minister Junejo and the civil and military bureaucracy. One case in point involved delays in military promotions caused by Junejo (acting as Prime Minister holding the defense portfolio) refusing to act on Zia's (as Chief of the Army Staff) recommendations.
11. Shahid Javed Burki, 'Pakistan under Zia, 1977–88', *Asian Survey*, XXXVII (10), October 1988: 1082–1100. See p. 1092.
12. For a discussion of revenue sources for provincial and local governments in Pakistan as well as the role that the Government of Pakistan plays in supplying funds to the provinces, see: Richard W. Gable and Robert LaPorte, Jr., 'Planning and Budgeting in Pakistan', *Public Administration and Development*, Vol. 3 (1983): 135–49.
13. Robert LaPorte, Jr., and Muntazar Bashir Ahmed, *Public Enterprises in*

Pakistan: The Hidden Crisis in Economic Development (Boulder, Colorado: Westview Press, 1989).

14. *Ibid.*

Chapter 6 The Management of Crises

1. World Bank, 'Pakistan: Second Year Policy Framework Paper, 1989/90 to 1991/92' (Washington, D.C., 1989).
2. Shahid Javed Burki, 'Pakistan: A Demographic Report', *Population Bulletin*, 29 (4), 1973: 3–36.
3. Aloyse A. Michel, *The Indus Rivers: A Study of the Effects of Partition* (New Haven, Connecticut: Yale University Press, 1974): 92.
4. S.M. Burke, *Pakistan's Foreign Policy: An Historical Analysis* (London: Oxford University Press, 1973): 161.
5. Mahbubul Haq, *Poverty Curtain: Choices for the Third World* (New York: Columbia University Press, 1974): 1.
6. Mahbubul Haq, *The Strategy of Economic Planning: A Case Study of Pakistan* (Karachi: Oxford University Press, 1963).
7. Rounaq Jahan, *Pakistan: Failure in National Integration* (New York: Columbia University Press, 1972).
8. Government of Pakistan, *Report of the Panel of Experts* (Rawalpindi: Planning Commission, 1970).
9. Stephen S. Rosenfeld, 'Rethinking Military Aid', *The Washington Post* 12 January 1990.
10. World Bank, *World Debt Tables 1989/90* (Washington, D.C.). The figure includes long-term and short-term publicly guaranteed debt and private non-guaranteed debt as well, hence it differs from the figure given in Table 7.1 and in the text of Chapter 7 herein.
11. Burki, 1973, op. cit.
12. Michel, 1967, op. cit.: 109.
13. Gustav F. Papanek, *Pakistan's Development: Social Goals and Private Incentives* (Cambridge, Massachusetts: Harvard University Press, 1967): 95.
14. Burke, op. cit., 1973: 161.
15. *Ibid.*: 162.
16. Irving Brecher and S.A. Abbas, *Foreign Aid and Development in Pakistan* (Cambridge: Cambridge University Press, 1974).
17. Philip Mason, *The Men Who Ruled India*, two volumes (New York: Schocken Books, 1954): 333.
18. *Ibid.*: 331.
19. George Rosen, *Western Economist and Eastern Societies: Agents of Change in South Asia, 1950–1970* (Baltimore: Johns Hopkins University Press, 1985).
20. *Ibid.*

Chapter 7 Macroeconomic Balances

1. See Mahbubul Haq, *The Strategy of Economic Planning: A Case Study of Pakistan* (Karachi: Oxford University Press, 1963).

2. For a useful description of the planning process, see M. Haq, *The Strategy of Economic Planning* and Vigar Ahmad and Rashid Amjad, *The Management of Pakistan's Economy, 1947-1982* (Karachi: Oxford University Press, 1984).
3. This can be seen as a contradiction in terms—the Planning Commission reducing the role of the government and itself. However, by expanding the areas of the economy in which the private sector could participate, the Planning Commission was doing precisely this. For a sympathetic view of the role of planning and the Planning Commission from someone who was closely involved with it at that time, see Haq, *The Strategy of Economic Planning*.
4. See A.R. Kemal, 'Fiscal System of Pakistan' (Islamabad: Ministry of Finance, Government of Pakistan, 1987).
5. This approach considers the balance of payments to be a reflection of the desire of residents to accumulate or run down their stock of money balances. In this framework, with fixed exchange rates, an expansion of the domestic component of the money stock—domestic credit—induces the public to dispose of surplus money by buying foreign goods and securities, leaving output and prices unaffected. There is thus a one-for-one relationship between the balance of payments and domestic credit expansion. For a discussion of this approach, see Jacob A. Frenkel and Harry G. Johnson, eds., *The Monetary Approach to the Balance of Payments* (London: Allen and Unwin, 1976) and International Monetary Fund (IMF), *The Monetary Approach to the Balance of Payments* (Washington, D.C.: IMF, 1977).
6. See Habib A. Zubeiri, 'Institutional Credit and Balanced Growth: A Case Study of Pakistan', *Journal of Economic Development*, 8 (2), December 1983: 167-84; Nadar Morshed, 'Pakistan's Banking System and Capital Markets' (Pakistan: National Finance and Development Corporation, 1987).
7. The transformation of the banking system into an Islamic system during the last few years has led to the replacement of interest-based transactions with profit and loss sharing arrangements. The government has less control over the rates of return implicit in the latter, although it can, and does, influence these rates. For a description of Islamic banking as practised in Pakistan, see Zubair Iqbal and Abbas Mirakhor, *Islamic Banking*, IMF Occasional Paper No. 49 (Washington, D.C.: IMF, 1987); Ziauddin Ahmad, 'Interest-free Banking in Pakistan', *Journal of Islamic Banking and Finance* (1987): 8-30.
8. For an analysis of Pakistan's exchange rate policy, see Mohsin S. Khan, 'Exchange Rate Policies of Developing Countries in the Context of External Shocks', *Pakistan Development Review*, 25 (3), Autumn 1986: 23-42. The main theoretical aspects of exchange rate policy in developing economies have been discussed in numerous papers, including Omotunde E.G. Johnson, 'The Exchange Rate as an Instrument of Policy in a Developing Country', *IMF Staff Papers*, 23 (2), July 1976: 334-48; Rudiger Dornbusch, *Open Economic Macroeconomics* (New York: Basic Books, 1980); Mohsin S. Khan, 'Macroeconomic Adjustment in Developing Countries: Policy Perspective', *World Bank Research Observer*, 2 (1), January 1987: 23-42.
9. Exchange and trade restrictions have been in force in Pakistan since independence. See Nurul Islam, *Foreign Trade and Economic Controls in Development: The Case of United Pakistan* (New Haven, Connecticut: Yale University Press, 1981). The evolution of the system of controls is described in

- A.R. Kemal, 'Trends in Balance of Payments and Trade Policy, 1971-72 to 1985-86' (Islamabad: Ministry of Finance, Government of Pakistan, 1987). See Sarah H. Tirmazi, *Trade Modeling and Trade Policy Effects: The Case of Pakistan's Cotton Textile Industry*, Ph.D. dissertation, American University, Washington, D.C., 1987.
10. See Mohsin S. Khan, 'Capital Flight from Pakistan', *Pakistan and Gulf Economist*, 8, January 1989: 40-50, for a discussion of how foreign exchange controls have been circumvented, especially in recent years, as well as the steps taken by the government to relax some of these restrictions.
11. For a description of the trends in workers' remittances, and their impact on the Pakistan economy, see Nadeem A. Burney, 'Worker's Remittances from the Middle East and Their Effects on Pakistan's Economy', *Pakistan Development Review*, 26 (11), Winter 1987: 745-61.
12. Other estimates, for example by the Karachi Chamber of Commerce, put outflows at three to four billion dollars.
13. A general rule of thumb is that 12 weeks of imports are roughly adequate for most developing countries.
14. For example, in 1973-74 Iran provided a medium-term loan of \$250 million on very easy terms.
15. See A.R. Kemal, 'Trends in Balance of Payments', for a description of the changes that were implemented.
16. The highly restrictive nature of the import regime became apparent when the government compiled a list of imports that were banned. This list covered more than 6,000 items, even though it was evident that for a large number of them there was apparently no domestic demand.
17. Sarah Tirmazi, *Trade Modeling*.
18. Khwaja Sarmad and Riaz Mahmood, 'Disaggregated Import Demand Functions for Pakistan', *Pakistan Development Review*, 26 (1), Spring 1987: 71-80.
19. In a sense the fiscal deficits became almost self-perpetuating in nature. Increased fiscal deficits were financed by external and domestic borrowing, and the interest payments on the increased stock of debt led to additional expenditures and further deficits.

Chapter 8 Agriculture

1. M.G. Chaudhry and Zafar Iqbal, 'Regional Distribution of Agricultural Incomes: An Intertemporal Analysis', Pakistan Society of Development Economics (PSDE) Annual Conference, Islamabad, January 1989; Naved Hamid and A. Hussain, 'Regional Inequalities and Capitalist Development', *Pakistan Development Review*, 12 (3), Autumn 1974: 255-88; Hans de Krujick and M. van Leenwen, 'Changes in Poverty and Income Inequality in Pakistan during the 1970s', *Pakistan Development Review*, 24 (3-4), Autumn-Winter 1985: 407-19.
2. Kee-Cheok Cheong and Emmanuel D'Silva, *Prices, Terms of Trade and the Role of the Government in Pakistan's Agriculture*, World Bank Staff Working Paper No. 643, Washington, D.C., April 1984; C.H. Gotsch and G. Brown, *Prices, Taxes and Subsidies in Pakistan Agriculture, 1960-1976*, World Bank Staff Working Paper No. 387, Washington, D.C., 1980; Government of

- Pakistan, Ministry of Food and Agriculture, *Report of the National Commission on Agriculture*, Islamabad, March 1988; Sarfraz K. Quereshi, *Agricultural Pricing and Taxation in Pakistan*, Islamabad: Pakistan Institute of Development Economics, 1987; Sarfraz Quereshi *et al.*, 'Taxes and Subsidies in Agriculture as Elements of Intersectoral Transfer of Resources', PSDE Annual Conference, Islamabad, January 1989.
3. Mahmood H. Khan, *Underdevelopment and Agrarian Structure in Pakistan* (Boulder, Colorado: Westview Press, 1981); Pakistan Muslim League, *Report of the Agrarian Committee*, Karachi, 1949.
 4. Mohammed Irfan and Meekal A. Ahmed, 'Real Wages in Pakistan: Structure and Trends, 1970-84', *Pakistan Development Review*, 24 (3-4), Autumn-Winter 1985: 423-37; S.M. Naseem, *Rural Poverty and Landlessness in Rural Asia* (Geneva: International Labour Organization [ILO], 1977).
 5. World Bank, *Report on Employment Issues in Pakistan*, Washington, D.C., September 1988.
 6. Gulam Mohammad, 'Private Tubewell Development and Cropping Patterns in West Pakistan', *Pakistan Development Review*, 5 (1), Spring, 1965: 1-53.
 7. M. Ghaffar Choudhry, 'Green Revolution and Redistribution of Rural Incomes: Pakistan's Experience', *Pakistan Development Review*, 21 (3), Autumn 1982: 173-205; Mahmood H. Khan, 'Green Revolution and Redistribution of Rural Incomes: Pakistan's Experience—A Comment', *Pakistan Development Review*, 22 (1), Spring 1983: 47-56; M. Mahmood, 'The Pattern of Adoption of Green Revolution Technology and Its Effects on Land Holdings in the Punjab', *Pakistan Economic and Social Review*, 15 (1-2), 1977.
 8. M. Ghaffar Chaudhry, 1982; Mahmood H. Khan, 1983; M. Mahmood, 1977; M. Mahmood and Nadeem-ul-Haque, 'Farm Size and Productivity Revisited', *Pakistan Development Review*, 20 (2), Summer 1981: 151-90; A. Salam, 'Technological Change, Tenant Displacement, and Adjustment in Pakistan: Some Preliminary Observations', *Pakistan Development Review*, 16 (4), Winter 1977: 435-48.
 9. Hans Binswanger, 'Agricultural Mechanization: A Comparative Historical Perspective', *World Bank Research Observer*, 1 (1), January 1986: 27-56; S.R. Bose and E.H. Clark, III, 'Some Basic Considerations on Agricultural Mechanization in Pakistan', *Pakistan Development Review*, 9 (3), Autumn 1969: 273-308; C.H. Gotsch, 'Tractor Mechanization and Rural Development in Pakistan', *International Labour Review*, 107 (2), February 1973: 133-66; M. Irfan and Meekal A. Amjad, 'Poverty in Rural Pakistan', in A.R. Khan and Eddy Lee, eds., *Poverty in Rural Asia* (Bangkok: ILO, 1984): 19-47; M. Afzal Khan *et al.*, *Socio-Economic Impact of Tractorization in Pakistan* (Lahore: Punjab Economic Research Institute, May 1986); J.P. McInerney and G.P. Donaldson, *The Consequences of Farm Tractors in Pakistan*, World Bank Staff Working Paper No. 210, Washington, D.C., 1975.
 10. J.P. McInerney and G.P. Donaldson.
 11. Hans Binswanger, 'Agricultural Mechanization'; S.R. Bose and E.H. Clark, II, 'Some Basic Considerations on Agricultural Mechanization in Pakistan'; C.H. Gotsch, 'Tractor Mechanization'; M. Irfan and Rashid Amjad, 'Poverty in Rural Pakistan'; M. Afzaal Khan *et al.*, *Socio-Economic Impact of Tractorization in Pakistan*; McInerney and Donaldson.

12. Naved Hamid and I. Nabi, 'A Comparative Study of the Political Economy of Agricultural Pricing Policies: The Case of Pakistan', Report for the World Bank, Washington, D.C., April 1986; mimeo; Government of Pakistan, *Report of the National Commission on Agriculture*; Sarfraz Quereshi, *Agricultural Pricing and Taxation in Pakistan*; Sarfraz Quereshi *et al.*, 'Taxes and Subsidies in Agriculture'.
13. Kee-Cheok Cheong and Emmanuel D'Silva, *Prices, Terms of Trade and the Role of the Government in Pakistan's Agriculture*; C.H. Gotsch and G. Brown, *Prices, Taxes and Subsidies*; Naved Hamid and I. Nabi, 'A Comparative Study of the Political Economy of Agricultural Pricing Policies'; Shahnah Kazi, 'Intersectoral Terms of Trade for Pakistan's Economy, 1970-71 to 1981-82', *Pakistan Development Review*, 26 (1), Spring 1987: 81-105; Government of Pakistan, *Report of the National Commission on Agriculture*; Sarfraz Quereshi, *Agricultural Pricing*.
14. Raisuddin Ahmed, 'Pricing Principles and Public Intervention in Domestic Markets', in J.W. Mellor and Raisuddin Ahmed, eds., *Agricultural Price Policy for Developing Countries* (Baltimore: Johns Hopkins University Press, 1988): 55-80.
15. Naved Hamid and I. Nabi; Government of Pakistan, *Report of the National Commission on Agriculture*.
16. M. Mahmood and Nadeem-ul-Haque.
17. Kee-Cheok Cheong and Emmanuel D'Silva.

Chapter 9 Industry and Trade

1. S.N.H. Naqvi and A.R. Kemal, *Structure of Effective Protection in Pakistan* (Islamabad: Pakistan Institute of Development Economics, 1983).
2. Stephen Guisinger, 'Trade Policies and Employment: The Case of Pakistan', in Anne O. Krueger *et al.*, (eds.), *Trade and Employment in Developing Countries*, Vol. I (Chicago: University of Chicago Press, 1981) estimates that the factor-price distortion index was reduced from 7.3 in 1972 to 2.5 in 1973.
3. Since public sector projects were concentrated in cement, fertilizer, steel, etc., they, in any case, had extremely high capital-labour ratios.
4. These were iron and steel, basic metals, heavy engineering, heavy electricals, assembly and manufacture of motor vehicles, assembly and manufacture of tractors, heavy and basic chemicals, petrochemicals, cement and public utilities (i.e., electricity, gas and oil refineries).
5. Most of the PMEs are under the Ministry of Production; the only important exception is the Ghee Corporation of Pakistan, under the Ministry of Industries, which controls all the public sector vegetable ghee mills. In this paper the discussion of PMEs is generally restricted to those under the Ministry of Production.
6. Ministry of Production, Experts Advisory Cell, Government of Pakistan, *Public Sector Industries Annual Report, 1981-82* (Islamabad: 1983).
7. Not only were the PMEs greatly overstaffed, but the wages (including benefits) were on the average 50 to 75 per cent higher than in the private sector. See Ministry of Production, *Census of Manufacturing Industries* (Islamabad: various issues).

8. Prior to 1987, sub-sectors on the specified list accounted for 40 per cent of the total industrial output (based on the Census of Manufacturing Industries), whereas after the 1987 liberalization their share was 14 per cent.
9. Capital costs have been reduced by tax holidays, various exemptions on import duty on machinery and equipment and low real interest rates on loans by state-owned financial institutions, while labour costs for the organized sector have been raised by various government levies which are supposed to be for workers' welfare but in fact end up in the common revenue pool.
10. Ministry of Production, *Annual Report 1987/88* (Islamabad).
11. State Bank of Pakistan, *Annual Report 1988/89* (Karachi, 1989).
12. If the Pakistan Steel Mill is excluded, the comparative position of the PME improves considerably, but still a significant efficiency gap remains—the fixed assets of the remaining PMEs are about two-thirds those of the listed private sector firms, while their sales and pretax profit are 30 and 37 per cent respectively, of the latter's.
13. Pakistan Steel is by far the largest PME; in fact, its fixed assets exceed those of all other PMEs combined.
14. S.N.H. Naqvi and A.R. Kemal, *Structure of Effective Protection in Pakistan*.
15. Stephen R. Lewis and Stephen Guisinger, 'Measuring Protection in a Developing Economy: The Case of Pakistan', *Journal of Political Economy*, 76 (6), November–December 1968.
16. The number of industries with negative value-added at world prices increased but most of these were export industries and the results are extremely sensitive to assumptions regarding prices (especially international prices) and export rebates used in the study.
17. It seems that changes in nominal tariffs between 1963–64 and 1980–81 were not significant, and the changes in the EPRs resulted from the change in the non-tariff regime, particularly following the devaluation in 1972.
18. For many consumer goods, the only competition comes from smuggling and goods brought in under the liberal personal baggage allowance scheme by Pakistanis returning from abroad.
19. Duties on imported materials are supposed to be refunded to exporters, but the duty drawbacks are inadequate and the process of obtaining refunds is time-consuming and costly.
20. For example, according to a survey carried out for the National Tax Reform Commission in 1986, the retail prices in Karachi for a large number of imported consumer durables were on the average 49 per cent below their estimated landed cost, if import duty and sales tax had been paid at the statutory rates (Esesjay Consultants, *Review of Industrial Policy Study for the National Tax Reform Commission*, 1986: 80–81). The same is true for other consumer goods, such as imported cigarettes, cosmetics and candies, which are available in abundance in the local markets.

Chapter 10 Population and Urbanization

1. Government of Pakistan, Federal Bureau of Statistics, *Labor Force Survey 1987–88* (1989), pp. 21 and 101 ff. For 1987–88, the reported female literacy rate is 8.04 per cent. The female labour force participation rate in the same

- year is given as 6.80 per cent: 8.23 per cent in rural areas and 3.38 per cent in urban areas.
2. World Bank, *World Development Report 1989* (New York: Oxford University Press, 1989): 214.
3. Pakistan, Federal Bureau of Statistics, *10 Years of Pakistan in Statistics 1972–1982* (Karachi: Manager of Publications, 1983): 133; the data are for 1980. Agricultural land is being lost at an appreciable pace to urbanization, transportation use and housing, as well as from waterlogging and salinization.
4. *Ibid.*, p. 153.
5. Government of Pakistan, Ministry of Food and Agriculture, *Report of the National Commission on Agriculture*, March 1988: xxxiii.
6. *Ibid.*, p. xxxiv.
7. Mahmood Hasan Khan, 'Public Policy and Agricultural Transformation in Pakistan', *Pakistan Development Review*, XXIV, Autumn–Winter 1985: 306–7. Also see Chapter 8 of this volume for a discussion of inequalities in holding size and their effects on the adoption of new technologies, the capacity of the large landowners to evade or ignore land reforms, and the role in rural society of the landed elites. See also the essays in Karamat Ali (ed.), *Pakistan: The Political Economy of Rural Development*, 2nd edition, enlarged (Lahore: Vanguard Books, 1986). A new official report is guarded in its language but still recognizes the existence of inequalities while, significantly, denying the need to cope with them in any direct fashion; see Government of Pakistan, Ministry of Food and Agriculture, *Report of the National Commission on Agriculture, 1988*; compare pp. 374–80 on inequality with p. 477, which ends by saying: 'Government intervention in operational pattern of farms is, therefore, not indicated by economic considerations.'
8. Inderjit Singh, 'Land and Labor in South Asia', World Bank Discussion Paper 33 (Washington, D.C.: The World Bank, 1988): 22 and 55.
9. Lawrence J. White, *Industrial Concentration and Economic Power in Pakistan* (Princeton: Princeton University Press, 1974).
10. State Bank of Pakistan, *Annual Report 1987–88* (Karachi: State Bank of Pakistan Printing Press, 1988): 22. Also see Chapter 9 of this volume.
11. Monthly Economic Review, *Pakistan's Journal of Economic Development* XIX, December 1988: 16–17.
12. Usman Afridi, 'Dynamics of Change in Pakistan's Large-Scale Manufacturing Sector', *Pakistan Development Review*, XXIV, Autumn–Winter 1985: 468–73.
13. Mohammed Irfan and Meekal A. Ahmed, 'Real Wages in Pakistan: Structure and Trends, 1970–84', *Pakistan Development Review* XXIV, Autumn–Winter 1985: 433. The most recent official survey confirms the worsening unemployment in Pakistan, particularly that affecting young urban males. See Government of Pakistan, Federal Bureau of Statistics, *Labor Force Survey 1987–88* (1989), pp. 86–88.
14. Akmal Hussain, 'Karachi Riots of December 1986', *Economic and Political Weekly*, XXII (Bombay), 14 March 1987: 451.
15. S. Akbar Zaidi, 'Regional Imbalances and the National Question in Pakistan: Some Indications', *Economic and Political Weekly*, XXIV, 11 February 1989: 302. Zaidi provides other regional data comparable to those in Table 10.5. Pakistan does not publish much information about regional development indicators and some of this is inconsistent from source to source.

16. Aftab A. Kazi, 'Ethnic Nationalities, Education, and Problems of National Integration in Pakistan', *Asian Profile* 16, April 1988: 147-61; Loretta Butler, 'Basic Education in Pakistan: Policies, Practice, and Research Directives', *Journal of South Asian and Middle Eastern Studies* XI, Summer 1988: 85-104.
17. See also C.G.P. Rakisits, 'Center-Province Relations in Pakistan Under President Zia: The Government's and the Opposition's Approach', *Pacific Affairs*, 61, Spring 1988: 78-97; Robert G. Wirsing, 'Ethnicity and Political Reform in Pakistan', *Asian Affairs*, Summer 1988: 67-83; Lawrence Ziring, 'The Roots of Political Instability in Pakistan', *Journal of South Asian and Middle Eastern Studies* XI, Fall-Winter 1987: 52-72; *idem*, 'Public Policy Dilemmas and Pakistan's Nationality Problem: The Legacy of Zia-ul-Haq', *Asian Survey* XXVIII, August 1988: 795-812; Anwar H. Syed, 'Political Parties and the National Question in Pakistan', *Journal of South Asian and Middle Eastern Studies* XII, Fall 1988: 42-75.
18. Charles H. Kennedy, *Bureaucracy in Pakistan* (Karachi: Oxford University Press, 1987).

Chapter 11 Education

1. University Grants Commission, *Report of the Study Group for the Improvement of Education and Research in Universities* (Islamabad, 1975); Academy of Educational Planning and Management, *Report on the Seminar for the Deans of Universities* (Islamabad, 1985); Ministry of Education, *National Educational Policy and Implementation Programme* (Islamabad, 1979). In the early 1980s, Saudi Arabia decided to discharge numerous Pakistani teachers on the grounds that Pakistani post-secondary degrees require fewer years of training than the equivalent Saudi Arabian degrees.
2. University Grants Commission, pp. 18-20. The report points out that a partially covered syllabus would have drastic implications for professional graduates, particularly those in medicine.
3. Ministry of Education, Bureau of Educational Planning, *Pakistan Education 1974: A Sector Assessment* (Islamabad, 1974), p. 117.
4. Ministry of Education, *National Educational Policy and Implementation Programme* (Islamabad, 1979), p. 23.
5. See Academy of Education Planning and Management, for a discussion of the saturation of the job market (1985, p. 130).
6. University Grants Commission (1975, p. 24).
7. Mabubul Haque, *Fundamental Restructuring of Higher Education*. Address as Deputy Chairman at Peshawar University 1982, p. 2. This source is instructive about the general state of education in Pakistan.
8. University Grants Commission (1975); University Grants Commission, *Report of the Study Group on Financial Needs of the Universities* (Islamabad: 1981).
9. See Bikas C. Sanyal, Tahir Husain, Mohammad Hashim Abbasi and Shahrukh R. Khan, *Higher Education and Employment Opportunities in Pakistan* (Paris: International Institute for Educational Planning, UNESCO, 1986) on the issue of career guidance (pp. 171-80). See also Academy of Educational Planning and Management (1985, pp. 129-30).

10. University Grants Commission (1975, p. 19).
11. See Planning Commission, Government of Pakistan, *The First Five-Year Plan, 1955-60* (Karachi, 1955), p. 572. Also see Ministry of Education, *Report of the Commission on National Education* (Karachi, 1959), p. 16, which mentioned poor staff, libraries and laboratory equipment as problems resulting from unplanned expansion. Identical points were raised in the 1979 report issued by the Ministry of Education (p. 76) and also by the Academy of Educational Planning and Management (1985, p. 130).
12. Planning Commission, Government of Pakistan (GOP), *The Sixth Five-Year Plan, 1983-88* (Islamabad, 1983); Planning Commission, GOP, *The Seventh Five-Year Plan 1988-93* (Islamabad, 1988). Continuity in policy is discernible in the last two plans. If implemented, the new initiatives proposed in these plans could fundamentally restructure the educational system. The Seventh Plan was issued under the administration of Prime Minister Junejo (1985-88).
13. Sixth Plan, pp. 350-51.
14. See K.A. Hamdani, 'Education and the Income Differential: An Estimation of Rawalpindi City', *Pakistan Development Review* 16 (2), Summer 1977: 144-64; E. Jimenez and Jee-Peng Tan, *Educational Development in Pakistan: The Role of User Charges and Private Education*, World Bank Education and Training Department, Report No. EDT16 (Washington, D.C., 1985), p. 15.
15. See E. Jimenez and Jee-Peng Tan (1985, p. 66).
16. World Bank, *Social Indicators of Development 1987* (Washington, D.C., 1988), p. 2.
17. World Bank (1988, p. 4). The evidence on the issue of the influence of Islam on female enrollments is mixed: see Shahrukh Rafi Khan, *Barriers to Female Education in South Asia*, Education and Employment Division, Population and Human Resources Department, Document No. PHREE/89/17 (Washington, D.C.: World Bank, 1989), p. 24.
18. Shahrukh Rafi Khan, R. Siddiqi and F. Hasain, 'An Analysis of School Level Drop-Out Rates and Output in Pakistan', *Pakistan Social and Economic Review* 25 (1), Summer 1987: 1-19.
19. See Academy of Educational Planning and Management.
20. For a detailed survey of the literature see Shahrukh Rafi Khan (1989, pp. 22-26).
21. For a review of female education in Pakistan, see Mary B. Anderson, 'On Girls' Access to Primary Education in Pakistan', *The Bridges Forum*, 3-8 January 1988; S. Anwar and F. Bilquees, 'The Attitudes, Activities, and Environment of Rural Women: A Case Study of Bhok Sayal, Pakistan Institute of Development Economics Research Report Series, No. 98 (Islamabad, 1976); N.M. Shah, *Pakistani Women: A Socioeconomic and Demographic Profile* (Honolulu: Population Institute, East-West Center, 1986).
22. See Mary B. Anderson, p. 6; Saeed Ullah Shah and Jefferson N. Eastmond *Primary Education in Pakistan* (Islamabad: Bureau of Educational Planning and Management, 1977); Meher K. Marker and S. Gah, *Women, Education and Development in Pakistan*, mimeo, 1985.
23. For details of the sample survey this is based on, see Bikas Sanyal *et al.*, *Higher Education and Employment Opportunities in Pakistan*, pp. 1-15. Also see UNESCO, *Statistical Yearbook* (Paris: UNESCO, 1987).

24. Finance Division, Government of Pakistan, *Economic Survey 1987-88* (Islamabad: Economic Advisory Wing, 1988), statistical appendix, p. 165.
25. Ministry of Education, *National Educational Policy* (1979, pp. 76-77); University Grants Commission, *Report* (1975, p. 52); Academy of Educational Management and Planning (1985, p. 129).
26. Shahrukh Rafi Khan and F. Gillani, *Economies of Scale in University Education in Pakistan*, mimeo, 1989.
27. Academy of Educational Management and Planning (1985, p. 129).
28. Shahrukh Rafi Khan and S.Z. Ali, 'Some Findings on Higher Educated Unemployment in Pakistan', *Canadian Journal of Development Studies* 9 (2), 1988: 261-78. Khan and Ali (pp. 269-74) point out that the unemployed were more likely to be substantially worse performers, have more unrealistic job market prospects in terms of expected salary, occupation and sector of work, and view their lack of 'contacts' as the cause of their failure in the job market.
29. Bikas Sanyal *et al.*, (1987, p. 194).
30. Foreign languages in government and private schools are generally an option and not a requirement. Typically, government schools offer Arabic and Persian as options, and private schools offer French in addition to these. The same options are generally what is available at the college level.
31. E. Jimenez and Jee-Peng Tan, *Educational Development in Pakistan* (1985, p. 15).

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