

LAND REFORM AND NATIONALIZATION: AN ANALYSIS OF PAKISTAN

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ABSTRACT

After the birth of Pakistan feudalism & sardari system was dominated in Pakistan. Zulfiqar Ali Bhutto introduced Land Reforms that satisfied the promise of a reasonable deal to the workers on the land & the workers in the factories. Bhutto's Land Reforms has shaped a latent for challenging feudal tyranny, but the power of the land lords was not broken. Through Land Reforms Regulation Act Bhutto redistributed the land, taken it from its owners & giving it to others under various stipulations and conditions. The worth of Land Reforms is that, by providing Land Reforms Bhutto succeeded in some areas in abolishing the influence of landlords. So, Bhutto's Land Reforms benefited the small farmers, tillers of soil and tenants. Bhutto also took the decision of Nationalization of thirty two Industries, Banks, Life Insurance s Companied and Education sector. The significant of this study is to highlight, either Bhutto succeeded in reducing the wealth from the hands of the Industrialists or not. The aim of this study is to find out the main obstacles faced by government in effective implementation of Land Reforms and nationalization. The main objective is to determine the roots of obstacles, faced by the government for the effective implementation of the Land Reforms and industrialization. Moreover it is hoped that through this study we will be able to bring the reality in front of public that either Bhutto succeeded in reducing the wealth from the hands of the industrialists.

KEYWORDS: Land Reform, Nationalization, Pakistan

INTRODUCTION

After the birth of Pakistan feudalism & sardari system was dominated in Pakistan. Zulfiqar Ali Bhutto introduced Land Reforms that satisfied the promise of a reasonable deal to the workers on the land & the workers in the factories. Bhutto's Land Reforms has shaped a latent for challenging feudal tyranny, but the power of the land lords was not broken. Through Land Reforms Regulation Act Bhutto redistributed the land, taken it from its owners & giving it to others under various stipulations and conditions. The worth of Land Reforms is that, by providing Land Reforms Bhutto succeeded in some areas in abolishing the influence of landlords. So, Bhutto's Land Reforms benefited the small farmers, tillers of soil and tenants. Bhutto also took the decision of Nationalization of thirty two Industries, Banks, Life Insurance s Companied and Education sector. The significant of this study is to highlight, either Bhutto succeeded in reducing the wealth from the hands of the Industrialists or not. The aim of this study is to find out the main obstacles faced by government in effective implementation of Land Reforms and nationalization. The main objective is to determine the roots of obstacles, faced by the government for the effective implementation of the Land Reforms and industrialization. Moreover it is hoped that through this study we will be able to bring the reality in front of public that either Bhutto succeeded in reducing the wealth

from the hands of the industrialists. The main obstacles faced by the government in effective implementation of the Land Reforms and nationalization its impacts and historical background of Land Reforms and Nationalization is our main concern. This study is based on three chapters. First chapter is an introduction. Second chapter includes the background of the land Reform. Third chapter is based on the subject on nationalization policy of Z.A.BHUTTO.

LITERATURE REVIEW

Land Reforms: The backbone of Pakistan's economy is essentially agriculture. Seventy five percent Populations are belonging to this profession. The politics of Pakistan is totally subjugated by the some feudal lords, who are master of black and white in the rural areas. With this state of dealings prevalent in the country, the encouragement of democracy and economic equality would be a strange idea (Bhurgi n.d. p. 387).

Nationalization: Nationalization is the property taking operation into state ownership. Generally it refers to private resources which are widely owned, but occasionally it may possibly be belongings owned by other levels of government, such as municipalities. Likewise, the opposite of nationalization is habitually privatization.

Large amount of available literature reveals the formulation of economic policies and its actual implementation (Ahmed and Amjad 1947-82). *The Real Picture* (Lahore: Ferozsons, 1998), by Rizwana Zahid Ahmed has divided her work in two sections. In section two she has described the policies of three political leaders of Pakistan. Chapter four is started with the beginning of Democracy, i.e. about Zulfikar Ali Bhutto's social sector reforms.

Zulfikar Ali Bhutto: *The Falcon of Pakistan* (Karachi: Rosette, 2002), written by Abdul Ghafoor Burgri is a vital work on Zulfikar Ali Bhutto's rule. This book has detailed discussion in chronological order from genesis of Bhutto family to trial and tragedy of Z. A. Bhutto. Chapter 19 of this book is based on Land Reforms. In this chapter a brief analysis of Ayub's Land Reforms is also given.

Occupation of land in the hands of a few laid the basis for feudal production relations in the areas that constitute contemporary Pakistan. Ownership of land became a symbol of prestige, and a landlord's power and influence was measured in terms of how much the land he owned. The land-owning classes became "tremendous" and acquired elite status. Land became the source of power, freedom, status, and investment. (Shafqat, 1997).

After independence, the regimes that emerged in Pakistan were either administered and controlled by the feudal or the feudal benefit were well represented; therefore, there was a little support to change the pattern of land ownership inherited from the British Raj. The problems of agrarian reform in Pakistan have been recognized 'concentration of land' and 'tenurial laws' as the main 'obstacles' to any meaningful land reforms. Political leaders, parties, and regimes in south Asia have emphasized for agrarian reform, but steps taken to enforce land reform have been representative rather than substantive(Herring,2005)

This is so because the feudal, have also commanded vast social, economic, and political power over the peasantry, quite autonomous of state power. in Pakistan , both at the elite and popular levels, feudalism is equated with the landlords domination, repression and use of the tenants .since the feudal lord controls and regulates the Roothgar of the tenant and exercises vast social and political power. This supremacy of the feudal lord in rural life has from time to time evoked the desire for land reform (Shafqat, 1997).

Feudalism was a running painful in the body politic of Pakistan whose significance the rulers of the new country had not cared to know. Liaqat Ali Khan had given away only knowledge of the problem but not the motivation to solve it. Although turned out of his own lands in India for which he had claimed no return? Socially he belonged to the class politically dominant in Pakistan. But for its support in running the government his place would have become weak. (Ahmed, 2005)

Khwaja nazimuddin came from the familiar noble family of the Nawabs of Dacca. His successors had neither the will nor the awareness in the vary of the status quo. The Muslim league parliamentary party, mainly in West Pakistan, was also the party of landlords. Its feudal quality was fully brought out by the overnight convey of the loyalty of its members to the Republican Camp, leaving the party without a successor and leadership. Feroz Khan Noon, the last Prime Minister before the burden of the first martial law that openly confirmed his opposition to any reformist legislation of the land system, himself being a big landlord. Field Marshal Ayub Khan was the first Head of the State and Government in long line of chain to make an attempt to reform the system. Lacking the passion of reformer, it was a half backed attempt (Ahmed, 2005)

Agriculture and related industries are the foundation of the country's total earnings, and employed 50 percent of the civilian labor force. The extent of the attention of land ownership about land holdings in the early fifties were; In the Punjab, 0.6 % of the landowners owned 21.5 % of the total cultivated area while 31.8 % of the land was held by 78.7 % of the owners. In the Sindh, 3 % of the owners owned 48.6 % of the total cultivated area while 60% of the owners had only 12% of the land. In N.W.F.P, 0.1 % of owners controlled 12.5% of the land. In 1960, about 9% of the landowners held 42 % of the total farm area. Tenancy farming in the early fifties covered 56 % in N.W.F.P. By 1960, 45 % of the cultivated area in Pakistan was under tenants, 32 % under peasant proprietors, and 23 % under tenant's cum-owners. (Ahmed & Amjad, 1982).

METHODOLOGY

The base of study is the primary and secondary sources. In the process of this research it has visited from N.I.P.S (National institute of Pakistan studies) University of Peshawar Library, A.I.O.U Library which made my research easier and possible.

DISCUSSIONS

Land Reforms of Bhutto

The initial efforts in land reforms in Pakistan dealt mainly with the parameter of tenancy circumstances. The Muslim League Agrarian Reforms Committee (1949) recommended making occupancy tenants full with fledged owners, provided that security of tenure to tenants at will, falling rents payable by tenants, and abolishing illegal exactions forced on tenants by landlords⁹. In Pakistan, the focus of a series of land reforms has been on four aspects of land tenure:

- Tenancy regulation
- The abolition of jagirdari
- The fixation of the ceiling on land ownership; and
- The consolidation of holdings

Land reforms, mainly dealing with tenancy circumstances were introduced in early fifties under separate laws in

the Punjab, the Sind, and N.W.F.P. this was followed by the 1959 Land Reforms which placed a maximum on land ownership and attempted to make tenure conditions uniform in Pakistan. Different land reforms actions were introduced in 1972, 1976 and 1977. (Ahmed & Amjad, 1982)

Before the introduction of these reforms, the landed aristocracy treated the tenants disapprovingly as their serfs and servants, and they dared not speak against, or even vote next to the wishes of their land lords. Even the dogs and swine's were much better treated, than the human beings, best creation of Allah. Some of the big landholders provided the comfort of air conditioners to their dogs wherever they were kept or even traveled; it was a mark of their "greatness". It was an reprehensible insult to a Sardar or big Zamindar, if any tenant engaged a chair and sat on a cot in their attendance. He had either to stand or sit on the floor. (Bhugri, 1993)

Political Symbolism

In Pakistan, Bhutto made a skillful use of "political symbolism" and raised the level of political awareness among the rural peasantry. Through mass contact, Bhutto offered himself as the defender of peasants' interests, a leader who was willing to fight "feudal oppression". He made direct appeals to the peasantry and promised agrarian reforms. This design for rural transformation was drafted by Bhutto, Rahim J.A.D.R. Mubashir, and some others. The program was too ambitious. The well-known groups and classes did not see it as more than an electoral ploy. It was quite clear that the PPP aimed to mobilize and include those groups that were weak and expelled in the rural sectors (PPP Election Manifesto, 1970)

BHUTTO'S LAND REFORMS VS AYUB'S LAND REFORMS

In 1959 First time Ayub Khan introduced so-called Land Reforms in the country under Martial Law Regulation 64 of 1959, curtailing the areas of the large landlords to 36,000 Produce Index Units (PIU) plus, but he decided them so many unnecessary concessions in the maintenance of land. Each family member was given 6,000 units extra; therefore they nearly lost nothing and nonstop to remain the masters of their areas and surrendered only that area which was barren, and return was paid for barren areas to them. The poor tillers of the soil had to pay its price to the landlords; thus the Land Reforms worked to the benefit of the huge landowners. (Bhugri, 1993).

Structure of Land Holdings

Table 1

Size of Holding Acres	Number of Owner (0000's)	% of Total Owners	Area Owned (0000's)	% of Total Area
less than:				
5	3,266	64.4	7,426	15.3
5 to 25	1,452	28.7	15,438	31.7
25-100	287	5.7	10,616	21.8
100-500	57	1.1	7,671	15.8
500+	6	0.1	7,491	15.4
Total	5,068	100	48,642	100

Source: Commission for West Pakistan, Report of Land Reforms, Lahore, 1959

Huge income disparities had turned into additional patent. Technology has enlarged creation and better farming practices but on a restricted scale. Even though a new class of middle level farmers' practices, but on limited scale. Even though a new class of middle level farmers had been shaped, it was not burly enough, both economically and socially, to change the truant landlordism widespread in Pakistan. Bhutto initiated his reforms by cutting back on the land

ceilings. The rationale behind this policy was that the increase in productivity had countered the holdings of larger areas by some lucky people. There was no predictable danger of loss of income because the new technology had improved productivity and earnings could be maintained or improved even with smaller land holdings. (Ahmed, 1998)

The land reforms of 1959 and 1972 had marginal effects on the agrarian structure of Pakistan. There were some considerable differences connecting the two reforms which have not been given sufficient notice. Bhutto's reforms gave no return for the land confiscated by the government. Secondly, it imposed a ceiling under which government officials could not own additional than hundred acres of land. Thirdly, military officers were forbidden from exchanging border land granted to them for better land in the interior. These provisions concentrated the niche that the military-bureaucratic elites had created for themselves and clearly curbed their power. (Rashid, 2007)

While the reforms in the seventies were extra free regarding the limit on ceilings and other exemptions as compared to the 1959 reforms, they were more kind to heirs in two ways. First, in the 1959 reforms, transfers could be made only to the level of half of the ceiling, i.e., 18,000 PIU, but in the seventies it was up to the full extent of the ceiling. Second, the 1959 reforms allowed transfers only if transfers had not been made before but the reforms in the seventies did not place any such limitations. What it amounted to was that landlords who took preventative action and divided their holdings among their heirs before 20 December 1971 were at a great advantage, compared to those who did not do so, since the family holdings of a former remained more or less unaffected. The positive content of the reforms in sensitive was mainly that no return was paid for lands resumed and resumed land was transferred free of cost to the land poor. (Mohiuddin & Ahmad Etal, 1979)

DIFFERENT PHASES OF BHUTTO'S LAND REFORMS

First Phase of Bhutto's Land Reforms

Bhutto thought in the progressive Islamic ideology and he was determined bring revolution slowly step by step at the initial possible, without shedding a drop of blood, of any of his countrymen. But with the introduction of democracy in which a number of feudal lords had been elected in the National Assembly, the task to get the revolutionary bills approved by such Assembly's was not free from difficulties, At the same time, Quaid-e-Awam Bhutto proposed to introduce the reforms in the country without any delay; as the people had already heavily suffered for centuries. Therefore he introduced Martial Law Regulation 115 pertaining to Land Reforms in March 1972 in his ability as Chief Martial Law Administrator. Otherwise there was worry of undue delay by the class which was going to be exaggerated by the Reforms (Ahmed, 1998)

Bhutto initiated his reforms by cutting back on the land ceilings. The basis behind this policy was that the add to in productivity had countered the holdings of larger areas by some advantaged people. There was no predictable danger of loss of income because the new technology had enhanced productivity and earnings could be maintained or improved even with smaller land holdings (Shafqat & Medhi, 1989)

Bhutto strove to apply agrarian policies in three stages. In the first stage, individual ceiling were reduced to 300 acres of non-irrigated land and 150 acres of irrigated land. The ejection of a tenant was made illegal, subject to the condition the landowners were made accountable for manner the cost of water rate and seeds. The costs of fertilizers and pesticides were to be common uniformly via the property-owner and the occupant. No reward was paid for the land resumed. The land thus acquired was spread among the tillers free of cost. All state land was reserved completely for landless peasants, tenants, and owners of below-subsistence holdings. (Bhurgei, 1993)

Second Phase of Bhutto's Land Reforms

Bhutto showed willpower in proposing procedures that were predictable to get better the socio economic condition of the medium sized farmers, small peasants, and tenants. (Shafqat, 1993). The second set of agricultural reforms introduced in 1975 was substantive. First time in the history of Pakistan, an attempt was made to accurate the land tenure system. By this measure, small peasants and middle farmers were exempted from land revenue. Charge of any cess and beggar (forced labor) was disqualified. Persons owning land between 12 acres of irrigated or 25 acres of non-irrigated land were exempted from income taxation. By this reform method, it was claimed that some 7.27 million peasants and farmers benefited. For farmers owning 25 acres of irrigated or 50 acres of non-irrigated land, and farmers owning 50 acres of irrigated or 100 acres of non-irrigated land, the add to in revenue was 50% and 100% in that order.(Shafqat,1993)

The collapse of the beneficiaries, according to province, Punjab was 5 million, Sind 0.7 million, NWFP 1.7 million, Baluchistan 0.3 million). Through such slow reformist measures, Bhutto demonstrated that he was dedicated to civilizing the conditions of small and medium-sized farmers and tenant (Bhurgri, 1993).

Third Phase of Bhutto's Land Reforms

Bhutto supposed in the wellbeing of people and prosperity of country. He was strong-minded to arrange and train his nation for some historic and wonderful task. His fertile brain was full of thoughts and programmes to reach the summit of glory, but that was not possible so long the devin of economic difference and extreme poverty were rule of the day. Z.A. Bhutto embarked on fresh reforms, and further slashed the holdings.(Pakistan Economic Survey,1976-1977).

In 1977, Bhutto further condensed the ceilings, the owners whose land was confiscated were given some return, and the land was distributed free amongst the peasants. A tax on agricultural income was future as well but this was never made into a law. (Khurshid, 1996)

An order issued in January 1977 abolished the tax on land, and made agricultural income accountable to income tax. Income from 25 acres or less of irrigated or 50 acres or less of unirrigated land would not be accountable to tax, and investment in agricultural machinery would be allowed as an assumption against the profits of the year in which it was used for the first time. (Herring, 2005)

There were strong regional differences in these reforms. In the North West Frontier Province and Baluchistan, the redistributive effects were more marked. These two provinces were conquered by the NAP. Since the presence of PPP was unimportant in these Provinces. To establish the efficiency of center, Bhutto pursued completion of land reforms more dynamically in these provinces. In addition, the constant history of landlords/ tenant conflict in the N.W.F.P was competently exploited by Bhutto to humiliate the NAP

Table 2

	Persons	Area	Area	
Province	Benefited	Resumed	Allotted	Balance
Punjab	3,312,678	242,840	88,428	36,948
Sindh	317,896	238,637	79,259	16,497
NEFP/KPK	141,877	132,860	9,017	12,639
Baluchistan	515,105	198,295	316,810	9,129
Total	4,287,556	812,632	493,514	75,213

"Khans". More land was resumed and distributed among the tenants in these two provinces. According to one approximation, in the North West Frontier Province about 12 percent of the total farm area was confiscated and 36 % of the tenant's benefited.

Land Reforms in Four Provinces

Table 3

Punjab	93,806		23,426	70,380	1,543
Sindh	31,741		19,966	11,775	1,496
NWFP/KPK	23,787		4,162	19,625	781
Baluchistan	17,502		269	17,233	14
Total	166,836		47,823	119,013	3,834

Source: Viqar Ahmad & Rashid Amjad, p.128

His policies ran into difficulties of implementation because little attempt was made to put in order the peasants or create a social environment in which reforms could be implemented. In addition, the whole task of implementing the land reforms was entrusted to bureaucracy the deputy commissioners and the revenue departments became the primary instruments of implementation. But their attitudes, social backgrounds, and contacts with the rural elites, effective enforcement of land reforms could not be expected the effectiveness of these land reforms on the rural structures was marginal. (Waseem, 1994)

Nationalization under Zulfikar Ali Bhutto

Nationalization is the act of taking possessions into state ownership. Usually it refers to private possessions being nationalized, but sometimes it may be possessions owned by other levels of government, such as municipalities. Similarly, the differing of nationalization is usually privatization. Or in other, simpler words, the process of bringing an advantage into public ownership is called nationalization. Public ownership is government ownership of any benefit industry, or corporation at any level, national, regional or local (municipal). A key issue in nationalization is whether the private owner is properly rewarded for the value of the institution. The most hot nationalizations are those where no reward is paid or an amount unfairly below the likely market rate. Much nationalization through expropriation has come after revolutions, especially communist ones.

Zingel Wolfgang Peter & Lallement Stephanie Zingel suggest in this work. The history of planned development in Pakistan started a quarter of a century ago with the beginning of the First Five Year Plan (1955-60). The beginning was marked by policies aimed at most growth and so resulted in income inequalities. Economic development was considered to be equal with industrial development and policies were devised to transfer agricultural surpluses to feed the industry at favorable exchange terms. This unprovoked growth was a natural effect of fiscal, monetary, commercial and aid policies pursued with the sole aim to develop industry at the cost of the agricultural sector and major emphasis was laid on industrialization, considering it a vehicle of economic progress. The fiscal, monetary and commercial incentives along with licensing system and price controls, PL-480 imports and trust on indirect taxation miserable the agricultural prices and guaranteed high profits to the industrial sector. The market of business behind the protection of tariff and custom walls created conditions monopolistic structure characterized by limited output, greater use of capital and labor saving technologies, low level of employment, high prices and social tensions. The common man was oppressed on all fronts and had to pay higher prices as a consumer and to receive poor reward for his services as a laborer, farmer, small shareholder etc (Zingel and Lallement, 1985).

Ahmad Rizwana Zhaid is of the view that thus a strong class of industrialists/businessmen emerged in the urban areas, while whatever profit accrued in agriculture remained intense in the rural aristocracy. In this process, the poor masses - labor and small farmers - had scarcely a chance to enjoy the benefits of the development highly publicized by the ruling group. The rural power structure - social, economic, political and administrative - was further strengthened and persistently sustained to work. Against the poor power at the top were as the real beneficiaries of Government policies aiming at developing agriculture. This resulted in a lop-sided development and badly artificial the allocation of resources and thus undertook risks and the distribution of economic and political power. The mass poverty remained unabated and the majority continued to be quiet in the cruel circle of poverty. The land reforms introduced from time to time, were upset as their impact on the rural area never became visible. Rural feudalism continued to effect with a power structure critical to the small farmers, tenants, and landless laborers (Ahmed, 1998).

The civil servants emerged as the third power, a strong and exclusive class, ill-suited to the needs of a free and developing country. A small group of so-called generals' monopolized administration present at birth from the colonial era, this class is trained in a fashion to obediently apply the Government policies. It thrived on the continued political insecurity in the country and became so strong with the passage of time that it started exercising the real power of the Government. The *Naukarshahi* gave birth to the *Rajshahi*.

A fourth group came up. Viz. the planners who followed the Diktat of the *Rajshahi* and rarely had the bravery to provide objective and accurate advice to the Government. The result was inconsistencies and contradictions in planning and hence the economic and social mess that emerged on the national sight in 1969-70.

Thus, after having spent a quarter of a century in making plans, a workable development model right to the country's situation and requirements could not be achieved. Industrialization was over-emphasized, grave attempt to achieve self-reliance and self-financing was not undertaken. Reliance was placed on deficit financing and foreign economic aid- considered to be the solution for the economic problems of Pakistan. Faster industrialization based on the philosophy of growing the share of profits in GNP and the withdrawal mechanism of the so-called more of its inflected forms as light, unemployed and under-employed rural work force was predictable to create economic miracles. And the result leaving more on the farm for consumption as well as investment and, in the final analysis most important to the modernization of agriculture (Pakistan Economic Survey 1973-74).

Noman omer in his book Political Economy of Pakistan 1947-85 testifies this period that the imposing industrial setting up, irrigation, dams, public buildings and private posh houses did result in high economic growth but not in economic development as the latter means decrease in unemployment, under-employment, poverty and economic and social disparities and not a simple add to in the average per capita GNP. The economic miracles could not be accomplished and the strategy of secular growth proved to be stupid. The belief that initial income inequalities will result in higher savings and capital formation and that, later, the masses will profit from higher growth, did not turn out true. The poor masses, strayed so long with vacant slogans, came out into the streets with the demand for distributive social justice and equalize of regional imbalances. The secular growth led to social, political and economic chaos, which consequently degenerated into negative growth. It was in the midst of this disorder that the Pakistan people's Party (PPP) came up with a violent democratic election manifesto. Their slogan of food, clothing and shelter won the kindness of the masses, and the PPP emerged as a majority party in former West Pakistan. When political and social unrest further bigger and Bangladesh emerged as an independent state, this shook the very foundation of the economy. It was amidst such socio-political

conflicts that power was transferred to the ppp, at a time when the economy was transferred to the ppp, at a time when the economy was in dump so much that 1971-72 expert a negative growth and the per capita income fell (Noman, 1988).

Role of Financial Political Groups (Finpols)

The Finpols were mainly the commercial/business families, who during the final phase of Pakistan movement provided financial support and acquired superiority in the new state. They developed a close relationship with the political leadership and were active in given that the infrastructure (banks, chambers of commerce, etc) in the formative years of Pakistan's development. During President Ayub Khan's rule (1958-69) these families progressed; some of them were altered into industrial "Houses." They extended their power base by inducting some new families into commerce and industry. As an effect of Ayub's developmental thrust of "functional inequality", these Finpols acquired essential position in the national economy, and on the basis of their wealth and financial power they were representatively referred to as the "22 families". During the 1960s while armed forces governed, these Finpols conquered Pakistan's economy. Finpols were worried as Bhutto unspecified power. They supposed him opposed to their interests. Doubtful of Bhutto's reformist zeal, the Finpols at once lent "discrete support" to the conflict political parties. This conflict of perceptions and wellbeing persisted during Bhutto's rule (Zingel and Lallement, 1985).

In 1961, the Ayub government measured abolishing it, but stressed from the Finpols, dropped the idea. The ending of the system did wear down the power of Finpols. Through such policies of slow change, Bhutto wanted to restructure the economic system. However, in spite of assurances, appeals, and threats, the Financial Political groups remained inflexible in their response toward the government's policies. Bhutto creates it difficult to win their confidence. They supposed Bhutto as a rabble-rouser, who by his reformist policies was pampering labor (Shafqat, 1989).

On one end, Finpols were resisting reformist policies; on the other end labor was receiving restless. Bhutto's dilemma was how to settle the interests of highly politicized labor with the interests of highly doubtful Finpols. Analyzing the Labor -Finpol relationship, "here the problem of Bhutto was that he certainly had a tiger by the tail. A lot of support for him came from the urban labor and the carriage of the Pakistan Party of People on labor Issues-and in opposition to the 22 families - had emboldened worker considerably from its previous stationary manner (Kochanek, 1983).

CONCLUSIONS

Bhutto had greatly underestimated the power of the landed classes. The landlords efficiently control the villages in all spheres of life. The poor villager may revile the landlord for his strong economic and social controls, but he will always turn to the landlord for help in matter of law, to solve little quarrels, to help in getting irrigation water, and to protect himself from the police and revenue inspectors. Governments could keep on changing, but the landlords maintained a constant hold on the lives of the poor villagers. The villagers have long since come to the end that it is better to be on good terms with the landlord. So, policies which challenged the rule of the Landlord were feared by the peasants. If they did agree to government policies, they faced risk of irritating the landlord, who was more to be feared.

The landed class had predicted that Bhutto would try to impose new ownership limits. They found resourceful ways of getting around this reform before it could be implemented. Large-scale transfers of land took place before Bhutto could take power: the landlords simply transfer land ownership to their comprehensive families to counter individual land holding limits. Another very honest way was resorted to - many of the very wealthy land owners transferred land ownership to some of their trusted tenants, and then simply leased back the land from them on long term leases. Periods of

several generations were covered by the lease agreements.

At the time of independence, Pakistan inherited a predominantly agricultural economy and then chose to achieve economic development chiefly through the medium of industrialization. For over two decades, the policy makers remained fanatical with the philosophy that development was possible only through industrialization and as such the industrial sector in private hands received massive fiscal, monetary, commercial, and aid support. The profit boom was fostered and maintained through a variety of measures including suppressed agricultural prices, wages, and transfer of savings from the rural to the urban sector in general and from backward areas to the developing industrial centers in particular. In the wake of these developments, the problem of concentration of wealth in few hands, inter-regional and inter-personal disparity, exploitation of labor, etc emerged.

Bhutto's policies spread social consciousness among the rural and urban masses. In a short period of five years, Bhutto succeeded in ushering in some degree of socio economic change. Bhutto's policies benefited the disadvantaged classes and groups, including the peasants, industrial workers, the urban middle classes, the professional groups, the middle farmer and small-scale industrialist/entrepreneur; but they alienated the Financial Political oligarchy, the landowning elites, the "Khans" and "Sardars" (in NWFP and Baluchistan) who resisted these policies and turned hostile to Bhutto's rule. Confronted by their hostility and alienation, Bhutto found it difficult to integrate the interests of established groups with those of disadvantaged classes and groups. Through the policies of gradual reform, Bhutto did succeed in achieving some measure of "social justice." Despite ineffectual political rhetoric and loopholes in the implementation process, it is revealed that Bhutto's land reforms did provide some benefits to almost every rural class. The feudal classes were the principal beneficiaries (a number of families and groups in Punjab" Sindh and K.P.K and the transition towards becoming agri-based industrialist). The policy also gave relief to the small and medium-sized farmers and the tenants. The nationalization of agri-based industries proved disastrous and reflected Bhutto's failure to organize trade merchant and small and medium sized agricultural entrepreneurs in to the political process. It has been aptly observed that Bhutto's land reforms brought about an "Agrarian Bourgeois revolution" in Pakistan.

The disadvantaged classes and groups received wage and welfare benefits, and found some new employment opportunities. Middle farmers and some small peasants benefited from "generous, credit and loan facilities. Despite these modest achievements, industrial production stagnated, private investments declined, and the economic growth rate fluctuated. Industrial production stagnated for three reasons. First, nationalization of industries led to bureaucratization of industries, resulting in high inefficiency and low productivity. Second, by 1976 over 70% of the public sector was committed to heavy industries like steel, cement, and fertilizer. These industries had very large capital-labor ratios.

The nationalization of basic industries had made the public sector an integral component of Pakistan's economy. Evidently it promoted bureaucratic control. It has to be recognized, however, that a reformist leader needs a longer period of political stability to institutionalize his reformist policies, and in the short run he may be forced to fall back on the existing institutions -which may not be the best solution. Increased bureaucratic inefficiency on the other hand, can also serve to prompt incremental change. The private sector, quite predictably, started sharply criticizing the public sector after the take-over. Overstaffing, un-warranted wage raises, wastage of raw material, indiscipline, etc., have been alleged against the public sector. But the different sets of statistics, when read together, yield a different conclusion which suggests that on the whole, the nationalized sector was being managed satisfactorily, though not as well as the average, privately owned enterprise. The performance of the banking system in the post-nationalization period has been better than before. The same

can be said for the insurance business too. The manufacturing sector (public controlled) has not done as well as the aforementioned one. This attributable principally to the fact that the nationalization of industries in 1972, was done in haste. The managerial staff was dislocated, and adequate preparations had not been made to meet the challenge of the change.

On the other hand, the decision to nationalize insurance companies, banks and shipping companies was well thought and adequate preparations had been made for a smooth change-over of the privately managed units to the public sector. The working staff of these units was not disturbed. The change was effected only at top level, and that, too quite cautiously. No panic was caused. In 1972, the importance of these cares and cautions had not been realized.

The socio-economic salvation of the nation lies in devising a system which is devoid of the extremities of the and the right. Islam, which is a complete and perfect code of life, offers the solution sought for. Islam permits private property, freedom of choice, competition, etc, but at the same time it provides for checks and balances to the effect that the welfare of the individual does not come into conflict with the welfare of the nation. Of all the system known the Islamic system is the most humane. The people of Pakistan have no doubt about it. Let us hoped that in the coming few years, the economic system will be molded in accordance with Islamic ideology.

RECOMMENDATIONS

Moreover it is hoped that through this study we will be able to bring the reality in front of public that either Bhutto succeeded in reducing the wealth from the hands of the industrialists.

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