

# An Analytical Study of the Socio-Economic Condition of Pakistan from Nationalization to Islamization



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## Abstract

Progress and prosperity of a country depend on the socio-economic climate prevailing within the country. Economic conditions determine and influence the social progress and the standard of living of the people. Socio-economic scene does not always stay the same or is stagnant; but it is constantly fluctuating and changing for good or bad. Infact economic development and social progress are concomitant variations. Socio-economic situation in country depends on several internal and external factors such as age of the country, political stability, law and order, freedom from foreign intervention, scientific and technical know-how, geographical conditions, quality and quantity of the skilled people, international economic and political phenomena and peace. Same factors have influenced the socio-economic condition of Pakistan. With the separation of east Pakistan Zulfqar Ali Bhutto came into power and introduced nationalization policy for economic growth with the slogan socialism. But with the enforcement of Martial Law 1977, General Zia-ul-Haq changed Pakistan and turned the country towards Islamization. This research paper explores and highlights the socio-economic condition of Pakistan during Zulfiqar Ali Bhutto and Zia era.

**Keywords:** Socio-Economic, Condition, Planning, Development, Problems, Nationalization, Islamization, etc.

## Introduction

Pakistan is considered one of the developing countries of South Asia and the socio-political condition is not much satisfactory from its emergence. The early undemocratic environment and imbalance of economic resources created serious issues for economy as well as it indicated the poor economic condition. After 1970 election political crisis created a gulf of differences between the two wings of Pakistan and East Pakistan separated in 1971 due to socio-political and economic issues. On the basis of election's 1970 Zulfiqar Ali Bhutto became civil chief Martial law administrator. Introduced a nationalization policy in Pakistan and took over the control of all major industries and private sector. As a ruler it was his slogan that he supported socialism as economic agenda in the country in 1972.

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In July 1977, General Zia ul Haq imposed Martial in Pakistan and he dismissed Z.A Bhutto government. Zia tried to gain popularity and introduced his policy under Islamization which considered very important against Peoples Party slogan. Islamization supported Zia and he became successful to get the support of the rightest and religious political parties. He issues ordinance against interest free loans, trade and business in the country. This paper primarily explores how nationalization and Islamization influenced on the socio-economic condition of Pakistan during this specific era when a political leader and Martial Law Administrator introduced two different economic system and policies in a decade.

### **Research Methodology**

Research methodology is also an important element of any research topic as for as this study is an analytical study regarding Pakistan socio-political condition. Pakistan passed through the construction period to socialism of Bhutto and then the Islamization of Zia. So in this analytical study historic method of research based on qualitative approach of research has been used to compile it with the help of both primary and secondary sources based on historical and concerned documentary material i.e. books, articles, essays and newspapers.

### **Literature Review**

Without documentary material research could not be complete as literature is the backbone of any research. For this research the most relevant literature has been consulted as primary and secondary books related to Bhutto and Zia era as Economic survey, Story of Pakistan, Pakistan Financial Sector, Nationalization and land reforms, Nationalization and Educational Reforms, Bhutto's Nationalization Policy, Pakistan Islamic Saga, Pakistan a Modern History, Pakistan Between Mosque and Military, Islamization Under Zia-ul-Haq, Islamization, The state and Development, Islamization and laws of economy, A Brief History of Pakistan, Islamic Pakistan, Politics in Pakistan, The Nature and Direction of Change

are remarkable.

### **Discussion**

If we look the old countries enjoying political stability are more advanced socially and economically than the new countries. Similarly, countries favoured with geographical bounties like good climate, fertile soil and rich natural resources are more progressive and more well-to-do materially. Social and economic progress in the Western countries is direct results of their scientific and technical advancement and progress. Japan, South Korea, China in the East, draw their quality and greatness from their man-power and will to progress. The victories of peace War shatters are no less than the victories of War. Actually social and economic fabric and puts the country into reverse gear. <sup>1</sup>In modern times both socio and economic development are part of national planning both in capitalist and communist's countries. Planning is indispensable for national progress. The socio-economic situation in Pakistan has witnessed various phases and have different facets. When seem in proper historical perspective. It presents a variegated scene. During the last forty years the socio-economic policy has passed through several experiments and has been changing according to the political urgency and situation. It can be divided under following periods First 1947-1958· The building period, Second: 1958-1971- The experimental period Third: 1972-1977--The nationalization period Fourth :1977-1988·-Islamization period. <sup>2</sup> Each period co-insides with a new beginning in socio-

economic situation. After partition Pakistan rose like a new land out of fire. The government was new and the country had no economy worth the name. The resources were limited and there were no industries, no trade. The socio-economic situation was hazy. Partition brought many socio-economic problems in its wake, the most challenging being refugee problems. In spite of all these handicaps and hurdles, the people had faith, were united, determined, spirited and ambitious to progress. Their morale, best solutions for the problems facing the country both mundane and moral. The social evils like poverty, ignorance, bribery, favoritism, nepotism of scale, unfair profit, black marketing, tilting theft, tax evasion and so on. Can be cured through Islamic laws and punishments. If God does not change the condition of a people unless they themselves attempt to change the Pakistan nation has failed to do so. So the socio-economic situation persists with many fold problems<sup>3</sup> - Inflation, unemployment, foreign debts, adverse balance of trade, smuggling, and black marketing. The social situation is no less disconcerting and depreciable. People with secular mentality think that most of the social evils like criminal crimes, terrorism, murders, hold ups, drug trafficking and addiction, culture and ethnic disorders are the results and effects of economic causes; but it is absolutely a mistaken idea. The affluent and advanced societies of the west with their best-knit and trained police force are the worst victims of these crimes. The most shocking, rampant but little repented are sex crimes. The real cause of all these evils is moral degradation which is a natural result of material culture and loosening of religion's hold on human mind. The common bunkum of all religions is morality. Swift has described such human creatures without moral backbone as 'Yahoos'. He says that man has become so cruel, depraved and immoral that the kingdom of this world should pass from the hands of man into the hands of animals. The current situation is far from satisfactory. The politicians blame one another for this sorry state without seriously trying to restore socio-economic order. What was in the long awaited efforts equality and fraternity, has never become an Islamic welfare state. Fear for God and respect for laws have been conspicuously absent. The new wave of Islamic resurgence during the Rightists Campaign was translated as will of the people to build up the country on Islamic lines, the cue taken by the Chief Marshal Law Administrator to usher order. But no government or external compulsion can make the Muslims to act and live like real Muslims unless they enforce Islam or Islamic laws (Hududs) in their daily practical life. <sup>4</sup>All well-thought and well-wished efforts are bound to fail unless the citizens think rightly and act rightly. Thus the fourth phase of the socio-economic situation marked with a will to put the country to Islamization in socio-economic and political fields, raised great hopes. It was a bold attempt and was greatly appreciated in the Muslim world. Islam is a way of life. <sup>5</sup>It has its own philosophy and tenets to be practiced in all the walks of life. Introduction of Interest-free banking, Zakat and Usher Ordinance, establishment of Islamic Shariat Courts, institution of Shoorah, Nizam-e-Salat, appointment of Qazi and Ombudsman are some of the unique features of the period. All systems are based on and draw their substance from the mundane laws (constitution) plus the moral values without which no society can be good, happy and prosperous. Man lives not in words but in deeds. If one wants to set the people on the right path, he must first change the direction or the faces of the people towards the new destination.<sup>6</sup> True Islamization can succeed only when the people change the direction from materialism and modernism to spiritualism and soul-searching. Islamic socio-economic order offers with marked It was and the workers,

students and teachers, management spoiled new class-consciousness various states of the society-owner and workmen, seniors and sub-ordinates, group affiliations and loyalties, party and Pakistan. Law was made sub-ordinate to personal whims convenience. Political pampering social and industrial peace. The industrialists felt the greatest brunt of social and economic changes. Everything passed muster in the name of democracy. The one common achievement of the political known will be framing of new Constitution as 1973 Constitution but it was not safe from mostly one-sided. <sup>7</sup>The frequent amendments, land reforms brought little relief to the majority- the agriculturists. The rightists who were committed to national or Islamic ideology rallied themselves and struggled for a constitutional change. Strong opposition is essential for healthy democracy, but it was weak and disjointed. The attempts to change the government and the socio-economic orders through ballot were thwarted. The result was political uprising, and demand for new mandate from the people. The political mistakes and high handiness were the causes of the great opposition campaigns that shook the government. The politicians failed to come to a respectable compromise and the country was on the verge of civil war. Again the army had to step in. It has been an irony of fate that political faces have been changing without real relief to the people and without mitigation of the social and economic problems. Besides, the rampant social evils that have been a curse for the society, the community life in the country had fallen a victim to moral decay. A country founded on the ideals of Islam-goodness, truth, justice pulls out quagmire. It is not by shifting the responsibility the gap poverty, the society from the socio-economic but by shouldering it, the tables can be turned and makes coordinated efforts to fight against socio-economic evils and problems, and the country's feature appears bleak and uncertain. Unemployment, inflationary pressure, low agricultural production, ever widening class-falling educational standard, fragile law and order situation, unrefined bribery and general moral bankruptcy are constant danger signals. It is the people and not wealth that make a country great and strong. 'Great people great country is the ideal worth pursuing. No country can progress socially and economically without paying serious attention to the human factor. Modern society is indebted to science and technology for the quality of life, good, respectable and comfortable living The socio-economic situation has undergone a change during last thirty years. Much has been done to develop the country; but still much remains to be achieved to make the country a real Islamic welfare state based on equity, justice, mutual respect and love. Social reformation must be preceded by moral restoration. There lies the future of the Pakistani race.'<sup>8</sup>

Various policies are formulated for economic and social development in Pakistan, including night education, employment and other issues. And because of which the government provides opportunities for the people to move. Similarly, when we talk about thinking in Pakistan, it depends on what we say in Pakistan. Pakistan is in a state of economic and social development. It has been a long way since its inception, it has been on top of a few basic things and it has been drinking construction, but we see that there is no significant change or development due to the gulf of conditions and differences between East and West Pakistan. But then when we look at the situation after 1907, we are disturbed by the things buried in it. After the fall of East Pakistan in 1971, when Zulfikar Ali Bhutto became the Prime Minister of Pakistan, he introduced a new policy within Pakistan. Arranged because he was a believer in socialism, so he decided to take the government and private institutions into government custody. Was also taken into

national custody and according to the benefit of taking into national custody it was understood that through them the path of development in the backward areas could be ensured.<sup>9</sup> At the time of Bhutto's nationalization policy, there was an institution called Pakistan Industrial Development Corporation and through it the government of Sindh works on top of development and manufacturing plants etc. but if the government introduced this policy, 53 factories would also be taken into national custody. The reasons given by the government for taking them into custody were as follows: The income of the people of the country is uneven. Therefore, only 22 families have a monopoly on all politics. In order to provide equal and equal resources, it is necessary to take them into government custody. At the same time, the rights of workers in gender roles are being violated.<sup>10</sup> There is a shortage of labor due to which income is declining and it is necessary to formulate a policy to eliminate it. Which national institutions must be taken into custody? Similarly, the government clarified that due to the policy of nationalization, social welfare and Welfare schemes that were previously neglected will be revised as previous governments promoted and protected the capitalist class and indirect and indirect taxes worsened the situation. The benefits are that the workers will not only get protection but also the unrest in their ranks Satisfaction The government's decision will control inflation and provide benefits to all people, as well as a significant increase in tax duties and the means of those who are working. But there are also some disadvantages to this policy, which are the drastic increase in government spending, which will have a negative impact on the public sector. The trade unionists took advantage of the freedom and got all the privileges as well as they did not pay any money for it. Due to political interference in you, the staff also started being recruited on political grounds and they did not have the time and ability to work. The redundant people have been recruited and their salaries have become a burden on the national treasury. At the same time, they have been taken into national custody. They did not demonstrate responsibility. Nor did the nationalization policy of trying to change anything in this regard resulted in the loss of many institutions and these institutions are closing down day by day. As a result, the budget deficit was filled and all these national treasuries But I was very sick. The low-yielding units that were there were also in name only, and the losses caused by the public sector were read into the government's account. There was no difference in the organization. The general class was skilled. The leaders were all considered to be the same. The reason for this was that the landlords were hardworking and skilled people.<sup>11</sup> In addition to a steady increase in the number of reasons why Bhutto's government gave workers too much freedom, Sunni controversies also arose, resulting in a labor policy that made labor education and morality the responsibility of traditional institutions. Due to which the profits of the capitalists decreased. Instead of the Sunnah for the capitalists, they started investing their capital in gold and purchase of lands besides plazas etc. and blocked the wheel of development of all. On January 19, 1974, the government took all the national highways and scheduled banks into national custody. Fifteen Pakistanis and foreigners were also involved. There was a deposit of Rs. 33 crores and these banks had made Rs. It reorganized all the countries and merged all these banks into five banks. Was to bring to the surface due to which I participated in the Sunnah in the country and traded and broke, but the result was that only friends and family were involved and sometimes the gambling and debt, etc., on top of the flowers and shoes that are there were getting away from the Imam. Recruitment is being done without advertisement. Similarly, most

of the branches of foreign banks always had deficit which was due to corruption. The people were robbing the people and were a burden on the national exchequer. Similarly, the corrupt staff was a shareholder in the bank, thanks to which they could take loans themselves. One of the benefits of nationalizing the banks was that the common people started getting loans in the district and other sectors. The method of distribution became fair. If loans were issued for cheap distribution, it would have been eliminated by taking it into national custody. Unnecessary hair in the banks was eliminated. Employment of bank employees was secured and Iqbal was eliminated. Bankruptcy also ended. As the government's resources increased, so did the performance of the banks, and what were the benefits? Similarly, the number of imams also increased. Ninety-nine million rupees.<sup>12</sup>

The number of bank branches has also increased. Since the banks, Qatar has reached Sochun and it has been decided to set up a bank in every town with a population of 5,000. Proper use is for the welfare of the people but there was no proper communication within the Banking Council which was formed later and no attempt was made to rectify the situation. He took the bank and did not repay the loan and forgave the external debt. This success is no meeting or any profit is harmful after he came under national custody. It was getting less and less as Finance Minister Dr. Mehboob-ul-Haq said the standard of commercial banks has deteriorated. Political activists formed unions after coming to work and the union of banks affected the performance of banks.

General Zia-ul-Haq came to power after the Martial Law of 1977, he took a special approach to Islamic values and began to promote Islamization in Pakistan as a result of the 1975 Constitution.<sup>13</sup> When he came to power in 1977, he used the coaching of Islamic policies, trade policy, economic policy, interest-free banking, interest-free banking tonight, and the various factors that led to it. Zia-ul-Haq thought that the current economic system is a failure. Interest is a major scourge that is wreaking havoc on the economy and the government has taken major steps to save the usurers and some more problems in this regard. And introduced a new system

As a result of which there were seventy institutions and banks. An attempt was made to abolish interest from them and introduce interest free banking system. During Zia's rule, Industrial Corporation of Pakistan and Building Finance Corporation also got an opportunity to work. The opening of accounts in all the chartered banks on the basis of profit and loss sharing will restore the confidence of the nation. Attention was paid to the contribution of profit and loss because the scheme of nationalization took the national institutions into the custody of the government, which caused great loss and eliminated industry and trade from the country.<sup>14</sup>

The new wave of Islamic resurgence during the rightist campaign was translated as will of the people as built up the country on Islamic socio economic order. This who was taken by the Chief Martial law administrator general Muhammad Zia-Ul-Haq at the time when he introduced new economic reforms under the Islamic principles which introduced by the constitution 1973 as it is said that a government will take effort on external consumption can make the move from to act and live like a real Muslims unless they in force Islam Islamic laws in their daily practical life the socio economic situation mark with a will to put the country on round of Islamic education in social economic and political feel raised as great and it was built to attempt and was greatly appreciated in the Muslim Islamic way of life as chief marshal administrator set it has its own philosophy and

it has own practice in our life introduction of interest free banking record and wish you a Ordinance established Islamic Sharia Court Institution of show Surah as well as the Nizam appointment of the Islamic records Sharia courts as well as the other in 1990, Tanzil-ur-Rehman was appointed to the Federal Sharia Court and about a year later (November 1991) issued a "monumental decision" (Faisal vs. Secretary, Ministry of Law) that appeared as though it might put an end to interest-bearing loans and accounts in Pakistan. The Faisal decision forbade riba absolutely without exceptions, overturning 20 federal and provincial financial laws as repugnant to Islam. It defined riba as "any addition, however slight, over and above the principal", including any system of markup, any indexing for inflation, payment by value rather than kind. It forbade riba in "production loans" as well as "consumptive" loans. It specifically declared invalid two Islamic Modernist interpretations that avoided strict prohibition: considering anti-riba Quranic verses (2:275-8) allegorical, and use of ijthihad (independent reasoning) of the issue based on ascertaining the public good.<sup>15</sup>

Show that we introduced Islamic system in Pakistan this Islamization put some impacts on the lives of the people because it was not totally different all system or based and draw the substance from the Muslims laws which were under the constitution as moral values of the society Khanda gold happy and prosperous Mel live not the world but were indeed if one wants to set the people on right path he must first change the direction are the phases of the people to work the new destination this Lama is Asian can succeed at only when the people change the direction from materialism and modernization to suppress dualism and Soul searching Islamic Socio economic order offers the best solution for the problem facing the country both in in this time the social evils like poverty ignorance bribery favoritism nepotism unfair profit black marketing of on different circle text division and so on can be cured through Islamic laws and punishments.<sup>16</sup>

Dinesh and fail to do so the socio economic situation Paris with many fold problems inflation and unemployment for a debits adverse balance of trade samakalan black market and be social situation is no less interest and concerted and depression able. People with circular mentality think that most of the social evil flight terminal crime terrorism murder hold UPS drug trafficking and addiction to culture and ethnic disorders are the results and effect of Economics but it's absolutely a mistake in Idea the advanced societies of the west with their best efforts and trained Police Force are the First victim of these crime the most shocking impact but little repainted are various crime the real cause of all these Evil is moral degradation.<sup>17</sup> This is a moral result of human mind is someone of all religion is morality Swift describe Such in human character without moral backbone as the other issues in West says that man has become so cruel and Immoral that the kingdom of this world should pass from the hands of man into the hands of animal and the Vikrant situation is far from satisfactory the politicians blame one another for their services for a straight without seriously trying to pull out the society from the socio-economic quick Maya it is not by shifting the responsibility but is holding it the nation can be turned unless the whole Nation Rises to the occasion and make Oriental ordained efforts to fight against the social economic events and problems that country's feature a bleak and uncertain.<sup>18</sup>

## **Conclusion**

National Liberation and Islamic ration reach on this conclusion people and the wealth of a country should be strong great people and great country always present new ideal example in the society to country can progress socially and economically without paying serious attention to the human factor modern society is indebted to Science and Technology for the quality of life V respectable and comfortable living the socio economic situation has undergone a change during last 30 years much has been done to develop the country. But still much remains to be achieved to make the country a real Islamic welfare state based on equality qwerty justice mutual respect and love social reformation must be preceded by moral Restoration there lies the feature of the Pakistani ways so we can say that nationalization to Islamization was a practice to change and develop Pakistani socio economic system which unfortunately it does not become a successful still because poverty unemployment are still on its place so there is a need to work on the parity basis for the development of the country a strong economy will be e necessary for the social development of Pakistan so we can say that progress and prosperity is a symbol of strong social economic system.

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