

**The London School of Economics and Political Science**

**HOW A CRISIS IN THE MORAL ECONOMY  
OF DEVELOPMENT POLICY  
CHALLENGES STATE LEGITIMACY**

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## ABSTRACT

This PhD thesis accounts for the legitimacy challenges faced by the state that are specifically created by organized industrial workers through their anti-state unrest. It also relates such legitimacy challenges to recurring regime breakdown in unconsolidated democracies. I thus answer the question: *how can we more fully account for labour-led legitimacy challenges to the state that at key times contribute to regime breakdown in unconsolidated democracies?* I build on the dominant elite-driven explanations that are already emphasized in the existing theoretical literature by highlighting bottom-up labour mobilization that has not been given sufficient consideration.

Moreover, I have uniquely framed such bottom-up mobilization in terms of “shared norms” in a very particular “moral economy” centred around development policy. These norms were in part created by the state as part of its informal “legitimation project” with labour. Key to the state-labour relationship within this moral economy is workers’ expectation of certain subsistence provision from the ruling regime in return for its role in state-led industrial production and national development. Such expectation of specific subsistence provision was partly built up by the state itself through its own rhetoric and policies; but this also set up the state to frequently lose legitimacy when such provision could not be delivered or maintained.

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# CHAPTER 1

## INTRODUCTION

During periods of both military and civilian rule in Pakistan in 1947-1971, ruling elites ploughed ahead with a development policy that focused heavily on boosting industrial production to achieve growth.<sup>1</sup> Part of the rationale behind this particular development policy was to give legitimacy to a struggling Pakistani state both abroad and locally<sup>2</sup> – the higher the level of state-guided industrial production (increasing overall growth), the greater the perceived legitimacy of the state.<sup>3</sup>

At certain points in its history, outside observers openly praised the results of this ambitious industrial development policy, consequently recognising Pakistan as a legitimate state. In 1955, for instance, the US government commended Pakistan for the “speed and efficiency with which it carried out measures necessary” to give the people “benefits” from its economic program.<sup>4</sup> In 1964, US President Lyndon B. Johnson admired the state’s “efforts to improve [people’s] well-being and pave the way for a better future.”<sup>5</sup> The *New York Times* reported: “Pakistan may be on its way toward an [industrial] economic milestone that so far has been reached by only one other populous country, the US.”<sup>6</sup> Even the *Times of India* noted its supposed enemy’s achievements in a 1965 editorial: “Pakistan has made impressive gains in the

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<sup>1</sup> This policy, however, failed to consider the distribution of growth to all groups in society. This policy observation in many developing countries was first made by theorist John Stuart Mill in 1848 who wrote: “It is only in backward countries of the world that increased production is still an important object [when] what is economically needed is better distribution” (Book IV, 6.6. *Principles of Political Economy*, Seventh Edition, Longmans, Green and Co, London, United Kingdom, 1909).

<sup>2</sup> Pg 8. *The State’s Legitimacy in Fragile Situations Unpacking Complexity*, OECD Publication, 2010. Accessed at: <http://www.oecd.org/dataoecd/45/6/44794487.pdf>. The OECD identifies four types of legitimacy in weak states like Pakistan: process, performance, shared beliefs and international.

<sup>3</sup> Different theorists have defined legitimacy in terms of different criteria. Muthiah Alagappa (1996) for instance considers the legitimacy of the state to be linked to the identity of the nation-state, type of regime and government. Seymour Lipset (1959) considers the legitimacy of the state in terms of economic development. This thesis focuses in on the regime and economic aspect of state legitimacy. This is not to say that legitimacy did not decline with respect to the other criteria.

<sup>4</sup> *Dawn*, February 18, 1955

<sup>5</sup> Pg 2. *The Pakistan Example*, Documentation of Comments on Pakistan Economic Development, Ferozsons Ltd, Rawalpindi, Pakistan, 1966

<sup>6</sup> *New York Times*, January 18, 1965

[industrial] economic field during the last five years. ... These are achievements of which Pakistan can be justly proud.”<sup>7</sup>

Yet viewed through a socio-political lens of a very particular moral economy in Pakistan, it is clear that this policy did not always give the state its desired legitimacy locally. While certain elite industrialists approved of this development policy, significant numbers of industrial workers repeatedly challenged it and in effect the legitimacy of the state-labour relationship during periods of low or high growth and military or civilian-led leadership in 1947-1971. Organized industrial labour only made up a small minority (300,000-500,000 workers) in a country with a growing population of roughly 70-100 million<sup>8</sup> in 1947-1971, yet more than ten to twenty percent of this group (30,000-100,000)<sup>9</sup> managed to pose a notable threat<sup>10</sup> to the ruling regime through their anti-state unrest. In fact, recurring strikes and protests led by industrial workers during this period reveal a “special sort of lens for examining society”<sup>11</sup> – they “unmasked many of the values of a common people [surrounding development policy] which in other times went unvoiced.”<sup>12</sup> These values showed labour’s “underlying assumptions about social and economic relations”<sup>13</sup> in terms of its relationship with the state.<sup>14</sup> This significant perspective is largely absent from the existing elite-centred literature on Pakistan yet quite apparent in certain local archival data. For a more holistic understanding of the challenges to state legitimacy in Pakistan, the role of labour must be considered.

This PhD thesis thus accounts for key aspects of the legitimacy challenges faced by the Pakistani state that were specifically created by industrial workers through their anti-state

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<sup>7</sup> *Times of India*, Bombay, June 14, 1965

<sup>8</sup> Pakistan Population Census, Statistics Division, Government of Pakistan, Islamabad, Pakistan, 1972

<sup>9</sup> Pg 10-28. Rashid Amjad and Khalid Mahmood, *Industrial Relations and the Political Process in Pakistan 1947-77*, International Labour Organisation, Geneva, Switzerland, 1982

<sup>10</sup> Yes, these organized industrial workers were indeed a small group relative to Pakistan’s population, but this does not mean their impact on state legitimacy was negligible. After all, other groups who impacted state legitimacy at certain points were also small in number – e.g. a few military-bureaucratic elites in 1957-1958 and more than 20,000 thousand students in 1969 challenged state legitimacy in distinct ways.

<sup>11</sup> Pg 482. Arjun Appadurai, How Moral Is South Asia’s Economy? – A Review Article?, *Journal of Asian Studies*, Vol. 43: 3, pg 481-497, 1984

<sup>12</sup> Pg 5. Adrian Randall and Andrew Charlesworth, *Moral Economy and Popular Protests: Crowds, Conflict and Authority*, Macmillan Press, London, United Kingdom, 2000

<sup>13</sup> Randall and Charlesworth 2000: 5

<sup>14</sup> Stanley Hoffman says the existence of the state is derived from “the needs of consent to its people.” This is rooted in “the horizontal contract – which is the source of political obligation” – and the right to political and civil liberty – the vertical tie which, within the state, binds the government to the people.” The “vertical tie” between the state and industrial labour is the focus of this thesis (Pg 67. Stanley Hoffmann, *Duties Beyond Borders: On the Limits and Possibilities of Ethical International Politics*, Syracuse University Press, Syracuse, New York, United States, 1981).

unrest.<sup>15</sup> It also relates such labour-led legitimacy challenges to recurring regime breakdown that has plagued Pakistan during both civilian and military-led rule since 1947. I thus answer the question: *how can we more fully account for legitimacy challenges to the Pakistani state that at key times contributed to regime breakdown?* I look past mere elite-driven explanations that are already emphasized in the existing literature and instead highlight bottom-up labour mobilization that earlier Pakistan-focused theorists have simply glossed over. I focus in on the state-labour relationship specifically to tackle the “problems of measurement” and “vagueness” in such a legitimacy-focused study.<sup>16</sup>

Moreover, I have uniquely framed such bottom-up mobilization in terms of “shared norms”<sup>17</sup> in a very particular “moral economy”<sup>18</sup> centred around development policy. These norms were in part created by the state as part of its informal “legitimation project”<sup>19</sup> with labour. Key to the state-labour relationship within this moral economy was workers’ *expectation* of certain subsistence provision from the state for its role in state-led industrial production and national development. Such expectation of specific subsistence provision was partly built up by the state itself through its own rhetoric and policies<sup>20</sup>; but this also set up the state to frequently lose legitimacy when such provision could not be delivered or maintained.<sup>21</sup>

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<sup>15</sup> This is not to suggest that industrial labour was the only source of challenge to the state in Pakistan – this thesis’ focus is on workers, but *Chapter Two* does outline in more detail the other sources of challenge to state legitimacy already expressed in the existing literature.

<sup>16</sup> According to Andrew MacIntyre: “Problems of measurement are obvious and profound. All too often, scholars are reduced to vague and unsubstantiated assertions that this or that government or regime does or does not suffer from legitimation problems. In all but a few cases, there are grave problems of empirical validity. The danger of tautology is ever present; particular governments and regimes endured or collapsed because they did or did not enjoy sufficient legitimation” (Pg 173. Andrew MacIntyre, Book Review: Political Legitimacy in Southeast Asia: The Quest for Moral Authority, *Journal of Democracy*, Vol. 7: 3, pg 170-173, 1996).

<sup>17</sup> Pg 59-60. Muthiah Alagappa, *Political Legitimacy in Southeast Asia*, Stanford University Press, Stanford, California, United States, 1995

<sup>18</sup> The term “moral economy” was first coined by historian E. P. Thompson in 1971 to explain 18<sup>th</sup> century English crowds protesting food prices and the market; it was then used by political scientist James C. Scott in 1976 to explain peasant protests against capitalism in Vietnam; since the 1990s, social scientists like Steffen Mau (*The Moral Economy of Welfare States: Britain and Germany Compared*, Routledge, London, United Kingdom, 2003), Stevan Svallfors (*Moral Economy of Class*, Stanford University Press, Stanford, California, United States, 2006) and William James Booth (A Note on the Idea of the Moral Economy, *American Political Science Review*, Vol. 87: 4, December 1993) have reimagined the moral economy in terms of “the mutual rights and obligations of the governing and the governed” (Svallfors 2006: 1). The evolution of the moral economy literature from history to political science to political sociology is discussed later in this introductory chapter under the EXISTING LITERATURE heading.

<sup>19</sup> Alagappa 1996: 59-60

<sup>20</sup> This was a form of “policy legitimacy.” Richard Smoke (On the Importance of Policy Legitimacy, *Political Psychology*, Vol. 15: 1, pg 97-110, March 1994) refers to theorist Alexander George’s ideas on such legitimacy – i.e. the “normative component” in which the policy must be rooted in national values and norms; and also the



In fact, these pressures against the state existed throughout a regime's tenure in Pakistan when labour's specific expectations were not met. Such unrest over unmet expectations<sup>22</sup> threatened the state's primary goal of industrial production that led to a "legitimacy strain" repeatedly during each regime's tenure that also contributed to the "legitimacy crisis"<sup>23</sup> towards the end of a regime's tenure. By crisis, I refer to "a situation in which the basis on which authority has been claimed or acknowledged is under such severe stress that there is a strong possibility of its destruction and transformation"<sup>24</sup>; with strain, "the commitment to underlying norms may be weak to begin with, or perhaps the commitment has eroded for whatever reason, but the erosion has not reached crisis proportions."<sup>25</sup> Of course, the existing literature on Pakistan has already stressed the more elite-driven factors that have contributed to recurring legitimacy strain, legitimacy crisis and regime breakdown in this purported failed state.

Preceding authors on Pakistani politics have largely framed their analyses in terms of elite, civil-military relations and how this has contributed to regime breakdown and the obvious lack of formal democracy.<sup>26</sup> Since 1947, much like "Hobbes' state of nature", Pakistani politics have

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"cognitive" aspect in which the state must convince society how it can achieve the policy (Smoke 1994: 100). This applies to the Pakistani state's moral economy of development policy and specific steps it took to convince labour that this policy would provide them with expected subsistence conditions.

<sup>21</sup> This is relevant to Alagappa's ideas. He notes: "Legitimation on the basis of performance is highly contingent – and therefore, as pointed out by Weber, it is unreliable as a long-term basis of authority. ... Governments must continuously do better in order to meet expectations..." (Alagappa 1995: 41). He adds that sometimes a regime acquires power through "negative legitimacy" which applies to Pakistan: "the military – or a civilian with the support of the military – usurps power with the declared purpose of saving the country or its revered institutions in order to clean up the mess, to restore law and order, or to protect the country from a security threat. This intervention will be supported by groups that have been (or expect to be) disadvantaged by the policies of the former government. Disenchantment with the former government usually, though not always, makes for public acquiescence if not approval of the intervention." Such regimes "by their very nature are prone to legitimacy crisis. Their legitimacy is based on rationales (charisma, performance, international support) that are difficult to sustain over a long period of time and, moreover, are subject to challenge on the basis of greater reward or greater force. ... Combined with a capacity for limited self-renewal, these considerations contribute to the erosion of legitimacy and eventually to a crisis" (Alagappa 1995: 61-63).

<sup>22</sup> A similar case of "unmet expectations" affecting the legitimacy of the state has been expressed by Rudra Sil and Cheng Chen in their article, *State Legitimacy and the (In)significance of Democracy in Post-Communist Russia* (Pg 349, *Europe-Asia Studies*, Vol. 56: 3, pg 347-368, May 2004).

<sup>23</sup> Alagappa coined the term "legitimacy strain or crisis." In his book, *Political Legitimacy and the State* (Oxford University Press, Oxford, United Kingdom, 1990), Rodney Barker defines a legitimate government as an ongoing "relationship between state and subjects" (Barker 1990: 2) – if the masses are not contesting the government's decisions and policies, then they are not challenging the legitimacy of the state and so the government is said to be politically legitimate.

<sup>24</sup> Alagappa 1996: 59

<sup>25</sup> Alagappa 1996: 59

<sup>26</sup> It should be noted, however, that in recent years, there have been a few notable studies involving bottom up mobilization and informal institutions that impact democracy. Matthew J. Nelson's book, *In the Shadow of Shari'ah*:

been “a ceaseless and ruthless struggle for power”<sup>27</sup> among political and military elites. The civilian polity historically has been synonymous with corruption and instability, seemingly prompting the military’s intervention in politics in a “guardian coup”<sup>28</sup> starting in 1958. At this point, General Ayub Khan announced the need to stabilize the country before a democratic transition could be initiated. But the military was ultimately ousted from power in 1971 by frustrated masses who were led by certain political elites.<sup>29</sup> Some theorists have also shed light on the role of feudals, bureaucrats, Islamist groups and certain ethnic groups in contributing to the recurring pattern regime breakdown – whether these regimes have been civilian or military-led.

This thesis’ consideration of the role of labour in bottom-up pressures that hinder state legitimacy and eventually contribute to regime breakdown thus complements the existing literature and contributes to a more holistic understanding of Pakistani politics. It is the relationship between the state and organized industrial labour within Pakistan’s informal moral economy of development policy that serves as the causal mechanism connecting the independent variable (decline in subsistence provision) and the dependent variables (legitimacy strain of the state during a regime’s tenure or legitimacy crisis of the state that precedes regime breakdown).

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*Islam, Islamic Law and Democracy in Pakistan* (Columbia University Press, New York, New York, United States, 2009), explains through a thorough bottom-up analysis how, in western Punjab, the failure of “postcolonial democratization is related to the terms of an emerging and increasingly complex disjuncture between the substance of postcolonial reforms (“custom” → shari’ah) and the enduring focus of local economic and political demands” (Nelson 2009: 3). Arif Hasan’s book, *The Unplanned Revolutions: Observations on the Process of Socio-Economic Change in Pakistan* (Oxford University Press, Oxford, United Kingdom, 2009), highlights a “set of dynamic informal institutions emerging from below that come to challenge and, ultimately, overwhelm the rigid institutions of both the colonial and, in due course, the modern postcolonial state” (Nelson 2009: 1-2).

<sup>27</sup> Pg 389. Khalid Bin Sayeed, Collapse of Parliamentary Democracy in Pakistan, *Middle East Journal*, Vol. 13:4, pg 389-406, 1959

<sup>28</sup> Samuel Huntington defines the “guardian coup” as follows in his book *Political Order in Changing Societies* (Yale University Press, New Haven, Connecticut, United States, 1968): “Military involvement in politics is intermittent and for limited purposes, and hence the military view themselves neither as the modernizers of society nor as the creators of a new political order but rather as the guardians and perhaps the purifiers of the existing orders. ... Military intervention, consequently, is prompted by the corruption, stagnation, stalemate, anarchy, subversion of the established political system. Once these are eliminated, the military claim that they can then return the purified polity to the hands of the civilian leaders. Their job is simply to straighten out the mess and then get out” (Huntington 1968: 225-226).

<sup>29</sup> This thesis does not emphasize politics events beyond 1971, but the following should be noted: after a brief period of civilian rule led by Zulfikar Ali Bhutto in 1971-1977, General Zia’s military-led regime emerged; but this ended with the death of the general in a suspicious plane crash in 1988. After an unstable era of civilian politics in 1988-1999 led by Benazir Bhutto and Nawaz Sharif, General (Rtd) Pervez Musharraf took over; but in 2007 he left politics after months of protests – spearheaded by a politically linked lawyers’ movement – and has finally given way to another phase of civilian rule since 2008. The lawyer’s movement arose from the sacking of Chief Justice Ifikhar Chaudhry in March 2007 by Musharraf. The current regime, led by President Asif Ali Zardari and Prime Minister Yousaf Gilani, reinstated the Chief Justice in March 2009 after recurring lawyer-led protests.

Though rooted in political science (legitimacy, regime breakdown), I also include certain elements from sociology (moral economy, patron-client relations) to more fully explain legitimacy strain and crisis of the state that contributes to the breakdown of both military and civilian regimes in Pakistan. I consider examples of both civilian and military-led eras from 1947 to 1971 to better illustrate this new argument linking labour unrest<sup>30</sup> to state legitimacy and regime breakdown in Pakistan.<sup>31</sup> The specific and elite-driven changes in government – for instance, seven changes in government during 1947-1958 and one change during 1958-1971 – are not critical to this thesis; rather it is the attacks on the legitimacy of the civilian or military-led regime itself through anti-state unrest that relate to the core argument.<sup>32</sup>

## EXISTING LITERATURE

This PhD thesis thus challenges three important bodies of literature. First, we undoubtedly push the literature on Pakistani politics in a new direction. The underlying assumption is that politicians, the military (Rizvi), feudals (Malik), bureaucrats (Jalal), Islamist groups (Haqqani) and ethnic groups (Talbot) have each played a role in destroying democratic prospects, particularly in terms of how they have impacted certain formal political institutions. But at times there appears to be more emphasis on describing political events and formal procedures, rather than producing one larger argument to explain the mechanism behind recurring legitimacy challenges and regime breakdown during civilian *and* military rule in Pakistan.

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<sup>30</sup> In the 2007-2009 global economic crisis, many countries experienced a severe local economic crisis that produced significant civil unrest (e.g. Russia, Greece, Ukraine, Chile and France) which sometimes led to a change in government (e.g. Iceland, Latvia and Hungary). Citizens expected certain forms of provision from the state but, with the externally induced-economic crisis, this could not be delivered. The state thus lost legitimacy in this specific sense, thus spurring unrest before a change in government occurred; this is much like what has happened repeatedly in Pakistan, though the country has always had the added disadvantage of excessive government expenditure on defence over development. Relevant articles include: World Bank's *Russian Economic Report* (March 2009), New York Times' *Latvia's Government Falls On Economic Toll* (February 21, 2009), BBC's *Crisis May "Spark Social Unrest"* (January 31, 2009).

<sup>31</sup> While this PhD thesis emphasizes the 1947-1971 period, *Chapter Five: Conclusion* does briefly suggest that this proposed link between labour unrest and state legitimacy could also apply to post-1971 military and civilian regimes as well, though more research is needed to determine evidence of a similar moral economy.

<sup>32</sup> Talking of democracy or dictatorship, as is often the case in political science, is of limited value for a country like Pakistan where anti-state unrest is the same against military and civilian-led regimes; also, it is only six decades later, since 2008, that there has finally been discussion about the country's first legitimate democratic transition and election.

There is also a tendency by these authors to overemphasize the role played by certain elites – politicians, bureaucrats or army men – when describing the end of one regime. The role of labour is at times mentioned in terms of civil unrest, but it is not highlighted sufficiently in the context of bottom-up mobilization against a ruling regime. There is no sense that labour can independently impact state legitimacy since this group is usually described as being a passive actor who is simply manipulated into protest by elite groups.

This PhD, however, challenges such elite and procedural-focused arguments in that it considers how Pakistan's industrial workers have their own agenda (i.e. subsistence needs) and demands of the state, outside the reach of elite and politically motivated groups. These (organized) workers are a notable contributing factor in regime breakdown; in fact, through their informal relationship with the state, they are a chronic source of legitimacy strain through out a regime's tenure, whether the regime is led by the military or political elites.

Second, by making labour the focus of this PhD analysis, I challenge some of the political science literature on regime breakdown. For instance, I move beyond the elite-centred focus of earlier literature (Linz and Stepan) and build on the works emphasizing more bottom-up transitions (Bellin). While such bottom-up literature is relevant to the Pakistani case, I further emphasize labour's impact on regime breakdown by adopting the patron-client lens of a particular moral economy – i.e. an informal social contract between state and labour.

Third, I build on sociology-based literature on the “moral economy” (and patron-client relations) by connecting it to state legitimacy and regime breakdown. While the literature explores the idea of a decline in morally embedded patron-client relations and even a loss of legitimacy of the patronage relationship (Scott and Kerkvliet), the subsequent connection to state or regime breakdown is not fully developed. I also continue to build on the moral economy literature that has evolved considerably since Thompson first coined the term. In fact, I build on Posusney's contemporary take on this concept by further solidifying the link between the moral economy and state legitimacy as well as regime breakdown.

These three bodies of literature on Pakistan, regime breakdown and the moral economy together are a suitable starting point from which to better conceptualize Pakistan's unstable politics during the period under consideration (1947-1971). At the same time, it sheds light on the gaps that can be filled. Let's now consider each body of literature in turn, considering its strengths and weaknesses before fleshing out the main argument of this thesis in more detail.

## PAKISTAN

### Bureaucrats and the Military

Ayesha Jalal's historical and comparative account, *Democracy and Authoritarianism in South Asia* (1995)<sup>33</sup>, is elite-centric in that it largely focuses on the centralized power of the bureaucracy and the military in shaping an undemocratic, post-colonial Pakistan. Jalal also briefly identifies similar themes as other authors – such as the role of ethnic groups, Islamist groups, politicians, feudals, foreign aid and economic crises – for the lack of democracy in each civilian and military-led era.

But her main concern is with how certain elite partners within the state have controlled formal “political processes”<sup>34</sup> and so hindered “formal democracy.”<sup>35</sup> For instance, she notes how certain “dominant social classes” including West Pakistani landowners<sup>36</sup> had allied with key bureaucrats and military men at certain points in history to prevent democratization.<sup>37</sup> In doing so, she is not offering the reader a full picture of Pakistani politics – there is limited consideration of informal processes that may have hindered governance at different points. The reader is not offered a sense of the ebbs and flows in state legitimacy that may relate to regime breakdown – one regime simply breaks down and another steps in seemingly only because of elite-driven decisions.

There is inadequate coverage of groups like industrial labour and how they might impact the state. Jalal briefly mentions how labour unrest erupted before the breakdown of General Ayub's regime in the mid-late 1960s that led to General Yahya's takeover.<sup>38</sup> But this is not fleshed out in sufficient detail or related to challenges to state legitimacy or an underlying mechanism for regime breakdown. In this sense, her analysis seems incomplete, failing to offer a complete picture of Pakistani politics.

### Politicians and the Military

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<sup>33</sup> Ayesha Jalal, *Democracy and Authoritarianism in South Asia*, Cambridge University Press, Cambridge, United Kingdom, 1995

<sup>34</sup> Jalal 1995: 156

<sup>35</sup> Jalal 1995: 48

<sup>36</sup> Jalal 1995: 145

<sup>37</sup> Jalal 1995: 144

<sup>38</sup> Jalal 1995: 221

Hasan Askari Rizvi's *Military and Politics in Pakistan: 1947 – 1997* (2000)<sup>39</sup> essentially considers politicians and the military as well as civil-military relations in each regime to explain the country's politics. In this sense, it is largely an elite-driven analysis. Rizvi argues that the weak nature of civilian and political institutions only made it more "convenient"<sup>40</sup> for the powerful military to repeatedly intervene in the political system, though he acknowledges the military's corporate and professional interests as well. He briefly notes how civilian regimes faced "serious crises of legitimacy" including at the "popular level"<sup>41</sup> before breakdown, but does not develop this train of thought further to consider challenges to legitimacy at other points. The failure of military regimes is also linked to legitimacy crises but the emphasis is on the inability to adopt formal political institutions and loss in conflicts (e.g. 1971 war), rather than more informal institutions or legitimacy over time.

Rizvi considers other factors – including strained border relations, political corruption, military aid and internal ethnic tensions – like other authors to explain instability in Pakistani politics and effectively the lack of democracy. But the precise mechanism that has produced this peculiar political pattern of recurring regime breakdown is not fully explicated. He offers a very comprehensive picture of events and the actors involved, rather than an overarching explanation for this specific political pattern.

There is limited consideration of other factors that could pose a threat to the state and regime breakdown. While Rizvi does briefly mention frustrated protesters at the end of the General Ayub regime, their protest is vaguely framed in terms of a desire for democratic politics, rather than subsistence needs. There is no sense that these protesters have challenged the state at any other point except at the end of the regime's tenure, unlike in this thesis where labour in particular is recurrently challenging the regime. Rizvi's analysis of Pakistani politics thus feels insufficient.

### Islamist Groups and the Military

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<sup>39</sup> Hasan Askari Rizvi, *Military and Politics in Pakistan: 1947- 1997*, Sang-E-Meel Publications, Lahore, Pakistan, 2000

<sup>40</sup> Rizvi 2000: 14

<sup>41</sup> Rizvi 2000: 8

Hussain Haqqani's book, *Pakistan: Between Mosque and Military* (2005)<sup>42</sup>, offers a different perspective on Pakistani history in that it considers the relationship between Islamist groups and the military, partly based on the author's own experience in politics (especially during Benazir Bhutto's regime in the 1990s). Haqqani argues that previous civilian and military regimes in Pakistan have used Islam to both unify the multi-ethnic state and strengthen national identity vis-à-vis the predominantly Hindu India. He explains recurring military intervention in politics as a result of "provocation" of the military by civilian regimes. Specifically, he explains that civil strife against some civilian regimes was purposely "orchestrated" by the military "with the help of the reliable street power of Islamist political parties"<sup>43</sup> to facilitate regime breakdown. He thus alludes to how other groups – in this case, through the spurring of top-down mobilization in the streets in Pakistan – have contributed to regime breakdown, but only because they have been manipulated by certain elites.

His analysis is helpful in explaining how civilian leaders have been pushed out of power, but the explanation for the downfall of military regimes is less obvious within this Islamist-focused framework. In this way, Haqqani's approach is limited in terms of explaining Pakistan's recurring pattern of regime breakdown in its entirety. He also does not place emphasis on labour unrest that occurred earlier in a regime's tenure that may have occurred independent of any elite-driven influence or how labour may in fact act independent of elite manipulation, as this thesis explores.

#### Feudals and the Politicians

In Iftikhar H. Malik's *State and Civil Authority in Pakistan* (1997)<sup>44</sup>, political developments are explained through the lens of the military, bureaucrats, gender, civil society and ethnicity, but this thesis focuses in on his chapter devoted to the feudal system. Malik describes the general characteristics of the feudal class in Pakistan since 1947, especially in terms of the benefits of being part of the landed aristocracy. While it is made clear how the feudals have prevented democratic institutions from flourishing given their extensive political influence, it is not obvious how this elite group specifically contributed to recurring regime

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<sup>42</sup> Hussain Haqqani, *Pakistan: Between Mosque and Military*, Carnegie Endowment for International Peace, Washington D.C., Maryland, United States, 2005

<sup>43</sup> Haqqani 2005: 255

<sup>44</sup> Iftikhar H. Malik, *State and Civil Authority in Pakistan: Politics of Authority, Ideology and Ethnicity*, Macmillan Press, Basingstoke, United Kingdom, 1997

breakdown. And although it is clear what forms of state patronage have been given to the feudals, other actors are not considered in significant detail.

From Malik's analysis, it is apparent how feudals have reduced democratic prospects in Pakistan. The fact is that elite feudals have often formed the "bulk of Pakistan's parliamentarians"<sup>45</sup> and so have been in a position to prevent policies that would hinder their own power and profitability, such as land reforms and agricultural tax. Malik remarks: "a new generation of aristocrats with degrees from privileged Western universities have seen to it that their near monopoly of national politics and the economy remains unchallenged."<sup>46</sup> This of course prevented civilian regimes from successfully implementing more democratic policies, but this is not explicitly related to regime breakdown, in civilian or military rule.

Malik does hint at the production-based forms of provision given by the state to certain feudal elites. He explains that, they acquired "grants, soft loans and foreign assistance through official channels to build up dairy and fruit farms. Such open biases for an agro-based economy are obvious to any observer of Pakistani socio-political structures."<sup>47</sup> But, unlike in this thesis, there is no discussion about how such production-based provision from the state may relate to other groups.

He does offer us a basic sense of the role of other groups vis-a-vis elite feudals. He explains how the "the monopoly over local services has put the peasants in permanent bondage."<sup>48</sup> A mutually beneficial and patronage-based relationship is implied though in that, while the peasant worked on the property of the landlord, if he had trouble then the landlord assisted him. At the same time, he reveals how some peasants (Haris) were fearful of their landlords because, at any point they may be ousted; also, the peasant "might have to leave his crops half ripe, his cattle might also be snatched and he might be beaten out of the village."<sup>49</sup> Yet the connection between such actors and the state in terms of basic subsistence provision (that feed into legitimacy challenges and regime breakdown) is not sufficiently explored, unlike in this PhD research (though with respect to non-agricultural labour).

## Ethnic Groups

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<sup>45</sup> Malik 1997: 82

<sup>46</sup> Malik 1997: 81

<sup>47</sup> Malik 1997: 84

<sup>48</sup> Malik 1997: 89

<sup>49</sup> Malik 1997: 89



Ian Talbot's book, *Pakistan: A Modern History* (2005)<sup>50</sup>, looks beyond what he terms the three As – Allah, Army, America – to explain Pakistan's political developments. While he considers the usual gamut of reasons for the country's unstable politics, Talbot ultimately argues that it is the state's failure to embrace its people's pluralism – ethnically, linguistically and religiously – that has prevented democracy since 1947. This thesis focuses in on his recurring theme of the Bengali ethnic minority during both civilian and military in 1947-1971.

Like other academics, Talbot describes Pakistani politics as an “abject failure” given the recurring “political and constitutional crises.”<sup>51</sup> In this way, he shapes much of his analysis in terms of formal, elite-driven political institutions and the actions of certain elites. But he also considers an informal lens when focusing on the frustration of the Bengali ethnic minority in East Pakistan. For instance, he notes that Bengalis of this province repeatedly protested against the Punjabi-dominated state's decision to reject Bengali as an official language and for assigning large numbers of Punjabi officials to East Pakistan.<sup>52</sup> He also notes the discrepancy in state patronage in the form of financial aid (e.g. \$10 million in US aid in 1957-58, credit facilities in the 1960s) to East and West Pakistan, adding to perceived “Bengali alienation from the centre.”<sup>53</sup>

Talbot explains that these ethnic-based grievances generated significant unrest among Bengalis at different points during both civilian and military-led eras in 1947-1971, which later led to the secession of East Pakistan. In this sense, he does allude to the idea that this ethnic minority challenged the state's legitimacy when the ruling regime quite blatantly failed to offer resources. However, this line of thinking is not fleshed out sufficiently or explicitly connected to regime breakdown, as in this PhD research; rather Talbot's primary focus is on military and political elites<sup>54</sup> when describing the process of regime breakdown.

#### REGIME TRANSITIONS

The earlier literature on regime breakdown takes a more elite-centred approach, unlike my research that focuses on the key relationship between the state and labour. For instance, Juan Linz and Alfred Stepan, in *Problems of Democratic Transition and Consolidation* (1996), consider cases from Southern Europe, South America and post-Communist Europe to determine

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<sup>50</sup> Ian Talbot, *Pakistan: A Modern History*, St Martin's Press, New York, New York, United States, 2005

<sup>51</sup> Talbot 2005: 126

<sup>52</sup> Talbot 2005: 133

<sup>53</sup> Talbot 2005: 169-70

<sup>54</sup> Talbot 2005: 213

how a country can achieve democratic transition and consolidation. Underlying this approach are certain formal or constitutional modes of legitimation. They emphasize specific criteria that would make a state lose legitimacy – for instance, criteria in the realm of the “executive, legislative and judicial.”<sup>55</sup> Furthermore, they suggest that state legitimacy is lost when political elites stop accepting the political system “behaviorally”, “attitudinally” and “constitutionally.”<sup>56</sup>

But this elite-driven approach offers an incomplete picture of regime breakdown, as shown in this thesis. I highlight the significance of labour’s relationship with the state and the impact of this informal state-labour relationship on state legitimacy through out a regime’s tenure; it is about an informal social contract echoed by the moral economy literature, rather than the formal, constitutional modes of legitimation in the earlier regime transition literature.

There is more contemporary literature on regime breakdown that does consider dynamics “from below” and broader social forces that impact state legitimacy. In fact, some of this literature considers the role of labour in particular. Theorists like Nancy Bermeo attempt to test the theory that a more bottom-up view of regime breakdown is more appropriate. Using twenty cases of democratic collapse in various parts of the world, she investigates whether “ordinary people” play a role in the collapse of governments. While this thesis uses the word “unrest” to show labour’s role in regime breakdown, Bermeo refers to private polarization – i.e. changes in voting preferences – and public polarization – i.e. mobilizations in public spaces – of “ordinary citizens.”<sup>57</sup>

Her research, however, shows the role of the ordinary does not have much impact on government stability. Taking an opposing view to Giovanni Sartori’s<sup>58</sup> work on polarization, Bermeo concludes that government breakdown has more to do with the actions of political elites. She aptly quotes Valeria Bunce who wrote: “the termination of democracy is very much a matter of what elites choose to do – and not to do.”<sup>59</sup> Of course, this thesis disagrees with Bermeo and Bunce in terms of the significant role of labour in challenging state legitimacy in the Pakistani case.

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<sup>55</sup> Pg 3. Juan Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation*, John Hopkins University Press, London, United Kingdom, 1996

<sup>56</sup> Linz and Stepan 1996: 5

<sup>57</sup> Pg 6. Nancy Bermeo, *Ordinary People in Extraordinary Times: The Citizenry and the Breakdown of Democracy*, Princeton University Press, Princeton, New Jersey, United States, 2003

<sup>58</sup> Pg 132-134. Giovanni Sartori, *Parties and Party Systems: A Framework for Analysis*, Cambridge University Press, Cambridge, United Kingdom, 1976

<sup>59</sup> Pg 703. Valerie Bunce, Comparative Democratization: Big and Bounded Generalizations, *Comparative Political Studies*, Vol. 33: 6-7, pg 703-734, September 2000

The ideas of Eva Bellin focus on the role of coalitions, both capital and labour, in the process of regime breakdown, which is similar to my research. She suggests, “capital and labour are contingent democrats for every reason that they are consistent defenders of their material interests.”<sup>60</sup> She considers that “state dependence, fear and aristocratic position shape capital and labour’s disposition towards democratization.”<sup>61</sup> Her multi-country analysis of industrialists and labour is similar to my focus in that such groups support the existing government depending on what they get out of it.

Bellin first explains the relationship between the state and industrialists that in one sense mirrors the provision expectation terms of this thesis. She refers to “the degree to which private sector profitability is subject to the discretionary support of the state” in terms of “subsidized inputs, protected market position, close collaboration in the definition of economic policy, state containment of labour and the capital poor.”<sup>62</sup> This is similar to the patronage rhetoric of my argument in which elite industrialists expect state support to handle the demands of labour, as well as favourable economic policy to boost production. Bellin suggests that industrialists might support democracy out for “protecting property rights and securing long-term profitability of its investments through the guarantee of order.”<sup>63</sup>

Labour, on the other hand, considers dependence on the state in terms of “union dependence on state subsidies and union members’ access to state-subsidized benefits as well as the politically manipulated setting of wage levels.”<sup>64</sup> Organized labour’s aristocratic position refers to the “differentials found between the organized and unorganized in matters of wage levels, access to stable employment, social security and other nonwage benefits.”<sup>65</sup> Again, this thinking is similar to the patronage relationship this thesis highlights between industrial labour and the state. And, as in this thesis, the support of these groups for the existing regime rests on whether their expectations of certain state provisions are met.

James C. Scott and Benedict J. Kerkvliet offer a comprehensive overview of the types of patronage payments between patron and clients that can be applied to the Pakistani context. Patron to client flows are described in terms of a basic means of subsistence (e.g. access to land,

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<sup>60</sup> Pg 179. Eva Bellin, *Contingent Democrats: Industrialists, Labor, and Democratization in Late-Developing Countries*, *World Politics*, Vol. 52: 2, pg 175-205, January 2000

<sup>61</sup> Bellin 2000: 180

<sup>62</sup> Bellin 2000: 180

<sup>63</sup> Bellin 2000: 181

<sup>64</sup> Bellin 2000: 185

<sup>65</sup> Bellin 2000: 180

offering seed equipment), subsistence crisis insurance (e.g. willingness to give loans in time of “economic distress” or given support during poor harvest), protection (e.g. physical security) and brokerage and influence (e.g. getting rewards to benefit his client).<sup>66</sup>

This fits into the informal patron-client relationship proposed in this thesis in terms of the state and industrial workers working toward industrial production. For instance, as patron the state offers industrial elites resources such as credit – patronage that will help them boost production and thus is in line with government policy. At the same time, the government promises to provide protection to vulnerable groups of this sector like the industrial labourers who often complain of mistreatment by their elite counterparts. In this conception of patronage relationships with the state, there are two levels of patronage from the patron, i.e. ruling regime. The point to be clarified in this thesis is how the decline of such patronage for industrial labour results in a loss of legitimacy of the patronage relationship that effectively reduces the legitimacy of the regime and can contribute to its breakdown.

Scott and Kerkvliet also highlight client to patron flows. These include basic labour service (e.g. offering his labour), supplementary labour and goods or simply promoting the patron’s interests (e.g. votes, support for government policy). Again, this fits into this thesis’ conception of patronage goods given by certain actors to the state. For instance, in the industrial sector, in return for state patronage, elite feudals will facilitate government policy to boost industrial production; at the same time, workers will continue to offer their labour to help boost production. But again, the effect of fluctuations in such patronage on regime stability is something considered in this thesis.

Adam Przeworski, Michael E. Alvarez, Fernando Limongi and Jose Antonio Cheibub in *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990* (2000) investigate the relevant theme of economic crisis and regime breakdown through a multi-country analysis spanning 40 years. They aptly explain that when an economy suffers a shock, “democracy becomes vulnerable to political forces that put the blame on the “anarchy” of democratic competition; such forces promise to establish “order” and to sanitize the economy. ... [In dictatorships], the regime can no longer legitimize itself by its economic performance, and

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<sup>66</sup> Pg 443. Scott and Kerkvliet in Steffen W. Schmidt, *Friends, Followers and Factions: A Reader in Political Clientelism*, University of California Press, Berkeley, California, United States, 1977

forced to liberalize, it unleashes the forces for transition.”<sup>67</sup> This logic is similar to my argument on economic crisis and regime breakdown, but I view this through the specific lens of a decline in subsistence conditions before and during economic decline, and distinguish between military and civilian regimes, rather than dictatorships and democracies.

They note how “under dictatorships, high income inequality may stimulate movements attracted by the egalitarian promise of democracy. Under democracy, dominant social groups may seek recourse to authoritarianism when the exercise of political rights by the poor – whether in the form of suffrage or freedom of association – results in egalitarian pressures.”<sup>68</sup> Like in Pakistan, labourers do engage in civil unrest when there is a degree of inequality in that expected subsistence is not delivered. The distinction of course is that in Pakistan, such anti-state action happens under both civilian *and* military rule.

Przeworski, Alvarez, Limongi and Cheibub also try to “observe something like pressures toward transition” and relate them to “economic dynamics” but they suggest this cannot be observed, except for “visible manifestations of political mobilization: strikes, anti-government demonstrations, or riots.”<sup>69</sup> But these theorists fail to recognize how such unrest is in fact reflective of certain aspects of economic dynamics (i.e. price levels) when regime breakdown is imminent. This PhD research suggests a closer look at labour “mobilizations” to reveal that “economic dynamics” are a factor.

For this study on Pakistan, I thus consider the role of ruling elites but in relation to bottom-up pressures in regime breakdown. Industrial labour definitively challenged state legitimacy through out each regime’s tenure, also being a factor that leads to regime breakdown. But this is all viewed through a particular moral economy lens centred on development policy.

#### MORAL ECONOMY

My findings in the Pakistani case appear to build on the moral economy theoretical framework put forth by the late political scientist Marsha Pripstein Posusney<sup>70</sup> in her analysis of

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<sup>67</sup> Pg 112. Adam Przeworski, Michael E. Alvarez, Fernando Limongi and Jose Antonio Cheibub in *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*, Cambridge University Press, Cambridge, United Kingdom, 2000

<sup>68</sup> Przeworski, Alvarez, Limongi and Cheibub 2000: 117

<sup>69</sup> Przeworski, Alvarez, Limongi and Cheibub 2000: 114

<sup>70</sup> Marsha Pripstein Posusney (Irrational Workers: The Moral Economy of Labour Protest in Egypt, *World Politics*, Vol. 46: 1, pg 83-120, October 1993) borrows this term, moral economy, from historian E. P. Thompson who coined it in his seminal work, *The Moral Economy of the English Crowd in the 18<sup>th</sup> Century (Past and Present*, Vol. 50: 1, pg 76-136, 1971); but she adapts it for the Egyptian case, framing it around the regime’s development policy rather

Egypt's labour protests and its moral economy during capitalist, socialist and mixed regimes of the 1950s-1980s:

“In this economy, workers view themselves as being in a patron-client relationship with the state. The latter is expected to guarantee workers a decent wage by regulating their paychecks and by controlling prices on basic necessities... Workers, for their part, ... contribute to the postcolonial national development project through their labour.”<sup>71</sup>

Like Posusney, I construct a moral economy model at the “macro-political level”<sup>72</sup> in which the state and industrial labourers are in an informal patron-client relationship constructed around a national development policy, rather than the market as originally conceived by moral economy theorists; this patron-client relationship is made obvious by the “nature of [labour] protests, their immediate causes, and their frequency in relation to economic conditions”,<sup>73</sup> as well as state policies and speeches on labour issues. The sway of the state over labour unions that influence formal sector workers also shapes the expectation of patronage embedded in the moral economy of development policy.

What I found is that workers expect a certain type of subsistence from the state in return for their contribution to the “postcolonial national development project”<sup>74</sup>, specifically in terms of their role in industrial production. This creates what Posusney terms “entitlement expectations”<sup>75</sup> that can “limit the flexibility of that country’s rulers” – i.e. when workers do not receive the goods to which they feel they are entitled for their role in development, their notion of “economic justice”<sup>76</sup> and subsistence is threatened within this particular moral economy. This

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than the market. For a critique of Thompson’s ideas, see John Bohstedt’s *The Moral Economy and the Discipline of Historical Context* (*Journal of Social History*, Vol. 26: 2, pg 265-84, Winter 1992).

<sup>71</sup> Posusney 1993: 89

<sup>72</sup> By “macro-political level” (Posusney 1993: 120), Posusney is effectively referring to government policies that relate to the labour class. For instance, she highlights policies like the official industrial workweek, minimum wage, food subsidies (Posusney 1993: 90-91) that are supposed to benefit workers and form part of the expectation embedded in the patron-client relationship of the moral economy. Of course, Posusney acknowledges that at the micro-level, Marxism and rationality could explain protests more effectively than with the moral economy rationale.

<sup>73</sup> Posusney 1993: 83

<sup>74</sup> Posusney 1993: 89

<sup>75</sup> Posusney 1993: 89 and 108

<sup>76</sup> Pg 3. James C. Scott, *The Moral Economy of the Peasant*, Yale University Press, New Haven, Connecticut, United States, 1976

pushes them to protest or hold strikes and in effect attack the legitimacy<sup>77</sup> of their patron-client relationship with the state that can affect the ability of the ruling regime to govern.

I posit in this thesis that such bouts of labour-led unrest that hinder production challenge not only the legitimacy of the informal patron-client/state-labour relationship but also the regime itself – in this sense, this can also be a contributing factor to legitimacy strain and crisis of the state which can contribute to regime breakdown. Such emphasis on industrial labour<sup>78</sup> in relation to the state is a fresh way to view state legitimacy and regime breakdown in Pakistan.

The moral economy lens allows us to connect state and labour; it allows us to examine the ebbs and flows in state-labour relations that in fact impact the legitimacy of particular regimes. Posusney questions why the moral economy lens is most applicable to labour protests in her consideration of Egypt, rather than Marxist or rational frameworks. Her reasoning can also apply to the Pakistani case in this thesis. By examining the specific nature of labour protests in Pakistan during different regimes, we see that the moral economy rationale is the most relevant explanation for such unrest.

Just as Posusney explains in Egypt, in Pakistan “labour protests occur more frequently when the economy is deteriorating, suggesting restorative protest aimed at preventing erosion of the workers’ standard of living.” Rather than fight for an increase in pay or “raise new demands”, workers typically “sought to regain earnings that had been taken away, again indicating restorative protest” in line with the moral economy rationale. Protests also show “strong indications that feelings of entitlement have been violated,” particularly when “management or the government failed to fulfill its promises.”<sup>79</sup>

If these protests were rooted in rationality, Posusney’s logic suggests workers would be protesting to maximize their income. In this sense, workers would “strike only if the expected

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<sup>77</sup> “At the very least, legitimacy is the belief that in spite of shortcomings and failures, the existing political institutions are better than any others that might be established, and that they therefore can demand obedience” (pg 16), according to Juan Linz in *Breakdown of Democratic Regimes* (Johns Hopkins Press, London, United Kingdom, 1978).

<sup>78</sup> Tariq Ali does consider the role of workers, along with students, in bringing down the General Ayub dictatorship in 1968 in his book *Military Rule or People’s Power?* (Jonathan Cape, London, United Kingdom, 1970). But his framework is rooted in Marxist thinking and is more focused at the time just before the end of military regimes; he also is not really attempting a political science study, rather he simply offers his point of view based on minimal data. I, on the other hand, take a specific moral economic approach to consider labour-led civil unrest over time – not just at the end of a regime – and the specific impact on state legitimacy during both military and civilian-led rule; I also attempt to highlight a deductive model of political science that takes into account relevant bodies of literature and significant archival data.

<sup>79</sup> Posusney 1993: 88

benefits, in terms of higher pay and benefits, [exceeded] the expected costs, in terms of forgone wages and possible job loss.”<sup>80</sup> So workers would protest more because they see an “opportunity” to gain patronage in terms of “higher pay and benefits”, rather than because they have experienced an “increase in discontent.”<sup>81</sup> Again, this does not fit the Pakistan case where labourers typically have protested to regain what was lost and to what they feel they are entitled – not more or less.

If labour protests were rooted in Marxism, then there would be a “fairly steady growth in the frequency of strikes and the number of workers involved in them as capitalism progresses.”<sup>82</sup> There would be a visible effort to “raise the class of consciousness of workers” and end “their exploitation” which we don’t see explicitly in the Pakistani case. In fact, the singular focus of protests by labourers from different factories and industrial sites is simply to receive what they were promised by the capitalist state – again an indicator of a moral economy, rather than Marxist thinking.

Posusney identifies specific “evidence of this type of moral economy” to explain labour protests in Egypt which also relates to the Pakistani case. First, she points out how “in almost every incident the workers’ demands were directed against the state”, reinforcing the patron-client relationship between the state and labour in this moral economy; this is shown in the Pakistani case as well. Second, “workers revealed their view of their own obligations by eschewing actual work stoppages ... that affirm their continuing loyalty to the cause of production, even while they feel aggrieved.”<sup>83</sup>

In Pakistan, typically we see that workers first went through official channels to raise their concerns about expected patronage they did not receive – it is only then when promises were still not kept that we see protests and strikes that disrupt production. This reinforces the idea that labour recognized its role in national production in its informal patron-client relationship with the state and would avoid civil unrest until it felt state institutions were not responding to its subsistence needs.

There is thus clear evidence of a moral economy in Pakistan in which “collective action” by workers follows what Posusney calls a “stability-disruption-protest” pattern, with “demands

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<sup>80</sup> Posusney 1993: 86

<sup>81</sup> Posusney 1993: 86

<sup>82</sup> Posusney 1993: 84

<sup>83</sup> Posusney 1993: 89



that are restorative and/or exhibit notions of fairness and a patron-client relationship”<sup>84</sup> within industrial development policy. In this specific sense, when workers felt there was a disruption in their expected subsistence provision from the state, they would go through official channels to express their concern (e.g. through labour court); if the state did not ensure that labour’s expected patronage was delivered, particularly after a legal ruling, this would lead to protests until a specific response from the state (or state-based pressures on employers). Such unrest directed at the state represented legitimacy strain as the state’s goal of unhindered production was at risk. But once the state responded, protests would end and “stability” would resume, with labour going back to work to further the industrialization agenda of the state. This pattern of events that impacts state legitimacy is illustrated in chapters three and four, using the 1947-1958 and 1958-1971 eras.

Of course, as I will show at the end of each regime, the specific focus of these moral economy violations appears to increase to focus on both wages and price levels indicating a shift from expectation crisis to subsistence crisis, while protests and strikes rapidly increase; this leads to a breakdown of the stability-disruption-protest pattern and a legitimacy crisis of the state as its singular development agenda is threatened. Along with other elite-driven factors, unrest by labour and other groups at this point represents a direct attack on state legitimacy via its development agenda, which creates constraints for the ruling regime to govern; this legitimacy crisis of the state contributes to the breakdown of the ruling regime.

Beyond Posusney’s work, this thesis draws on other moral economy literature to more fully explain the role of such bottom-up mobilization and labour’s specific relationship with the state. Typically, when one thinks of the moral economy, one thinks of protest movements rooted in anti-capitalist sentiment that “frequently accompany state making, commercialization of agriculture and colonialism.”<sup>85</sup> Moral economists have often explained such protest movements in terms of “a (presumed) loss of subsistence, security and welfare by the peasantry during these changes. They interpret violence as a defensive reaction against capitalism and as an attempt to restore the (precapitalist) structures that provided peasant welfare.”<sup>86</sup> But in fact the concept has evolved since the 1970s.

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<sup>84</sup> Posusney 1993: 85

<sup>85</sup> Pg 5. Samuel Popkin, *The Rational Peasant: Political Economy of Rural Society in Vietnam*, University of California Press, Berkeley, California, United States, 1979

<sup>86</sup> Popkin 1979: 5

Since Thompson first coined the moral economy in his 1971 study of 18<sup>th</sup> century English crowds protesting food prices, this term has reappeared in political scientist Scott's 1976 study of the peasant movements against capitalism in Vietnam. But more recently, political sociologists (e.g. Svallfors 2006; May 2003) have re-conceptualised the moral economy more generally in terms of the rights and responsibilities of citizens as it relates to public policies and institutions. And of course Posusney (1993) used the moral economy to explain labour protests in Egypt. This later literature suggests a specific patron-client relationship embedded in this moral economy framework involving the ruling government, labour and national development. As mentioned before, this thesis builds on Posusney's model of the moral economy, applying it to Pakistan and stressing national development policy in framing the terms of morality.

But let's consider the original concept of the moral economy in more detail. Thompson's seminal paper "fundamentally redefined the way in which social historians investigated and interpreted popular protest." He noted that these protests were not just about "rebellions of the belly" since they revealed a particular "order and focus which could not be explained by a simple desperation for food." In fact, he suggested such food-focused riots were a "highly complex form of direct popular action, disciplined and with clear objectives, the actions of the crowd being "informed by the belief that they were defending traditional rights or customs."<sup>87</sup>

Thompson explained that these "rights and customs" were in fact rooted in the "paternalist model of the marketing and manufacturing process." Protesters "demanded that foodstuffs should be marketed at or near their place of origin, that all transactions should be transparent and in the marketplace and that the needs of the poor should always take precedence over those of dealers and middlemen." But at those times when prices were not stable and even increased dramatically, the poor felt there was an "artificial scarcity" due to "market manipulation" by certain middlemen and government did not respond. This perceived injustice was the "legitimising notion" to justify popular intervention and, according to Thompson, represented "the moral economy of the poor."<sup>88</sup> The protests were about preventing "market manipulation" of commodity prices and "securing a subsistence" at affordable prices. In Thompson's analysis, this "moral economy" was the "value system of an "entire plebian society."<sup>89</sup>

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<sup>87</sup> Randall and Charlesworth 2000: 1-2

<sup>88</sup> Randall and Charlesworth 2000: 1-2

<sup>89</sup> Randall and Charlesworth 2000: 1-2

In the same way, this thesis highlights the “moral economy” of Pakistan’s organized industrial workers. Just like in Thompson’s 18<sup>th</sup> century English countryside where workers expected the elite to maintain a basic minimum, Pakistan’s 20<sup>th</sup> century industrial labourers expected the state to maintain their subsistence conditions. Eighteenth century protesters wanted certain basic food items at fair prices, as did Pakistani labourers. In this case, workers were told (and believed) that their role in development would give them basic subsistence promised by the state.

Scott took this concept and applied it in a similar way to rural, precapitalist Vietnam. He suggests that villagers protested because of the way capitalism negatively affected the “precapitalist structures that provided peasant welfare.”<sup>90</sup> The protests and violence were “desperate efforts to maintain subsistence arrangements that [were] under assault.”<sup>91</sup> It is the village that provided “peasants with security in precapitalist society”<sup>92</sup> and offered the individual a “minimum income”<sup>93</sup> to survive – until capitalism posed a threat to this system.

At the core, there is a provision-based relationship at work that falters and sense of social injustice that is experienced, like Thompson’s 18<sup>th</sup> century English food riots and this thesis’ 20<sup>th</sup> century Pakistani labour protests. Scott talks about the “subsistence ethic” of the villager being at risk<sup>94</sup> that propels him to protest. This could also be paralleled to the industrial labourer in postcolonial Pakistan. While the peasant in precapitalist Vietnam is in a patron-client relationship with his landlord,<sup>95</sup> the organized industrial worker in Pakistan is in a comparable relationship with the state (not with employers, in keeping with national development policy rhetoric). He relies on *the state* to ensure that within this joint attachment to national development policy, his employer treats him fairly. Scott also refers to the loss of legitimacy of this patron-client relationship, which is also how we view the state-labour relationship in Pakistan.

Of course, this thesis takes this moral economy framework a step further by connecting it explicitly to regime legitimacy and breakdown. Political sociologists like Svallfors have re-conceptualised the moral economy concept in a way more similar to what is used in this thesis.

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<sup>90</sup> Popkin 1979: 5

<sup>91</sup> Scott 1976: 189

<sup>92</sup> Popkin 1979: 5

<sup>93</sup> Scott 1976: 5

<sup>94</sup> Scott 1976: 33

<sup>95</sup> Popkin 1979: 13

Its focus is no longer the reaction of the poor to unexpected changes in the paternalist model of the precapitalist system. Rather, theorist Svallfors views the moral economy in society more in terms of the legitimacy of a particular patron-client relationship – i.e. as “the mutual rights and obligations of the governing and the governed [which] are collected and condensed.”<sup>96</sup>

He notes that at its core, Thompson explained riots “as an idea that the governing powers had broken the unspoken contract, the idea of the rights to which all citizens were entitled, that was firmly rooted in society”<sup>97</sup> – this is precisely what he builds on in his reconceptualization of the moral economy. This is also applied to this thesis where we propose that the ruling regime offers certain provision to labour to encourage its role in the national development project that is emphasized by each military or civilian government. This is also applied to this thesis where we propose that the ruling regime also generates certain expectation through its actions for labour.

Svallfors talks about how the moral economy involves “people’s notions of social institutions [that] are guided by normative ideas of reciprocity, obligation and responsibility.”<sup>98</sup> He notes that some researchers have found this moral economy notion “useful for complementing a pure self-interest perspective on preferences and attitudes.” In effect, political theorists, particularly in sociology, have conceived this moral economy in which “the role of public policies and political institutions is paramount,”<sup>99</sup> in that they “influence the ways individuals understand their rights and responsibilities as members of a political community.”<sup>100</sup>

This is precisely why this thesis places such emphasis on government policies and labour’s responses to the state when expectations are not met. As Svallfors puts it, “the moral economy of present-day societies may therefore, to a large extent, be seen as resulting from normative feedback effects of public policies and formal institutions. ... A normative feedback mechanism is present where public policies and institutions provide citizens with a sense of not what their material interests are but the desirable state of affairs.”<sup>101</sup>

But Posusney’s concept of the moral economy is most relevant to this thesis. As previously mentioned, she specifically looks at how Egyptian labour had a particular role in the government’s development policy and in return certain subsistence-related provision was

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<sup>96</sup> Svallfors, 2006: 1

<sup>97</sup> Svallfors 2006: 1

<sup>98</sup> Svallfors 2006: 1

<sup>99</sup> Svallfors 2006: 1

<sup>100</sup> Pg 16. Suzanne Mettler and Joe Soss, *The Consequences of Public Policy for Democratic Citizenship: Bridging Policy Studies and Mass Politics*, *Perspectives on Politics*, Vol. 2: 1, pg 1-19, 2004

<sup>101</sup> Svallfors 2006: 1

promised. Of course, this thesis takes her framework and applies it to Pakistan, adding a significant economic and psychological angle to explain when the moral economy appears to break down, contributing to regime instability and even breakdown.

My application of Posusney's conception of the moral economy rooted in political sociology makes it prudent to consider certain aspects of the patronage-specific literature from political science and sociology as well. Posusney highlights the patron-client relationship embedded in the moral economy, but how should one characterize this relationship?

Thomas Pepinsky considers "government patronage" like in my research, but his consideration is more closely linked to political patronage and electoral results. Using the case of Malaysia, he argues that authoritarian regimes use fiscal policy to "reward political supporters and to punish political opponents."<sup>102</sup> Pepinsky considers the idea that economic performance is indicative of a regime's legitimacy, as assumed in this thesis. But in the case of Malaysia, the government manipulates the economy before the election as opposed to "violence and intimidation"<sup>103</sup> to ensure its success. Ruling elites will "spend more in periods preceding an election."<sup>104</sup> This PhD research, however, is more focused on patronage outside of the political realm, i.e. those forms of patronage specifically needed to maintain and increase industrial production as part of the larger development project. Of course, the rationale behind such patronage is to boost development, which would give further legitimacy to the ruling regime. This thesis places less emphasis on elections, given the inconsistencies in such results and the recurring upheaval of political institutions in Pakistan.

Scott and Kerkvliet note that "legitimacy could be viewed as a service the client can potentially give the patron" and vice versa.<sup>105</sup> In his book, *Private Patronage and Public Power* (1982), Christopher Clapham notes that such patronage relationships are defined by "regularity and persistence," creating a pattern of "expectation."<sup>106</sup> Again, the implication is that if the patronage payment – in this case an excludable good or service – cannot be given by one individual to the other and thus the expectation is not met, then the patronage relationship loses its legitimacy. But these academics fail to acknowledge the specific connection between

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<sup>102</sup> Pg 136. Thomas Pepinsky, *Autocracy, Elections and Fiscal Policy: Evidence from Malaysia*, *Studies in Comparative International Development*, Vol. 42: 1-2, pg 136-163, 2007

<sup>103</sup> Pepinsky 2007: 138

<sup>104</sup> Pepinsky 2007: 143

<sup>105</sup> Schmidt 1977: 449

<sup>106</sup> Clapham 1982: 5

declining legitimacy in patronage relationships and hence declining legitimacy of the state that can contribute to regime breakdown.

Carl H. Lande, in *Friends, Followers and Factions: A Reader in Political Clientelism* (1977), provides an answer as to how to overcome the “infinite” nature of such networks for the sake of academic study. He notes how many writers have identified the “unbounded”, “infinite” and “everlasting” nature of the “total network.”<sup>107</sup> Lande points out that, to be studied, a scholar should thus “limit his attention to a finite number of individuals.”<sup>108</sup> He references the idea of Barnes’ “partial networks” which is “any extract of a total network.”<sup>109</sup> I apply such thinking to this thesis by focusing in on one specific form of patronage involving the regime’s economic policies to boost industrial production; also, I only focus on the state-labour dynamic. This is not to suggest that other types of patronage do not exist – for instance, several authors writing on Pakistan have already considered the link between elite patronage and electoral votes, despite the recurring view that most elections have been rigged.

Perhaps Pranab Bardhan’s ideas on state patronage are also relevant to the Pakistani case and this thesis, though he is referring to India. He explains how “tensions and frustrations” with the “patronage distribution network” means a loss of legitimacy and civil unrest results. “The hegemonic hold of the dominant proprietary classes over the subordinate classes starts slipping away even when their economic grip still remains strong.”<sup>110</sup> This also fits in well to the Pakistan case in which the ruling regime is less able to control their industrial workers when there appears to be a disruption in expected patronage, leading to protests; the regime consequently experiences a decline in legitimacy.

## A FRESH APPROACH TO UNDERSTANDING PAKISTANI POLITICS

These three bodies of literature on Pakistan, moral economy and regime breakdown hence give us a good starting point from which to better conceptualize Pakistan’s unstable

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<sup>107</sup> Pg 725. Norman E. Whitten Jr and Alvin W. Wolfe, Network Analysis, in *Handbook of Social and Cultural Anthropology*, editor John J. Honigmann, Rand McNally, Chicago, Illinois, United States, 1973

<sup>108</sup> Schmidt 1977: Xxxiii

<sup>109</sup> Schmidt 1977: Xxxiii

<sup>110</sup> Pg 79. Pranab Bardhan, *Political Economy of Development in India*, Blackwell Publishing, Oxford, United Kingdom, 1984

politics. At the same time, it sheds light on the gaps that can be filled, in particular through the lens of this specific moral economy in Pakistan.

Before I outline the proposed argument, it is important to clarify the conceptual apparatus of this thesis. What particular mind-set should one have when understanding this particular case study and this proposed argument for challenges to state legitimacy and eventual regime breakdown in Pakistan? I consider three sets of analytical subcomponents to do with how the moral economy operates, the factors limiting each regime's patronage to labour within this moral economy and how clients – i.e. industrial workers – react to drops in subsistence patronage from their patron government.

First, I consider those conceptual subcomponents relating to *how the moral economy operates*. I borrow Kitschelt's definition of the political regime. I will not talk of democracy or dictatorships in Pakistan, but simply the ruling political regime either led by civilian or military rulers, given the lack of consolidation of either system.<sup>111</sup> Kitschelt defines the political regime as “essentially a way of allocating resources in society.”<sup>112</sup> This is precisely what I assume in this thesis, but through the lens of a specific moral economy of development policy associated with the military or civilian regime in power.

Then I apply the idea of patron-client ties from sociology to illustrate the state-labour relationship in Pakistan's moral economy. Eisenstadt and Lemarchand describe such relations as “dyadic bonds between individuals of unequal power and socioeconomic status.”<sup>113</sup> It is “conditions of extreme economic insecurity”<sup>114</sup> that have pushed all individuals into such patronage relationships<sup>115</sup> – this mirrors the Pakistani case in which industrial workers have formed expectation bonds with government in part for their own economic survival; in the same

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<sup>111</sup> Of course, some might argue that there has never been a democratic government or a civilian government free of military and ISI influence from behind-the-scenes and in this sense Pakistan has always been an authoritarian state. But such an assumption is difficult to pinpoint in an academic study, given the lack of transparency of the ISI and military.

<sup>112</sup> Herbert Kitschelt, *Political Regime Change: Structure and Process-Driven Explanations?* *American Political Science Review*, Vol. 86: 4, pg 1028–1034, 1992. Kevin Morrison applies this definition as well in his analysis of nontax revenue and regime stability in his article: *Oil, Nontax Revenue and the Redistributive Foundations of Regime Stability* (*International Organization*, Vol. 63, pg 107-138, Winter 2009).

<sup>113</sup> Eisenstadt and Lemarchand 1981: 15

<sup>114</sup> Eisenstadt and Lemarchand 1981: 20

<sup>115</sup> Pg 7. Christopher S. Clapham, *Private Patronage and Public Power: Political Clientelism in the Modern State*, Pinter Press, London, United Kingdom, 1992

way, the ruling regime needs labour to perform its role in development policy.<sup>116</sup> Such relationships within the moral economy are thus “voluntarily entered into and derive their legitimacy from expectations of mutual benefits.”<sup>117</sup>

Furthermore, I assume each regime believes economic growth is paramount to it maintaining its legitimacy<sup>118</sup>; in this way, the patron-client relationship embedded in the moral economy of development policy is critical to the ruling regime’s survival. This is precisely why I focus in on one specific state policy that exists in each regime – that of increasing production which is said to boost overall growth and hence the legitimacy of the ruling regime. Related to this, the state focused on achieving the “normative” and “cognitive” aspects of “policy legitimacy”<sup>119</sup> – i.e. framing development policy in terms of shared national “values” and showing labour *how* it could realistically achieve such policy using specific measures.<sup>120</sup>

Since the existing literature has already highlighted in some detail the elite relationship with government in terms of development, I only consider the patronage given by the ruling regime to clients comprising industrial labour involved in maintaining production, which also helps to cope with the seemingly infinite nature of patronage relationships.<sup>121</sup> Being more specific with the state-labour focus also helps to tackle the limitations of a legitimacy study; after all, “there are inherent difficulties in isolating legitimacy as a variable” such that “there are almost always real questions about the extent to which legitimacy (or its absence) can be said to cause the endurance (or collapse) of a government, a regime or even a nation-state.”<sup>122</sup>

The second set of conceptual subcomponents is focused on *what limits the moral economy* in terms of the ability of the ruling regime to distribute subsistence patronage to labour. I rely on the argument of Jalal’s political economy of defence to reinforce the very limited patronage each government can offer its clients, even before a crisis in local economic conditions

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<sup>116</sup> At the same time, patronage links groups from various classes independent of government (e.g. between feudals and tenants, industrialists and their labour), but this thesis focuses in on government-linked patronage relationships primarily between the ruling labour and industrial labour. This point is made in Clapham’s book, *Private Patronage and Public Power* (1982: 6): “Even the patron-client is inherently dyadic, it lends itself very easily to the formation of chains of dyads, in which the same individual is simultaneously a client in relation to those above him in the hierarchy.”

<sup>117</sup> Eisenstadt and Lemarchand 1981: 15

<sup>118</sup> Alagappa 1996

<sup>119</sup> Smoke 1994: 100

<sup>120</sup> Smoke 1994: 100

<sup>121</sup> Schmidt 1977

<sup>122</sup> MacIntyre 1996: 173



may occur. Each regime is restricted in terms of development expenditure, given the budgetary emphasis on defence<sup>123</sup>; it is also heavily dependent on foreign funding (e.g. IMF tranches).<sup>124</sup>

In this sense, the economy is always struggling to stay afloat and the risk of an economic crisis always seems imminent. As a result, the ruling regime has limited patronage to offer and tends to distribute most to the most dominant groups – the elites of the feudal and industrial class in particular – because they presumably have the best chance of promoting growth as soon as possible. As one analyst put it, “Pakistan’s [chronic] fiscal troubles arise partly from the size of its defence expenditures ... and partly from the cost of servicing its domestic and foreign debt. These two obligations consume virtually all government revenues; hence the government must borrow money even to pay salaries and expenses.”<sup>125</sup> Only minimal resources can then be offered to industrial labour.<sup>126</sup>

Third, I make certain claims about the behaviour of each client when there is a perceived crisis in patronage expected from the state. Effectively, I take on the role of the “moral economist” as described in economic anthropology<sup>127</sup> and political sociology to understand how a decline in expected patronage might prompt protests among certain clients. As previously explained, these industrial workers expect the state to ensure subsistence-related provision for their labour. It is when the state fails to offer this that these groups react. Industrial workers are pushed too close to what they feel is their minimum level of subsistence, leading to subsistence-related protests. *Such unrest represents an attack on state legitimacy.*

The fact that labour acts out against the state when it feels basic subsistence needs are not delivered is reflective of the expectation relationship. In this sense, the patronage payment they expect for their role in development does not correlate to what they have received. When the

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<sup>123</sup> Jalal 1995

<sup>124</sup> As former Finance Minister Shaukat Tarin put it in 2009 when talking about Pakistan’s chronic economic failure: “We have avoided the tough decisions, and we just keep hoping that something will happen, and we will get this infusion of foreign aid.” He added that, “you cannot achieve economic stability without political stability.” The lack of urgency to create systemic change is “the long-term history of Pakistan. This is not one government” (*New York Times Sunday Magazine*, James Traub, April 5, 2009).

<sup>125</sup> Pg 122. Anwar H. Syed, Pakistan in 1997: Nawaz Sharif’s Second Chance to Govern, *Asian Survey*, Vol. 38: 2, pg 116-125, 1998

<sup>126</sup> This relates to the idea of the elitist state, as theorized by Ishrat Husain in his book, *Elitist Model of Growth* (Oxford University Press, Oxford, United Kingdom, 1999). Husain talks of Pakistan’s “elitist model of growth” in which “both economic and political power are held by a small coterie of elites, the market is rigged and the state is hijacked in order to deliver most of the benefits of economic growth to this small group.”<sup>126</sup> This elitist model of growth obviously correlates to Pakistan’s moral economy that focuses the bulk of its financial forms of patronage on the elites, while only limited patronage can be offered to clients like industrial labour for their basic subsistence.

<sup>127</sup> Pg 187-188. Jean Ensminger, *Theory in Economic Anthropology*, Society for Economic Anthropology Monograph Series No. 18, AltaMira Press, Walnut Creek, California, United States, 2002

ruling regime quickly addresses these concerns through speeches, conferences and legislation, it regains some legitimacy in the eyes of labour, who then stop or at least reduce their civil unrest – this is evidence of the state-labour relationship in the moral economy of development policy.

I also note, however, how in the final years each military or civilian-led regime, labour unrest appears to shift to a more prominent focus on subsistence patronage relating to *prices*; and the state response appears to have limited impact. These growing bouts of labour-led civil unrest appear to coincide with unrest involving other groups in society and a decline in general subsistence conditions. The patronage payment they expect for their role in development does not correlate to the living conditions in which they find themselves. The situation may not have deteriorated radically but workers feel prices are not being provided relative to what is expected. In this sense, the ruling regime has failed to fulfill its expected role in the moral economy of development policy, which poses a threat to its legitimacy.

This thesis thus builds on the work of such theorists from various disciplines and connects it to Pakistani politics. Ultimately, by reading this thesis with the moral economy lens, one should understand how bottom-up pressures from industrial labour have consistently challenged state legitimacy and even contributed to regime breakdown. At times, such unrest has created legitimacy strain for the state, while other times it has contributed to a crisis in which the entire system – military or civilian-led regime – is challenged enough to break down. With both elite-driven factors and to a certain extent labour protest, Pakistan has never had a chance to consolidate democratic institutions in its six decade-existence and, short of a revolt against this system, is unlikely to break out of its pattern<sup>128</sup> of regime instability and breakdown.

It might seem relevant to draw on the literature exploring the link between economic crises, government breakdown and regime change, but the focus is more on causes of regime breakdown, rather than the *mechanism* behind it which I address in this thesis. For instance, Stephen Haggard and Robert Kaufman<sup>129</sup> explain that when a factionalized military regime faces

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<sup>128</sup> Of course, one could argue that Pakistan's democratic transition has finally begun in that General (Rtd) Musharraf's regime finished its full term and, with what were perhaps the country's first legitimate elections, his party was routed. In this sense, perhaps the pattern of regime instability and breakdown has ended. Then again, one must consider how much influence the military still has in politics unofficially and in this sense the new democratic government is limited severely and speculation is rife that a military coup could occur once again. This was even revealed in recent Wikileaks documents in which General Kayani said he was pondering whether a military takeover was needed given the perceived corruption and instability of President Zardari's government.

<sup>129</sup> Stephen Haggard and Robert Kaufman, *Political Economy of Democratic Transitions*, Princeton University Press, Princeton, New Jersey, United States, 1995

an economic crisis, a change in regime to democracy is likely. Jeffrey Frieden<sup>130</sup> also suggests a dictatorship (e.g. Argentina, Brazil), rather than a democracy (e.g. Mexico, Venezuela), is more likely to experience government breakdown and even regime change when faced with an economic crisis because of elite social groups' dissatisfaction with specific economic policies. Amitav Acharya<sup>131</sup> talks of how the Asian financial crisis showed that an "economic downturn can precipitate the downfall of authoritarian rule"<sup>132</sup> as dictators like Suharto in Indonesia could not adjust accordingly, relative to his democratic counterparts. These theorists thus talk of the effect of the crisis on government at the elite level, while I consider it through the lens of a very specific state-labour relationship.

More importantly, I present each government simply as a political regime that struggles to allocate resources to society, as opposed to distinguishing between authoritarian and democratic regimes; my portrayal of Pakistan suggests the experience of military and civilian-led regimes is very similar in that they both struggle to distribute limited resources to organized industrial labour through this particular lens of the moral economy of development policy.

My main purpose is to prove that a disruption in subsistence patronage from the state to labour can lead to bouts of civil unrest that effectively attack state legitimacy through out military and civilian-led eras in Pakistan. When elite-driven factors are in play and general economic conditions appear to worsen, such unrest can also escalate as the ruling regime is less capable of keeping the moral economy afloat – this can contribute to regime breakdown.<sup>133 134</sup>

This implies that when there is no decline in patronage, the patron-client relationship in the moral economy is relatively stable – i.e. patron and clients are receiving their expected

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<sup>130</sup> Jeffrey Frieden, *Debt, Development and Democracy: Modern Political Economy and Latin America, 1965-1985*, Princeton University Press, Princeton, New Jersey, United States, 1991

<sup>131</sup> Amitav Acharya, Southeast Asia's Democratic Moment, *Asian Survey*, Vol. 39: 3, pg 418-432, May-June 1999

<sup>132</sup> Acharya 1999: 432

<sup>133</sup> See Recessions Don't Start Revolutions (*Foreign Policy*, Vol. 118, pg 138-151, Spring 2000) for the counter-argument. Minxin Pei and Ariel David Adesnik suggest that an economic crisis does not lead to a fall in or change in government in their survey of 22 developing countries in Asia and Latin America from 1948-1998. However, they do acknowledge that in countries (e.g. Pakistan) that have weak civilian control over the military, labour unrest, insurgency movements then government collapse is more likely after an economic crisis – much like in Pakistan where all these factors are in place. And the possibility of regime breakdown depends on the type of regime in place.

<sup>134</sup> Pei and Adesnik define an "economic crisis" as including one of the following: annual inflation of rate greater than 15% and stagnant or negative annual GDP growth. Or, in cases with chronic high inflation (e.g. certain Latin American countries), a crisis should also include a "significant deterioration in economic or financial circumstances, as described by historians or other analysts" (pg 139).

patronage payments, labour unrest is minimal and so the chances of regime instability or breakdown are reduced; or labour unrest is promptly dealt with through state institutions.

But the first goal of the thesis is to describe the specific patron-client relationship embedded in the moral economy that has characterized both military and civilian rule in Pakistan. I do effectively consider *organized industrial workers* as one social group<sup>135</sup> who receive payments from their state patron, rather than as individuals, though there is presumably competition within groups (or among various labour unions) to receive more patronage than others.

Because of the challenges of illustrating a seemingly infinite network of expectation relationships, I focus in on a specific production-linked expectation relationship. Each military and civilian regime tailors some of its policies to boost growth and one way is to increase industrial production; this means the regime offers specific goods to its industrial labourers to ensure production is unhindered. It is a mutually beneficial expectation relationship in that such economic development provides legitimacy to the ruling regime as well as varied forms of benefits to the labour force. Again, as Posusney put it, this consideration of the moral economy is at the macro-political level.

I focus less on traditional forms of goods such as political goods (e.g. votes) given the emphasis already placed on this in existing literature<sup>136</sup> on Pakistan; I also recognize that most elections were rigged so the value of studying patronage-related votes seems at least questionable. Instead, this thesis considers only those forms of patronage directly related to helping clients boost industrial production – the recurring development policy of each military and civilian regime.

What is key to understanding the patron-client relationship is to focus on the expectation embedded in the moral economy – i.e. what labour feels it is entitled to from the ruling regime. To capture this expectation, like Posusney, I highlight government speeches (e.g. emphasizing national sacrifice and the labour's critical role in development) and related policies (e.g. subsidies, minimum wage) to show what state provision labour should expect for its role in production. It is harder to capture the workers' voices about their role and expectation in the

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<sup>135</sup> This idea of focusing on state patronage to social groups or “coalitions” rather than individuals mirrors Pranab Bardhan's ideas (1984).

<sup>136</sup> For instance, Maleeha Lodhi's PhD thesis at the London School of Economics and Political Science researches the PPP's use of patronage, particularly with respect to votes (*Bhutto, the Pakistan People's Party and Political Development in Pakistan: 1967-1977*, 1981).

moral economy, but one does get a sense by examining labour conference literature and labour journals. And of course through an examination of civil unrest at certain points, it is clear which aspects of state rhetoric and policies labour feel they are entitled to. Posusney explains how “feelings of entitlement are ... evident in protests that erupted when management or the government failed to fulfill its promises.”<sup>137</sup> In this sense, labour’s expectation in the moral economy is made quite clear by these “entitlement protests.”<sup>138</sup>

Let’s now consider an overview of Pakistan’s moral economy at the macro-political level. This thesis highlights the informal patron-client relationship between the state and labour. The ruling military or civilian regime commits to offering certain subsistence provision to organized industrial workers in the form of wages and prices, as part of shared norms in the moral economy – this is reinforced by the state through public speeches, policies and legislation. In return, workers give their labour to facilitate the state’s industrial development policy that gives the regime one type of legitimacy – this is shown through the lack of protest when presumably workers are receiving what they expect from the ruling regime.

However, at different points in a regime’s tenure, industrial labour has felt that expected subsistence patronage from the state was not being delivered. Workers often protested first through official mechanisms and then through specific anti-state strikes when they felt these mechanisms failed. This created legitimacy strain for the state. The ruling regime responded with specific speeches and policies to regain legitimacy in the eyes of labour. This typically saw industrial labour going back to work and production resumed.

What I also found is that at the end of a regime’s tenure, when labour felt prices were not being delivered by the state, industrial workers would resume their anti-state unrest but at a more rapid pace than before. This would once again create legitimacy strain for the state. However, at this point other groups would also be protesting alongside labour. The ruling regime at times responded with new promises to deal with labour’s concerns but this was not sufficient for workers who no longer saw the state as legitimate. Such anti-state unrest from these groups and certain elite-driven factors thus also contributed to a legitimacy crisis that led to regime breakdown.

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<sup>137</sup> Posusney 1993: 88

<sup>138</sup> Posusney 1993: 100

## METHODOLOGY

Now the question is how I will demonstrate this new perspective that explains Pakistan's political pattern. How do I go about illustrating the moral economy and its informal patronage relationship that can challenge state legitimacy and even contribute to regime breakdown? This thesis follows a process tracing<sup>139</sup> approach<sup>140</sup>, a trend commonly used in such qualitative research and single case studies.<sup>141</sup> It will allow us to “obtain information about well-defined and specific events and processes.”<sup>142</sup> Andrew Bennett and Alexander George have suggested such within-case analysis is an effective way to explore cause the “causal mechanism that links causes to effects.”<sup>143</sup> They continue: “The process tracing method attempts to identify the intervening causal process – the causal chain and causal mechanism – between an independent variable or variables and the outcome of the dependent variable.”<sup>144 145</sup> So I put forth the hypothesis that, *when there is a decline in subsistence provision (wages or prices) from a ruling regime to workers (the independent variables), labour reacts through protest and the Pakistani state experiences legitimacy strain that can contribute to legitimacy crisis and the breakdown of the ruling civilian or military regime (the dependent variable).*

I adopt Posusney's macro-political approach to first establish the moral economy. She highlights the various state strategies used (e.g. – through speeches or policies) to reinforce what

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<sup>139</sup> See Andrew Bennett and Alexander George's book, *Case Studies and Theory Development in the Social Sciences* (MIT Press, Cambridge, Massachusetts, United States, 2005), for a more comprehensive overview of the process tracing method.

<sup>140</sup> Bennett and George cite two key limitations of process tracing – namely that it “provides a strong basis for causal inference only if it can establish an uninterrupted causal path linking the putative causes to the observed effects” and “that there may be more than one hypothesized causal mechanism consistent with any given set of process tracing evidence” (Bennett and George 1994: 222). But they refer to Olav Njolstad's work to explain how “differing interpretations may arise for several reasons” and note his suggestions to overcome the limitations of process tracing (Bennett and George 1994: 222-223).

<sup>141</sup> Bennett and George do raise the issue of the validity of conclusions in such single case studies. They cite *Designing Social Inquiry* (Gary King, Robert O. Keohane and Sidney Verba, Princeton University Press, Princeton, New Jersey, United States, 1994) where King, Keohane and Verba argue that such studies produce findings that are “limited by the possibility of measurement error, probabilistic causal mechanisms and omitted variables (Bennett and George 1994: 220). But Bennett and George deal with such critiques, proving the value of such single case studies (Bennett and George 1994: 220-222).

<sup>142</sup> Oisín Tansey, *Process Tracing and Elite Interviewing: A Case for Non-Probability Sampling*, *Political Science and Politics*, Vol. 40: 4, pg 765-772, October 2007

<sup>143</sup> Tansey 2007: 765

<sup>144</sup> Tansey 2007: 766

<sup>145</sup> Barbara Geddes also discusses this idea of “examining the mechanism and processes” in such an academic study in her book, *Paradigms and Sand Castles: Theory Building and Research Design in Comparative Politics* (University of Michigan Press, Ann Arbor, Michigan, United States, 2003).

labour should expect from the state for their role in development. This establishes the “entitlement expectations” in Pakistan’s moral economy. The state’s influence on or hold over labour unions also factors as well as the effect of nationalism and sacrifice, as Posusney also shows in the case of Egypt. Also, like in Posusney’s portrayal of Egypt, in Pakistan “preventing any escalation of the protest, and maintaining an image of national harmony and worker satisfaction” seems to be the priority of each ruling regime in setting up the moral economy initially, though of course the “consequence of these actions is to reinforce the moral economy and thereby pave the way for future protests.”<sup>146</sup>

I have drawn on archival materials to flesh out the relationship between the ruling regime and industrial labour. By studying local media and government documents, I have gained significant insight into the patronage needs of these actors and their mutually beneficial relationship, while also considering how this relationship has evolved under each civilian and military regime.<sup>147</sup> Given the historical nature of my research (1947-1971), doing real-time interviews was not a possibility; gaining access to labour leaders from four to six decades ago proved to be a real challenge. However, my emphasis on written documents, especially media over time, helped to track the ebbs and flows in industrial unrest and state-labour relations in a way no one else has. In fact, by examining media over time I was able to unearth the rapid rise in price-unrelated unrest before each regime – something which does not appear in any of the existing literature.

While it may seem that I have simply adapted Posusney’s methodology for the Pakistani case, I should point out that I decided on this approach only after critical examination of labour-focused studies on Pakistan. I evaluated comparable works on Pakistani labour to determine the best way forward for my own data collection. Among the labour-focused literature, there are three discernible types. One is purely descriptive and rooted in state documents and statistics

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<sup>146</sup> Posusney 1993: 114

<sup>147</sup> At times it may seem that I am generalizing about the feelings of all industrial workers based on the reported reaction of a few, but this is a widely accepted shortcoming of such a patronage and legitimacy-focused study. Does civil unrest among one disgruntled group of clients in one province necessarily translate into broader disillusion with the existing patron-client relationship and the government itself? As Eisenstadt and Lemarchand have said, the infinite nature and constantly changing nature of patronage relationships means there will always be some level of generalization. The key is to keep our discussion within the defined analytical framework and so be as specific as possible. If one accepts that production and related growth gives the state its legitimacy locally, then disruption in production – e.g. brought on by rising civil unrest by industrial clients in some parts but not necessarily in all parts – will then challenge the legitimacy of the patron regime.

(e.g. Amjad 2001, Da Costa 1963, Khan 1992), but lacks analytical power to be able to track big-picture trends in labour unrest that might correlate to state legitimacy.

The second is rooted in individual case studies based on in-depth fieldwork. This is epitomized by Zafar Shaheed's study (2007), which includes interviews with workers in specific factories (e.g. cotton textiles) in Karachi, but again lacks an appropriate overview of broader state-labour relations needed for my thesis. The third approach is rooted in a combination of statistics, state documents and media sources. This proved to be the most thorough, as depicted by Christopher Candland's book (2007). The reader does get some sense of how unrest developed over time, gaining momentum at the end of the regime. Yet at times it still lacks sufficient detail about the unrest itself and how it impacted the state – e.g. the discussion of the flawed 1955 labour policy leads to news of Ayub's 1958 coup without any real detail on changes in labour activity (Shaheed 2007: 39). In this sense, my approach of sustained analysis of various written documents is new vis-à-vis the labour literature and far more empirically rich than what has been done before on Pakistani labour.

To set up the moral economy, Posusney identifies specific policies of the new regime that directly relate to the subsistence conditions of labour. For instance, in the early 1950s, the new regime implemented a specific strategy of “co-opting” labour union leaders so that they would be emphasize the role that workers play in national development.<sup>148</sup> As she explains, “unions were formally charged with educating workers about the new national ethos”<sup>149</sup> and the ruling government appealed to workers with calls “to sacrifice for the “battle””<sup>150</sup> for development through their labour. She also points out specific economic policies to at least ensure basic subsistence to workers, such as food subsidies and price controls.<sup>151</sup> In addition, she mentions labour-specific policies to do with working conditions such as reduced “industrial workweek,” a “minimum wage for many was doubled” as well as improved “pensions, injury compensation and health insurance.”<sup>152</sup> I apply a similar strategy for the Pakistani case to set up the moral economy and identify the basic subsistence expectations embedded in this patron-client

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<sup>148</sup> Posusney 1993: 90

<sup>149</sup> Posusney 1993: 91

<sup>150</sup> Posusney 1993: 92

<sup>151</sup> Posusney 1993: 91

<sup>152</sup> Posusney 1993: 90



relationship through government speeches and policies. I highlight such subsistence patronage and the appeal for workers to sacrifice for their role in the national drive for development.

Using media and government sources, Posusney then notes the labour unrest that occurs when such expectations of patronage are not delivered by the ruling regime. For instance, in the 1970s, food subsidies were reduced due to “pressure from the International Monetary Fund” and led to “aggravated inflation.”<sup>153</sup> This led to labour “intensifying [their] protest activity” against the state’s new economic policies. But such protests often ended when the government would offer concessions – in this case a reinstatement of subsidies.<sup>154</sup> Posusney classifies such protests as “entitlement protests” that are a “reaction to takeaways”<sup>155 156</sup> which also apply to the Pakistani case.

She also discusses another type of entitlement protest that is rooted in “unmet promises”<sup>157</sup> which apply to our analysis of Pakistan too. These are “demands to which workers feel entitled because of promises made by company management, the government or the courts. Thus, again, anger over unmet expectations is the impetus to workers’ actions.”<sup>158</sup> So too, this thesis focuses in on these two types of entitlement protests in Pakistan – in terms of reactions to “unmet promises” or “takeaways” – both of which highlight a moral economy at work. But, unlike Posusney, I consider in more detail how such unrest over unmet expectation relates to state legitimacy and regime breakdown.

At various libraries, research sites and databases worldwide<sup>159</sup>, I found several archival sources to generate rich empirical data. The microfilm archives of English-language newspapers from Pakistan were extremely helpful for this research. In particular, *Dawn* and *Pakistan Times*, which has been in publication since partition, were a useful source in terms of documenting specific patronage relationships involving the ruling regime and various industrial workers. Curiously, both papers at times had identical coverage on key issues. Perhaps the journalists

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<sup>153</sup> Posusney 1993: 96

<sup>154</sup> Posusney 1993: 97

<sup>155</sup> Posusney 1993: 100

<sup>156</sup> Posusney also considers entitlement protests that are rooted in a “demand for parity” and “notions of fairness in the wages earned by different types of laborers” (Posusney 1993: 104); this type of entitlement protest, however, does not appear to apply to Pakistan’s industrial labour, at least in the 1948-1971 period.

<sup>157</sup> Posusney 1993: 108

<sup>158</sup> Posusney 1993: 109

<sup>159</sup> I visited various libraries globally, including the British Library, LSE library, Columbia University Library, and the Library of Congress; research centres like the World Bank and International Monetary Fund; and Pakistani government databases.

from both establishments adopted a similar strategy for researching their articles, relying on similar sources to quote (e.g. official press notes and publications from the regime).

But press freedom was (and continues to be) a concern in a country like Pakistan. Some analysts felt when General Ayub Khan was in power (1958-1969), this was the “beginning of a completely chained press for all times to come.”<sup>160</sup> On April 18, 1959, the military regime took over the more “progressive” papers<sup>161</sup> and in 1960 the Press and Publications Ordinance was promulgated “to emasculate the press.”<sup>162</sup> Journalist Mazhar Ali Khan noted: “Since 8 October, 1958, our journals had been published under Censorship, and when the Censorship order was formally withdrawn and the euphemism Press-advice substituted for it, we chose to be “advised” daily, unlike some other newspapers more confident of being able to interpret the Government mind in respect of the draconian laws to which the Press was subject.”<sup>163</sup>

Yet *Dawn* and the *Pakistan Times* still managed to report on specific events representing subsistence patronage – for instance the regime’s decision to introduce new labour policy after increasing unrest. It has also adequately reported on specific disruptions in patronage and thus instability in the state-labour relationship – for instance through reports on bouts of civil unrest involving industrial workers, especially in the months and weeks before regime breakdown. Other papers like the *Pakistan Observer* and *Morning News* also helped tell the story of patronage flows through their news reporting on such events. But non-media, government sources do help paint a picture of moral economy violations. The state’s *East Pakistan Labour Journal*, *Pakistan Labour Book* and *Pakistan Labour Gazette* did reveal the various industrial disputes of the 1947-1971 period in much detail, giving insight into labour’s subsistence needs.

Several journal articles written at the time of both civilian and military rule offer an additional perspective on significant developments impacting the moral economy and ebbs and flows in subsistence patronage in Pakistan. International journals including *Asian Survey*, *Far Eastern Survey*, *Pacific Affairs*, *Pakistan Forum* and *Third World Quarterly* for example have identified the key social groups and their influence on governance. Pakistan-focused journals like the *Monthly Economic Review*, *Pakistan Development Review*, *Economic Journal of Pakistan* and *India’s Economic and Political Weekly* have at times pinpointed the major underlying

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<sup>160</sup> Pg 26. Zamir Niazi, *The Press in Chains*, Oxford University Press, Oxford, United Kingdom, 2010

<sup>161</sup> *The News* column by Sardar F. S. Lodi, February 3, 1999

<sup>162</sup> Niazi 2010: 55

<sup>163</sup> Pg 9. Mazhar Ali Khan, Behind the Headlines: Ayub’s Attack on Progressive Papers, *Pakistan Forum*, Vol. 2: 4, pg 9-10, January 1972

economic issues faced at specific points in the country's history that have impacted patronage flows.

The perspective of each ruling elites is integral to this patronage story embedded in the moral economy and state-labour relations. By considering various state documents, one does get a better sense of the policies and forms of basic provision offered to industrial labour. By studying the rhetoric of ministers' budgets speeches (especially from the Ministry of Finance), publications of the Planning Commission, White Papers on the budget, Annual Economic Surveys, as well as Bulletins of the State Bank of Pakistan, I offer the reader a clearer understanding of the economic policies of each regime, especially those involving industrial production, as well as the expectation of subsistence in this moral economy that prompted workers to protest against the state.

## CHAPTER STRUCTURE

Chapter Two illustrates how the existing literature has alluded to certain challenges to state legitimacy that at key points contributed to regime breakdown. Yet these authors have failed to sufficiently incorporate the notable role of organized industrial labour that is emphasized in this PhD thesis. This chapter should serve to reinforce to the reader that an understanding of challenges to state legitimacy and regime breakdown in Pakistan is incomplete without acknowledging the significance of the state's relations with groups like industrial labour, particularly within the framework of informal institutions like the moral economy. It should also be a sufficient overview of Pakistani politics for those who may be new to this country as a case study in political science.

Chapter Three goes into detail about the moral economy of development policy of the first civilian-led era in 1947-1958. It first explains how expectations of certain patronage in this moral economy are partly created by the state's rhetoric on its industrial development policy and its strategic hold over certain key unions. It then considers moral economy violations that prompted workers to strike and protest against the state, creating legitimacy strain. It ends by considering how moral economy violations contributed to legitimacy crisis for the Pakistani state preceding regime breakdown. The same structure is offered in Chapter Four but it considers the first military-led era in 1958-1971.

I conclude with Chapter Five that offers a recap and critical review of the argument of this PhD thesis and a cursory look at state-labour relations and political changes during 1971-2007 that may hint at a moral economy at work. It also indicates areas for future research, including the relevance of this PhD to development policy and the foreign aid relationship today, as well as the role of other groups (like agricultural labour) in challenging state legitimacy at certain points in Pakistan's history.

## CHAPTER 2

### EXISTING EXPLANATIONS FOR LEGITIMACY STRAIN AND CRISIS OF THE PAKISTANI STATE IN 1947-1971

The purpose of this chapter is three-fold. First, it simply offers the uninitiated reader a brief introduction to Pakistan's turbulent political history. Who are the actors involving in shaping governance and what significant events have taken place during the civilian and military-led regimes of the 1947-1971 period? It underlines how, even before challenges to state legitimacy became apparent, ruling elites faced certain obstacles that prevented political stability; it also reinforces the elite-driven mode of governance that seemed to exclude any input from groups like industrial labour.

Second, this chapter highlights how the existing literature as a whole alludes to largely elite-driven challenges to state legitimacy that have created strain for the ruling regime at different points in Pakistan's political history. In doing so, I reinforce the obvious gap in the literature which this thesis fills in the subsequent two chapters, using a new perspective<sup>164</sup> – namely the role of organized industrial labour in creating legitimacy strain repeatedly during a regime's tenure (i.e. in 1947-1956 and 1958-1969).

Third, this chapter extrapolates from other authors the largely elite-linked factors that contributed to legitimacy crisis preceding regime breakdown during both civilian and military-led rule in the country. In doing so, I again reinforce the obvious gap in the literature which this thesis fills in the subsequent two chapters, using a new perspective<sup>165</sup> – namely the role of organized industrial labour in creating legitimacy strain that contributes to regime breakdown (i.e. in 1957-1958 and 1970-1971).

What is clear in the existing literature on Pakistan is that the dominant focus is on elite-focused factors such as the military, politicians, bureaucrats, feudals and Islamist groups that have driven and at times derailed undemocratic politics. Alongside these dominant factors, the literature hints at how ethnic groups, relations with the United States and economic crises have at times also made it difficult for Pakistan's ruling elites to govern. Through this illustration of

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<sup>164</sup> *Chapter Three* and *Chapter Four* highlight this new argument for Pakistan's legitimacy strain, as it plays out in the 1947-1958 and 1958-1971 civilian and military-led eras, respectively.

<sup>165</sup> *Chapter Three* and *Chapter Four* highlight this new argument for Pakistan's legitimacy crisis and regime breakdown, as it plays out in the 1947-58 and 1958-71 civilian and military-led eras, respectively.

existing arguments, it becomes clear that the focus of this thesis – on industrial labour and its anti-state unrest – is a complementary piece of the puzzle to fully understand what has repeatedly challenged state legitimacy and later contributed to regime breakdown in Pakistan in both civilian and military-led eras in the 1947-1971 period.

While other authors do give some consideration as to how civil unrest impacts state legitimacy,<sup>166 167</sup> usually it is suggested that elite groups have orchestrated such unrest by manipulating certain subordinate classes. This is unlike what is proven in this thesis (in the subsequent chapters) where labour is portrayed as an independent force with its own relationship with the state, through the moral economic lens. Additionally, the literature mentions such labour-led unrest as a sudden occurrence at the end of a regime's tenure – unlike in this thesis where it becomes clear that labour has recurrently attacked state legitimacy, long before regime breakdown appears imminent, due to lapses in expected subsistence provision.

### CIVILIAN-LED REGIME: 1947-1958

After the partition from India in 1947, Pakistan was born a “fragile nation-state”, “burdened with ideological and ethnic cleavages and administrative chaos.”<sup>168</sup> It had a “lack of geographical contiguity” as well as “the problem of linguistic and cultural differences.”<sup>169</sup> Those areas comprising Pakistan were “educationally backward, socially conservative, predominantly rural, and politically inexperienced.”<sup>170</sup> Pakistan found itself struggling to establish its most basic institutions, including a political infrastructure. “The first and foremost problem was the exact character that the state should take.”<sup>171</sup>

Unlike neighbouring India, Pakistan did not inherit the colonial state's central government apparatus. It was essentially starting from scratch, having had “practically no organizational

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<sup>166</sup> Linz mentions this correlation between the loss of legitimacy of a ruling government and rising violence and unrest in a country, though with respect to democratic regimes in Europe and Latin America (Linz 1978: 56).

<sup>167</sup> By “legitimacy”, Linz refers to the “belief that that in spite of shortcomings and failures, the existing political institutions are better than any others that might be established and they therefore can demand obedience” (Linz 1978: 16).

<sup>168</sup> Pg 22. Saeed Shafqat, *Civil-Military Relations in Pakistan*, Westview Press, Boulder, Colorado, United States, 1997

<sup>169</sup> Pg 139. Khalid Bin Sayeed, Federalism and Pakistan, *Far Eastern Survey*, Vol. 23: 9, pg 139-143, September 1954

<sup>170</sup> Shafqat 1997: 22

<sup>171</sup> Pg 589. G. W. Choudhury, Constitution-Making Dilemmas in Pakistan, *Western Political Quarterly*, Vol. 8: 4, pg 589-600, December 1955

presence in Muslim-majority provinces”<sup>172</sup> in pre-partition India. It also had to cope with the “turbulence” of partition, including “communal riots, an influx of refugees, protection of religious minorities, the distribution of assets of the British Indian government and the military, the canal water dispute, the evacuee property issue, concentration of Indian troops in the Punjab sector of the Indo-Pakistan border in 1950 and 1951, and the suspension of bilateral trade in 1950.”<sup>173</sup>

It was clear that in this early years, “the new state [did] not have a chance to settle down”<sup>174</sup> and deal with its numerous problems. What initially saved the Pakistani state though was a “centralized polity with an entrenched bureaucratic apparatus and a strong military.”<sup>175</sup> But, with the demise of Pakistan’s founder Mohammad Ali Jinnah in 1948 from tuberculosis and the assassination of the first prime minister, Liaquat Ali Khan, in 1951, there was a “political vacuum”<sup>176</sup> of sorts, with no one to “manage the transition from political movement [in pre-partition India] to [the Muslim League] political party” in newly independent Pakistan<sup>177</sup> – “the Muslim League gradually ceased to be the guiding force of the infant democracy.”<sup>178</sup> Though Jinnah had spent so much effort on the Pakistan movement, the “League leadership could not concentrate on the task of building a political administrative structure for the new state.”<sup>179</sup>

The subsequent weakness of parliamentary politics was thus linked to the “decline of the Muslim League,” as well as its “corruption, institutional weakness and the dominance of landlord interests.”<sup>180</sup> Provincial governments were also “in danger of disintegration”<sup>181</sup> – Punjab’s government was first dismissed in January 1949 for being “defiant and corrupt” and Sindhi politics were marked by “the usual see-saw for political power between competing and intriguing politicians.”<sup>182</sup>

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<sup>172</sup> Jalal 1995: 36

<sup>173</sup> Rizvi 2000: 58

<sup>174</sup> Pg. 29. O. H. K. Spate, The Partition of India and the Prospects of Pakistan, *Geographical Review*, Vol. 38: 1, pg 5-29, January 1948

<sup>175</sup> Rizvi 2000: 68

<sup>176</sup> Pg 41. Tariq Ali, *Can Pakistan Survive?* Penguin Books, Middlesex, United Kingdom, 1983

<sup>177</sup> Pg 133. Stephen Cohen, *The Idea of Pakistan*, Vanguard Books, Lahore, Pakistan, 2005

<sup>178</sup> Pg 23. K. J. Newman, Pakistan’s Preventive Autocracy and Its Causes, *Pacific Affairs*, Vol. 32: 1, pg 18-33, March 1959

<sup>179</sup> Shafqat 1997: 22

<sup>180</sup> Talbot 2005: 129

<sup>181</sup> Pg 50. Richard Symonds, State-Making in Pakistan, *Far Eastern Survey*, Vol. 19: 5, pg 45-50, March 8, 1950

<sup>182</sup> Pg 131. Khalid B. Sayeed, The Political Role of Pakistan’s Civil Service, *Pacific Affairs*, Vol. 31: 2, pg 131-146, June 1958

Other “major signposts” showing the weakness of the polity were the “February 1948 Pakistan Muslim League Council decision to separate the part from the government by debarring ministers from holding any office within it”, Liaquat’s assassination in 1951 before he could “reactivate” that party, the defeat of the Muslim League in first general elections in East Pakistan in 1954, the West Punjab landlord defection to the Republican Party in 1956 and the resignation of Prime Minister Chaudhri Muhammad Ali in 1957, which “signalled the end of a Muslim League government presence at both the centre and the provinces.”<sup>183</sup>

Political development was thus stunted by the failure of civilian politicians to “work for the creation, construction and consolidation of federal, parliamentary and democratic structures.”<sup>184</sup> Corrupt, repressive actions by the ruling government included the arrests of political opponents (PRODA) and ban of public processions.<sup>185</sup> In fact, the ruling PML became “merely a clutch of corrupt and quarrelsome caciques.”<sup>186</sup> No consensus could be reached about the country’s constitution<sup>187</sup> until 1956 – nine years after independence. There was also the issue of deciding the “proper role” of religion in Pakistan, which was founded in the name of Islam.<sup>188</sup>

There was limited scope for policies to be effectively implemented as an array of prime ministers “moved through the revolving doors of office with increasing rapidity as power slipped from Karachi to army headquarters in Rawalpindi.”<sup>189</sup> It appeared that “governmental ineptitude, largely the result of romantic politics combined with the struggle of certain leaders for personal power, bred confusion and corruption and brought the country to the verge of chaos.”<sup>190</sup>

In this sense, even before challenges were posed to state legitimacy, the polity was clearly a very weak entity with obvious limitations for effective governance (or democratic consolidation). Political elites thus relied on local bureaucrats to govern. Provinces were stripped of their powers, making the “position of an essentially migrant political leadership at the centre even more precarious” and “forcing it to rely on the administrative bureaucracy to counter the mounting resentments in the provincial and local Leagues.”<sup>191</sup>

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<sup>183</sup> Talbot 2005: 132

<sup>184</sup> Shafqat 1997: 15

<sup>185</sup> Rizvi 2001: 65

<sup>186</sup> Ali 1983: 62

<sup>187</sup> Ardath W. Burks, Constitution-Making in Pakistan, *Political Science Quarterly*, Vol. 69: 4, pg 541-564, December 1954

<sup>188</sup> Pg 15. Keith Callard, The Political Stability of Pakistan, *Pacific Affairs*, Vol. 29: 1, pg 5-20, March 1956

<sup>189</sup> Talbot 2005: 127

<sup>190</sup> Pg 161. Stanley Maron, A New Phase in Pakistan Politics, *Far Eastern Survey*, Vol. 24: 11, 1955

<sup>191</sup> Jalal 1995: 50



After Prime Minister Liaquat's death in 1951, bureaucrats like Ghulam Mohammad and Iskandar Mirza "dominated the national political scene," establishing a "paternalistic relationship with the politicians and thus [aborting] the process of party politics."<sup>192</sup> Mohammad in particular was a "hardened bureaucrat who had no appetite for democratic practices" – for instance, he dismissed the first constituent assembly when it tried "curb some of his powers"<sup>193</sup> thus proving himself to be "the strong man"<sup>194</sup> of Pakistan. After 1955, Ghulam's successor, Mirza, was "no less interventionist," using his "linkages with the Army Chief and senior bureaucracy to assert his centrality to the political process"<sup>195</sup> – "the veiled diarchic character of government remained obvious to all."<sup>196</sup>

Furthermore, Pakistan became obsessed with state security and defence against its larger neighbour – particularly in light of the looming war with India over entitlement to Jammu and Kashmir. The centre thus focused on defence rather than strengthening provincial ties, making "reliance on civil bureaucrats ... the only option for the central leadership sensing not only its own demise but, possibly, the state's demise."<sup>197</sup> The central government allocated a "substantial portion" of national resources to finance the military and thus adversely affected the economy. This was the advent of the struggle between the military and the country's developmental needs.<sup>198</sup>

In the early 1950s, the army still followed the British doctrine of being removed from politics.<sup>199</sup> "This view [was] transmitted to each succeeding Pakistani generation at the Pakistan Military Academy, the Staff College and in informal discussions in the messes."<sup>200</sup> The British had "envisioned the 'proper' relationship between military and civilian as that between two 'separate spheres' of military and civilian influence, while acknowledging that the ultimate responsibility lay in the hands of duly appointed (or elected) civilians."<sup>201</sup> Even General Ayub,

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<sup>192</sup> Shafqat 2000: 29

<sup>193</sup> Jalal 1995: 52

<sup>194</sup> Pg 1. Richard S. Wheeler, Governor General's Rule in Pakistan, *Far Eastern Survey*, Vol. 24: 1, pg 1-8, January 1955

<sup>195</sup> Rizvi 2000: 72

<sup>196</sup> Pg 103. K. J. Newman, The Dyarchic Pattern of Government and Pakistan's Problems, *Political Science Quarterly*, Vol. 75: 1, pg 94-108, March 1960

<sup>197</sup> Jalal 1995:50

<sup>198</sup> Rizvi 2000: 5

<sup>199</sup> Cohen 2005: 99

<sup>200</sup> Pg 117. Stephen Cohen, *Pakistan Army*, University of California Press, Berkeley, California, United States, 1984

<sup>201</sup> Cohen 1984: 117

who was to later stage the 1958 bloodless coup, told his troops in 1951 that they were “the servants of Pakistan and, as such, servants of any party that the people put in power.”<sup>202</sup>

But bureaucrats like Muhammad and Mirza “relied on the military for support.”<sup>203</sup> In fact, Muhammad’s dismissal of the Constituent Assembly in 1955 could not have happened “without the support of the military.”<sup>204</sup> At this point, the military had grown in power partly due its very positive public image of “prestige,”<sup>205</sup> given its increasing “role in the non-military field to help preserve, stabilize and build the new nation.”<sup>206</sup> Other characteristics of the Pakistani military – its “marked superiority in organization”<sup>207</sup> relative to the civilian government, “social cohesion” and “ethos of public service and national identification”<sup>208</sup> – only aided its strength in politics. During Mirza’s presidency 1955-1958 – when “bureaucratic manipulation [was] at its peak,”<sup>209</sup> the “influence of the military increased in decision-making.”<sup>210</sup>

Over time, General Ayub and other officers were “persuaded that they would be continually used and abused by civilians and that their own interpretation, integrity, and fighting efficiency would eventually suffer”<sup>211</sup> if they did not play some role in governance. From the perspective of the army, it was the “quality” and “very existence of the military as an organisation” that was at stake, which could “threaten what it believed to be the only real line of defence against India and one of the main forces holding the state together.”<sup>212</sup>

Pakistan’s military after 1955 saw the advent of the “American generation” of its soldiers, who benefited from exposure to US military training and “modern” equipment after joining the Baghdad Pact (CENTO). In the context of the Cold War, the US superpower sought to “make weaker nations [like Pakistan] strong enough to resist Soviet aggression.”<sup>213</sup> On February 25, 1954, President Dwight Eisenhower announced the decision to give military assistance to

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<sup>202</sup> *Pakistan Times*, January 23, 1951

<sup>203</sup> Rizvi 2000: 80

<sup>204</sup> Rizvi 2000: 80

<sup>205</sup> Pg 72. Samuel Finer, *The Man on Horseback: The Role of the Military in Politics*, Transaction Press, New Brunswick, New Jersey, United States, 2002

<sup>206</sup> Rizvi 2000: 72

<sup>207</sup> Finer 2002: 6

<sup>208</sup> Pg 104. Morris Janowitz, *Military Institutions and Coercion in the Developing Nations*, University of Chicago Press, Chicago, Illinois, United States, 1977

<sup>209</sup> Shafiqat 1997: 32

<sup>210</sup> Rizvi 2000: 80

<sup>211</sup> Cohen 1984: 50

<sup>212</sup> Cohen 1984: 119

<sup>213</sup> Pg 206. Andrew Jacobs, The US-Pakistan Pact, *Contemporary Review*, Vol. 185, pg 206-208, 1954

Pakistan for the reason of “strengthening the defensive capabilities of the Middle East.”<sup>214</sup> US aid amounted to between \$1.2 and \$1.5 billion from 1954 to 1965,<sup>215</sup> creating one of Pakistan’s first “outside linkages” with a “foreign government”<sup>216</sup> that impacted its domestic political developments.

The military thus had an “exaggerated estimate of their own and Pakistan’s martial qualities, with some believing that one Pakistani soldier equalled ten or more Indians.”<sup>217</sup> Such a grandiose self-image made it appear ready to tackle anything, including domestic politics. Defence expenditure rose from Rs 153.8 million in 1947-48 to Rs 854.2 million in 1957-58.<sup>218</sup>

The civilian government bolstered by bureaucratic-military elites also recognized the need for “tacit support of at least some of the dominant social classes”, including the big landowning families of West Pakistan and a growing industrial bourgeoisie.<sup>219</sup> Muhammad was the bureaucrat who was “instrumental in initiating a number economic policies and in building economic institutions that defined the parameters of the patron-client relationships between the bureaucratic elites and the financial-industrial groups.”<sup>220</sup> In fact, ruling elites often offered financial incentives in return for political allegiance. “Import permits and licenses for various kinds of commercial and industrial activity were often issued on political considerations.”<sup>221</sup>

Beyond the key role of bureaucratic-military elites, industrialists and feudals in this civilian-led regime, some argue that this system of governance was also covertly supported by foreign powers – the United States and United Kingdom in particular. “The dominance of the non-elected institutions was a result of a concerted strategy by the higher echelons of the bureaucracy and the military to exploit rivalries among Pakistani politicians and systematically weaken the political process by manipulating their connections with the centres of the international system in London and Washington.”<sup>222</sup>

Thus a weak polity – manipulated quite openly by a powerful bureaucracy, a strong military and other elite groups – controlled governance during the civilian-led regime of 1947-

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<sup>214</sup> Pg 738. James W. Spain, Military Assistance for Pakistan, *American Political Science Review*, Vol. 48: 3, pg 738-751, 1954

<sup>215</sup> *Washington Post*, August 12, 1969

<sup>216</sup> Cohen 1984: 111

<sup>217</sup> Cohen 2005: 103

<sup>218</sup> *Annual Economic Survey*, Government of Pakistan, Islamabad, Pakistan, 1958

<sup>219</sup> Jalal 1995: 144

<sup>220</sup> Shafqat 1997: 27

<sup>221</sup> Rizvi 2000: 71

<sup>222</sup> Jalal 1995: 54

1958. The literature, however, does not relate this elite-driven “overdeveloped state”<sup>223</sup> and system of governance to other groups like industrial labour in any significant way. The overarching idea given by preceding authors is that *only elites* are relevant to “the state” and political developments. But, as this thesis shows in the subsequent two chapters, the state and organized workers were in fact connected through an informal expectation relationship that at times had a significant impact on state legitimacy and workers even influenced the state (through their unrest) in terms of certain (labour-specific) policies. The question now is how the existing literature portrays challenges to state legitimacy at different points in 1947-1956 and that later contributed to regime breakdown in 1957-1958.

#### LEGITIMACY STRAIN OF CIVILIAN-LED REGIME IN 1947-1956

The literature suggests that, throughout this civilian-led era, challenges to state legitimacy came from three groups in particular – certain feudals, Islamist groups and ethnic groups. While there is some mention of subordinate classes (i.e. unemployed workers in West Pakistan, East Pakistani students), it is usually framed in elite terms – how they were influenced by elites to protest as part of a larger political game. There is minimal consideration of such groups (like industrial labour) acting independently to challenge the legitimacy of the ruling civilian regime during this period, unlike what is illustrated later in this thesis.

Although considered a key component of the political system, certain feudals challenged the legitimacy of this particular regime through their actions against provincial governments. In fact, from 1947 to 1955, the Noons and Daultanas effectively brought down ministries in Punjab province and in the centre through their manoeuvring.<sup>224</sup> These “robber barons” also became powerful enough to influence government policy.<sup>225</sup> It was clear that the “economically powerful landlords ... of West Pakistan had a dominating influence in Pakistan politics during the period 1947-1958.”<sup>226 227</sup> This was contrary to the situation in East Pakistan where certain

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<sup>223</sup> Pg 60-62. Hamza Alavi, *The State in Post-Colonial Societies: Pakistan and Bangladesh*, *New Left Review*, Vol. 1: 74, LXXIV, July-August 1972

<sup>224</sup> Malik 1997: 87

<sup>225</sup> Pg 89. Talukder Maniruzzaman, *Group Interests in Pakistan Politics*, *Pacific Affairs*, Vol. 39: 1-2, pg 83-98, Spring-Summer 1966

<sup>226</sup> Maniruzzaman 1966: 97

<sup>227</sup> In West Pakistan’s Punjab province, “more than one-fifth of the cultivable land was owned by about one-half of one per cent of the owners.” In Sind Province, “thirty per cent of the total occupied area was in the hands of a bare one per cent of the total occupants, possessing more than 500 acres each. In the former N.W.F.P., 0.1 per cent owners, each owning more than 500 acres, were in possession of nearly one-eighth of the total area.” Thus in all of West Pakistan, “about 0.1 per cent of the total land- owners, that is, about six thousand people, owned land to the

legislation – the East Pakistan Estate Acquisition and Tenancy Act of 1951 – had actually been “upheld,” freeing the province from the “feudal grip.”<sup>228</sup>

In West Pakistan, the Mamdot-led provincial ministry was taken over by the Daultanas and then the Noons – “through intrigues.”<sup>229</sup> In Sindh province, the Ayub Khuro cabinet (1947-1948) was brought down repeatedly by various feudal contingents, including Pir Ilahi Bakhsh (1948-1949), Yusuf Haroon (1949-1950), Qazi Fazlullah (1950-1951) and Abdus Sattar Pirzada (1953-1954). After being ousted from their ministries, feudal politicians would challenge the legitimacy of the new leadership through new opposition parties in the hope of regaining their hold on power.

Some feudals even made reforms that would adversely affect their landed interests, such as those introduced by the Daultana ministry in 1952 and annulled by the Noon ministry in 1953.<sup>230</sup> There was no question that feudals were “divided by rival factions” that cut “along personal, tribal or caste-like”<sup>231</sup> lines; they clearly attacked state legitimacy through their predatory actions against specific governments, when it suited their own interests.<sup>232</sup>

Islamist groups also posed a threat to state legitimacy during this civilian-led era. Initially, the country’s religious groups felt “empowered” by the “emphasis on Islam as an element of national policy.”<sup>233</sup> The first step taken by the regime to make Pakistan an “Islamic ideological state” was in 1949 with the Objectives Resolution.<sup>234</sup> This legislation was supposed to be a “tool of mobilization”<sup>235</sup> but unfortunately only led to further complications down the line as to what role religion should play in governance. The “controversy between mullahs and progressives” over Islam in politics was undoubtedly a recurring source of “disunity,”<sup>236</sup> hitting at the civilian regime’s legitimacy.<sup>237</sup>

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extent of five hundred acres or more” (Maniruzzaman 1966: 85).

<sup>228</sup> Maniruzzaman 1966: 83-84

<sup>229</sup> Malik 1997: 87

<sup>230</sup> Shafqat 1997: 5

<sup>231</sup> Shafqat 1997: 5

<sup>232</sup> It should be noted that the literature fails to acknowledge how agricultural labour also challenged state legitimacy at certain points in Pakistan’s political history – this focus is an area for possible future study, as mentioned later in the thesis in *Chapter Five: Conclusion*.

<sup>233</sup> Haqqani 2005: 15

<sup>234</sup> Haqqani 2005: 15

<sup>235</sup> Haqqani 2005: 19

<sup>236</sup> Pg 305. F. M. Innes, *The Political Outlook in Pakistan*, *Pacific Affairs*, Vol. 26: 4, pg 303-317, December 1953

<sup>237</sup> The Amir of the Jamaat-e-Islami, Syed Abul ‘Ala Maudoodi, said his “great fear” was that Pakistan would be run by “Westernized leaders whose conception of government was that of an irreligious and secular state like that of Turkey and not that of an Islamic State. He said these leaders wanted to create a “nation-state on Western lines

Often these religious groups allied with certain elites to challenge the ruling regime in terms of specific policies and even particular political officials. For instance, in 1953, certain Islamist groups allied with certain political elites to spur anti-Ahmadi protests in Lahore to help destabilize the central government. The Punjab Chief Minister apparently used “links the provincial secret service had with Islamist groups to foment popular agitation, calling for legislation that would declare the Ahmadis non-Muslims for legal purposes.”<sup>238</sup> The “violent street protests” were supposed to call for Foreign Minister Zafarulla Khan to resign, since he was an Ahmadi. Ideally, this would destabilize the government enough for Punjab Chief Minister and feudal Mumtaz Daultana to “benefit” by becoming prime minister.<sup>239</sup> This, however, led to a severe law and order disruption which was only resolved through a military presence and martial law in Lahore.

Since early in this period, the religious party Jamaat-e-Islami also attempted to challenge the civilian regime through its political organization. It had cadres of students<sup>240</sup>, trade unions, professional organizations and media at its disposal and aimed to eventually launch an Islamic revolution and overthrow the civilian regime. At certain points, it did manage to spur student-led riots.<sup>241</sup> <sup>242</sup> But this long-term approach was thwarted by ruling elites, who often banned Jamaat’s newspapers and even arrested its leaders<sup>243</sup> while still trying to appeal to them with talk of religious ideology in governance.<sup>244</sup>

At certain points, ethnic groups challenged the legitimacy of ruling regime at certain points because they felt it was too Punjabi-centric and thus prejudiced against non-Punjabi provinces (i.e. Sind, Baluchistan, NWFP, East Pakistan). While the “leaders of the new state assumed Jinnah’s leadership and a common faith would [eventually] override any differences between the major ethno-linguistic groups,” this was not the case. The regime’s “narrative barely acknowledged Pakistan’s [ethnic] separatist and autonomist movements.” Each leader during this

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rather than an ideological state on Islamic lines” (Pg 60. Khalid Bin Sayeed, *The Jamaat-e-Islami Movement in Pakistan*, *Pacific Affairs*, Vol. 30: 1, pg 59-68, March 1957.)

<sup>238</sup> Haqqani 2005: 20

<sup>239</sup> Haqqani 2005: 20-21

<sup>240</sup> Students were in fact asked to “shun politics”, stay on campus and “prepare for service to Pakistan.” The fear was that students would be “exploited by interested parties for their personal ends.” The state’s concerns proved to be true – students were recruited by Islamist groups like Jamaat-e-Islami and engaged in riots at certain points in 1947-1958. (Pg 40. Ruth Caldwell Wright, *Students in West Pakistan*, *Far Eastern Survey*, Vol. 19: 4, pg 38-41, February 22, 1950.)

<sup>241</sup> *Dawn*, February 27, 1952

<sup>242</sup> *Pakistan Times*, November 6, 1951

<sup>243</sup> Haqqani 2005: 23

<sup>244</sup> Haqqani 2005: 32

period “stressed the importance of a strong centre and criticized the idea of greater provincial autonomy.”<sup>245</sup> In fact, “every ambitious and greedy, feudal, provincial and tribal chief [continued to fight for their] claims to power, provoking linguistic, provincial and sectarian conflicts, blood feuds and bitter personal rivalries.”<sup>246</sup>

This ethnic tension also extended to certain non-Punjabi groups. In West Pakistan’s Sind province, for instance, there were a few bouts of rioting in the early 1950s. These rioters were unemployed workers who felt “the economic situation ... was appalling.”<sup>247</sup> It was reported that “people were literally dying of starvation or were resorting to desperate measures to stay alive”,<sup>248</sup> particularly in 1952-53 during a “massive food shortage and a famine” in the province.<sup>249</sup> One newspaper editorial remarked that: “an unemployed worker was driven to sell his son for a paltry sum of Rs 22 in order to pay off a loan incurred to keep himself and his family alive.”<sup>250</sup> But such infrequent reports of unrest are portrayed in the literature as either being orchestrated by political elites who wanted to challenge the Punjabi-centric polity or as a reminder of how provincial elites were mistreating their constituents in Sind too. There is limited consideration of how such groups who were not part of the Punjabi minority may have been challenging the state and civilian regime in some way, unlike in this thesis.

Besides the tension with non-Punjabi provinces in West Pakistan, the central government faced obvious issues with East Pakistan. This Punjabi-centric regime was often viewed as having looked for “ways to deprive the East Bengalis of their democratic majority which, if effectively deployed, would threaten both the foreign policy orientations of Pakistan’s “guardians” and their domestic priorities.”<sup>251</sup> This only further fuelled ethnic and linguistic tensions, “though not all Punjabis shared the military and bureaucratic elites’ interests.”<sup>252</sup>

At certain points in 1947-1956, the military had been called upon by the civilian regime to control bouts of linguistic unrest with force in East Pakistan, rather than through political dialogue.<sup>253</sup> This elite-driven unrest was often directed at the state who had said Urdu would be

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<sup>245</sup> Cohen 2005: 203

<sup>246</sup> Pg 3. Stanley Wolpert, *Jinnah of Pakistan*, Oxford University Press, Oxford, United Kingdom, 1984

<sup>247</sup> Ali 1970: 46

<sup>248</sup> Ali 1970: 46

<sup>249</sup> Ali 1983: 45

<sup>250</sup> *Pakistan Times*, July 22, 1953

<sup>251</sup> Talbot 2005: 126

<sup>252</sup> Talbot 2005: 126

<sup>253</sup> By failing to solve such issues politically, the military viewed this as the civilian leadership’s failure to “fulfil their responsibility to the military and the state” (Cohen 1984: 118). Such ineffectual civilian leadership went

the only state language and not Bengali which East Pakistanis spoke.<sup>254</sup> In fact, this was visible as early as 1948 during Jinnah's first and only visit to East Pakistan. At a convocation address at Dacca University, "he was greeted with large-scale heckling, walk-outs and chaos. He could not finish his speech."<sup>255</sup>

Such linguistic-rooted unrest meant that army troops were called on regularly to maintain law and order – e.g. in Dhaka in 1950, in certain cities in East Pakistan in 1952 in 1954.<sup>256</sup> But such reports of unrest are usually portrayed in the literature as either being orchestrated by political elites who wanted to challenge the Punjabi and West Pakistani-centric polity and state or as a reminder of how provincial elites were not doing enough for their constituents in East Pakistan too. There is limited consideration of how these groups who were not part of the Punjabi minority may have been challenging the state and civilian regime independent of any larger political strategy, unlike what is illustrated later in this thesis.

East Pakistani elites also challenged the central government on economic grounds. The literature reveals how many Bengalis felt the province had been "economically exploited" by its Western counterpart since partition.<sup>257 258</sup> For instance, "industrial enterprises set up in East Pakistan were ... controlled by non-Bengali businessmen and financed by West Pakistani capital. ... [Also] Bengalis were not welcomed into the ranks of bureaucracy or the army" thus institutionalizing "a form of ethnic discrimination."<sup>259</sup> Such widespread sentiment of inequality contributed to recurring ethnic-focused frustration that posed a threat to state legitimacy.

In this way, the literature does give consideration of some legitimacy challenges involving certain subordinate classes. But, unlike this thesis, this is largely framed in elite and political terms. It is not directly related to an informal patron-client relationship with the regime; there is also limited detail given on how this unrest develops over time and in this sense

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against the army's portion" of national of "separate spheres" with a "division of responsibility" between the civilian and military spheres (Cohen 2005: 133).

<sup>254</sup> The "State Language Controversy" was a significant issue in East Pakistan. When Prime Minister Khawaja Naziumuddin, an Urdu-speaking Bengali, told a large audience in Dacca, "with the full authority of the government behind him" that Urdu would be the national language, "his conduct was interpreted by the populace as an act of treachery." (Pg 133. Stanley Maron, *The Problem of East Pakistan, Pacific Affairs*, Vol. 28: 2, pg 132-144, June 1955).

<sup>255</sup> Ali 1983: 45

<sup>256</sup> Rizvi 2000: 78

<sup>257</sup> Ali 1970: 60

<sup>258</sup> G. W. Choudhury, *The East Pakistan Political Scene, 1955-1957, Pacific Affairs*, Vol. 30: 4, pg 312-320, December 1957

<sup>259</sup> Ali 1983: 46



recurrently challenges state legitimacy. What's undoubtedly missing is the specific industrial unrest that recurred through out this period, which is featured in this thesis.

#### LEGITIMACY CRISIS AND BREAKDOWN OF THE CIVILIAN-LED REGIME IN 1957-1958

Much of the literature explains the legitimacy crisis and subsequent breakdown of the civilian regime in 1957-1958 through an elite lens. It is suggested that the military, bureaucrats and military-bureaucratic links with the United States contributed to regime breakdown in significant ways; the legitimacy crisis is explained in political terms as three different prime ministers took the reins in this short period. There is some mention of unrest among groups like agricultural and industrial labour who faced declining economic conditions – the insinuation is that this added to the declining legitimacy of the civilian regime. But such unrest is usually framed in terms of anti-elite sentiment – i.e. against a particular feudal lord or industrial employer, rather than the state or civilian regime. There is insufficient consideration of the particular role of industrial labour in directly attacking state's legitimacy and thus contributing to regime breakdown in this specific way, unlike what is emphasized later in this thesis.

The dominant focus of preceding authors is on how it was in the military's interests to finally allow the parliamentary façade to fall and so end this regime type in Pakistan. The military-bureaucratic elites could have in theory continued to control the political system from behind-the-scenes even in the face of recurrent attacks on state legitimacy from various groups. But what likely prompted the military's intervention and regime breakdown was that, "once the process of constitution-making had been completed, a reference to the people was inescapable."<sup>260</sup> Most authors agree that the military-bureaucrats' "dominance over the state apparatus did not guarantee control over the political process" and so a coup and change in regime was a necessary step.<sup>261</sup>

The military had successfully "discredited" political actors and organizations that contributed to the civilian regime's legitimacy crisis. At the same time, they "were unsure of maintaining their dominance within the state structure after the general elections scheduled in 1959."<sup>262</sup> The idea was that the military feared a "major realignment of political forces after the elections" and so this prompted the military and key bureaucrats to official take over in October

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<sup>260</sup> Jalal 1995: 54

<sup>261</sup> Jalal 1995: 55

<sup>262</sup> Jalal 1995: 54

1958, thus “[deterring] all potential challenges to a position of privilege they had long enjoyed.”<sup>263</sup>

The military’s business interests – what is termed “milibus” – were also a factor. These interests had grown significantly since 1954 when the army’s political power had begun to develop.<sup>264</sup> The military’s pursuit of “economic activities” was for the “betterment of the institution and its members” in keeping with its “institutional self-interest paradigm”<sup>265</sup> and it was felt that an official military-led regime, rather than a civilian-led regime guided by the military, would better protect these interests after 1958. In this sense, it was the idea that a new civilian regime with more power may threaten the military’s professional and business interests that pushed the military to play a role in the breakdown of the civilian regime.

In addition to this, there was also increasing tension between the military and existing bureaucratic leadership in 1957-1958 that inadvertently contributed to the legitimacy crisis of the civilian regime. On separate occasions, Governor-General Mirza and General Ayub both expressed their view to the US Ambassador that a dictatorship was the only way forward for Pakistan.<sup>266</sup> But they later differed on when the civilian regime would end and what would replace it and released “contradictory statements concerning the timing of the lifting of martial law. ... There may also have been friction resulting from the promotion of Lieutenant-General Musa to Commander-in-Chief of the army, although Ayub continued as Supreme Commander. The catalyst for Mirza’s dismissal however was his reported meddling in army affairs.”<sup>267 268</sup>

Pakistan’s relationship with the United States also contributed to regime breakdown at this point. Initially, the United States government officially discouraged Mirza and General Ayub about their plans to stage a coup as “there was insufficient cause for abandoning the democratic path.”<sup>269</sup> But US President Eisenhower and Secretary Dulles “responded with understanding” to Mirza’s plans to impose martial law. In fact, Dulles wrote back in a letter to Mirza: “the changes

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<sup>263</sup> Jalal 1995: 54

<sup>264</sup> Siddiqi cites the Fauji Foundation as an example of the “milibus” – it invested in “various industrial units in areas with high consumer demand, such as tobacco, sugar and textile production” (Pg 131. Ayesha Siddiqi-Agha, *Military Inc*, Pluto Press, London, United Kingdom, 2007).

<sup>265</sup> Siddiqi 2007: 130

<sup>266</sup> Talbot 2005: 146

<sup>267</sup> Talbot 2005: 146

<sup>268</sup> After the coup in 1958, Mirza and his wife were reportedly given an hour to pack and leave the country (Talbot 2005: 146).

<sup>269</sup> Pg 99. Dennis Kux, *The United States and Pakistan, 1947-2000: Disenchanted Allies*, Johns Hopkins University Press, Baltimore, Maryland, United States, 2001

which have occurred do not alter in any respect the close ties which exist between our two countries.”<sup>270</sup> Thus the civilian regime had clearly lost legitimacy in the eyes of foreign allies like the United States.

The legitimacy crisis evident in 1957-1958 is also explained in political terms in the literature – three civilian-led governments fell during this brief period before regime breakdown. This can partly be attributed to the resurgence of ethnic rivalries. While Prime Minister Husain Shaheed Suhrawardy was supposed to appeal to East Pakistan given his Bengali background, his “hold over his supporters” in the province was weakened for different reasons, including his “[backing] down over the Awami League’s call [in East Pakistan] for land reforms because of the resistance of the West Punjab rural elite.”<sup>271</sup>

But the more prominent issue was the ethnic discrepancy in foreign aid. Suhrawardy offered the bulk of a \$10 million US aid package to East Pakistan to ease recurring inter-province relations. But this effectively ended his political career as it “evoked the ire of the western province’s business class ... [who felt Suhrawardy had] the temerity to tinker with the longstanding regional economic imbalances in distributing the lion’s share of American aid to East Pakistani industrialists.”<sup>272</sup> This led to West Pakistan’s political elite to pull their support from Suhrawardy’s coalition government. Soon after, I. I. Chundrigar took over the civilian government for two months, “staying sufficiently long enough to further widen the gulf between the eastern and western wings by reversing Suhrawardy’s decision on the allocation of the US \$10 million aid package.”<sup>273</sup> This further reinforced the injustice felt by East Pakistanis and contributed to ongoing political unrest in the province.

West Punjab politician Firoz Khan Noon took over the final government before this civilian-led era ended in 1958. Like his predecessors, Suhrawardy and Chundrigar, Noon struggled to stabilize his government from day one, particularly due to the rivalry between Noon and his fellow feudals. At this point, however, “the Byzantine goings-on in Karachi were positively gentlemanly compared to the bear-pit in Dhaka.”<sup>274</sup>

The frustration of various actors who increasingly felt their government was not a legitimate authority led to more political violence, reinforcing the notion that this civilian-led era

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<sup>270</sup> Dulles letter to Mirza, Oct 17, 1958, FRUS, 1958-60, Vol. 15: 677 in Kux 2001: 101

<sup>271</sup> Talbot 2005: 145

<sup>272</sup> Talbot 2005: 145

<sup>273</sup> Talbot 2005: 145

<sup>274</sup> Talbot 2005: 145

was coming to an end. In March 1958, “fist-fights broke out” in the West Pakistan legislature. “All this commotion occurred not because one party sought to reduce the miseries of the common man and others tried to add to them ... All this infernal row was over a dozen Ministerial chairs which in the situation prevailing today are hardly worth the wood they are made of.”<sup>275</sup> The killing of the Chief Minister of West Pakistan and the Deputy Speaker of the East Pakistan legislature followed soon after, epitomizing the political unrest during the civilian regime’s obvious legitimacy crisis.

Beyond the tensions at the elite and political level, deteriorating economic conditions were affecting poorer classes<sup>276</sup> across all provinces in Pakistan, leading to increasing civil unrest among certain groups. This unrest naturally contributed to the growing legitimacy crisis of the civilian regime but it should be noted that the literature portrays such unrest as being directed at feudals and industrial elites, rather than explicitly against the state or civilian-led regime. Such unrest is also only briefly described so as to suggest that it had limited relevance to overarching political developments – again this is contrary to what I show in the subsequent chapters.

Peasant organizations were “beginning to illicit an encouraging response in both East and West Pakistan”<sup>277</sup> as they attempted to mobilize against their feudal lords for mistreatment. But the result of such protests was that peasant leaders were “victimised and landlords threatened that their paid gangsters would ‘deal’ with peasants” who protested, even burning down their homes.<sup>278</sup> According to some accounts, industrial strikes “reached new heights” in this period; yet such strikes are portrayed in the existing literature as attacks on their employers – rather than the state as articulated in this thesis. Police “resorted to violence and intimidation of the worst order. Where police were not available, the employers had their own hired thugs who performed the same task.”<sup>279</sup>

Overall the literature does allude to certain elite-driven factors contributing to the legitimacy crisis of the ruling civilian regime before its breakdown in 1957-1958. However,

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<sup>275</sup> *Pakistan Times*, March 22, 1958, in Ali 1970: 85

<sup>276</sup> However, it should be noted that two groups in particular did reap benefits from the economic policies of this politically unstable civilian-led era. “The primary beneficiaries were the migrant traders, who were provided with inducements to channel their merchant capital into the industrial sector. ... The other beneficiary class was large landowners. Although their incomes may not have risen during this phase, they were able to obstruct proposals for redistributing land” (Pg 20. Omar Noman, *Pakistan Political and Economic History Since 1947*, Kegan Paul International, London, United Kingdom, 1988).

<sup>277</sup> Ali 1970: 80

<sup>278</sup> Ali 1970: 83-84

<sup>279</sup> Ali 1970: 80

unlike in this thesis, there is insufficient consideration of how groups like industrial labour might specifically attack state legitimacy or be part of an informal patron-client relationship with the regime; there is also limited detail given on *how* industrial unrest develops over time, particularly with a possible shift in focus (from wages to prices) towards the end of this civilian-led era, which is featured in the subsequent chapter. As a whole, the literature's illustration of Pakistan's legitimacy crisis and regime breakdown in 1957-1958 is thus incomplete.

### MILITARY-LED REGIME: 1958-1971

When General Ayub staged a coup in October 1958, Pakistan was viewed as “a nation struggling to overcome the aftermath of eleven years of economic chaos and political floundering.”<sup>280</sup> General Ayub repeatedly stated that, “our ultimate aim is to restore democracy, but of the type that people understand.”<sup>281</sup> He contended that, because Pakistan's literacy was so “appallingly low” and its communication “primitive”, a different type of democracy – what he termed Basic Democracies – was the best way to proceed. The Basic Democracies approach aimed to develop a political system through “a comprehensive structure of local councils composed largely of elected members”<sup>282</sup> and “appointed representatives”<sup>283</sup> which would in theory allow more groups to be a part of the political process. In this respect, General Ayub provided leadership with a specific agenda to move the country forward – unlike the first decade of Pakistan's rule, which suffered from an apparent lack of vision on the part of politicians. The military leader saw himself as a “stern tutor for a divided and undisciplined people.”<sup>284</sup>

But the reality was that an elite-driven system of governance persisted during this military-led era under General Ayub and later General Yahya Khan, similar to the civilian-led regime of the previous decade. This time, however, it was an overtly “military hegemonic system” which aimed to openly promote “corporate interests” of the army; exclude political leaders, parties and

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<sup>280</sup> Pg 291. John E. Owen, *The Plight of Pakistan*. *Contemporary Review*, pg 291-293, 1959

<sup>281</sup> General Ayub's speech, Dec. 25, 1958, *Government Press Note*

<sup>282</sup> Pg 109. Mohammed Ayub Khan, *A New Experiment in Democracy in Pakistan*, *Annals of the American Academy of Political and Social Science*, Vol. 358: *New Nations: The Problem of Political Development*, pg 109-113, March 1965

<sup>283</sup> Pg 107. Harry J. Friedman, *Pakistan's Experiment in Basic Democracies*, *Pacific Affairs*, Vol. 33: 2, pg 107-125, June 1960

<sup>284</sup> Pg 87. Wayne Wilcox, *Pakistan: A Decade of Ayub*, *Asian Survey: A Survey of Asia in 1968: Part II*, Vol. 9: 2, pg 87-93, February 1969

the urban middle classes; control media and labour; and see to the “co-optation and consolidation of bureaucratic elites, financial industrial group and feudal class.”<sup>285</sup>

General Ayub’s rule initially existed “with a military face” in 1958-1961 and then involved the “civilianization of presidential system and ... client relationships” in 1962-1969.<sup>286</sup> During the period of martial law in 1958-1962, he made every effort to restrict political parties from holding any elective office, removing any chance of a “loyal opposition”<sup>287</sup> that could possibly derail his policies.

The 1962 constitution was a “planned disengagement of the military from power and a careful transition to civilian rule by political and constitutional engineering, a careful tailoring of the political institutions and processes and a co-option of a section of the political elite.”<sup>288</sup> The general was the executive authority who could “exercise substantial powers in respect of administration, law-making policy execution and key appointments, enabling him to determine the nature and direction of governance at the federal and provincial levels. He appointed members of his cabinet who held office at his pleasure and were not answerable to the federal legislature.”<sup>289</sup> Politicians were clearly kept at bay during this military-led era.

With a stunted polity, this allowed for the military’s power to become further embedded in economic and political aspects of society. General Ayub oversaw the “military’s penetration of the rural structure of Pakistan.”<sup>290</sup> For instance, one estimate suggested that in Sind province, 300,000 acres were given to the military after it was bought and developed with state funding.<sup>291</sup> “The regime also enhanced the scope of the military’s corporate interests by presenting great incentives” including prestigious jobs in certain key industries.<sup>292</sup>

It also became clear that the military regime “played a crucial role in the realignment of classes, groups and elites in Pakistan.”<sup>293</sup> General Ayub recognized that “the feudals were the legitimate power-holders in rural Pakistan.”<sup>294</sup> <sup>295</sup> The military regime thus had to tread lightly

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<sup>285</sup> Shafqat 1997: 34

<sup>286</sup> Siddiq 2007: 73

<sup>287</sup> Linz 1978: 16-18

<sup>288</sup> Rizvi 2000: 101

<sup>289</sup> Rizvi 2000: 101

<sup>290</sup> Shafqat 1997: 35

<sup>291</sup> Siddiq 2007: 135

<sup>292</sup> Shafqat 1997: 35

<sup>293</sup> Shafqat 1997: 34

<sup>294</sup> Shafqat 1997: 35

<sup>295</sup> In West Pakistan, about 80% of agricultural land in Sindh, more than 50% in Punjab, and less than 50% in NWFP was owned by a few thousand absentee landlords (Rizvi 2000: 91).

with its agriculture-related policies. For instance, the 1959 land reforms “avoided denting Pakistan’s agrarian structure”<sup>296</sup> and agricultural income tax was not imposed on landlords. Through the Basic Democracies system, General Ayub created a “dependency relationship” with the landlords who belonged to his Convention Muslim League.<sup>297</sup> “The military regime co-opted and provided patronage to feudal classes, embarked on a policy of rural penetration, [and] acquired control over key public and semi-public enterprises.”<sup>298</sup>

The military-led regime also saw the value of industrial elites in governance. Certain economic policies, “such as the bonus voucher scheme and the devaluation of the currency”, benefited industrialists and were designed to promote the economic growth General Ayub felt his regime needed for its survival. Private entrepreneurs and other industrial elites were provided with “financial loans and other incentives” like tax breaks to help build up industry and economic modernization.<sup>299</sup> The goal was to “promote the expansion of the financial-industrial groups and [make] their linkage with international capital.”<sup>300</sup>

But above all, General Ayub knew “better than anyone that both his survival and success depended upon the continued support of Pakistan’s essentially, if not exclusively, Punjabi federal bureaucracy.”<sup>301</sup> They were key in facilitating economic policies that made them indispensable to elite feudals and industrialists. “In fact, the civil-military bureaucracy played a key role in giving birth to the indigenous bourgeoisie or the business-industrialist class ... The transformation of the trader-merchant class into the business-industrial class through institutions such as the Pakistan Industrial Development Corporation (PIDC) resulted in national economic uplift as well as creating new partners for the bureaucracy.”<sup>302</sup>

In this sense, this military-led era early on revealed that the participation of certain bureaucrats, feudals and industrialists was necessary for this elite-driven system of governance to operate. General Ayub saw labour and media as mere tools he could manipulate to support his regime. He also saw the role of religion and American support as central to his regime in the early years of his reign. General Ayub was “a firm believer in the policy tripod developed within the first few years of Pakistan’s creation: he identified [Hindu] India as Pakistan’s eternal enemy,

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<sup>296</sup> Jalal 1995: 144

<sup>297</sup> Malik 1997: 87

<sup>298</sup> Shafqat 1997: 34

<sup>299</sup> Siddiq 2007: 132

<sup>300</sup> Shafqat 1997: 47

<sup>301</sup> Jalal 1995: 56

<sup>302</sup> Siddiq 2007: 75

Islam as a national unifier and the United States as the country's provider of arms and finances."<sup>303</sup> The question is how the existing literature portrays challenges to this particular system of elite-driven governance at different points in 1958-1969 that later contributed to legitimacy crisis and regime breakdown in 1970-1971.

#### LEGITIMACY STRAIN OF MILITARY-LED REGIME IN 1958-1969

The literature suggests that during the first half of this period of military rule, challenges to state legitimacy came primarily from two groups – Islamist and ethnic groups. After the war with India in 1965, such legitimacy strains were further reinforced for the military regime. Certain authors do mention how East Pakistanis experienced significant bursts of frustration over political, economic and linguistic inconsistencies coordinated by a West Pakistan-dominated central government, yet this is typically framed in elite terms. Specific bouts of such unrest are only presented as a rather sudden occurrence toward the end of this era in 1968-1969, right before General Yahya's takeover, when in fact this type of attack on state legitimacy had occurred recurrently in 1958-1969, as shown later in this thesis through the lens of industrial unrest in both East and West Pakistan.

Islamist groups challenged state legitimacy by being openly "critical" of certain laws and policies of the military regime, voicing their dissension publicly on several occasions in the first half of 1958-1969. For instance, they did not approve of the Family Laws and the regime's plans to promote family planning and population control.<sup>304</sup> "They also resented the decision of the government to take over the management of some important shrines and mosques and their property and placing these under the control of the newly established Auqaf department."<sup>305</sup> Some Islamist groups perceived this as "unjustified interference in the religious domain and an attempt to control religious institutions."<sup>306</sup> These groups actively looked for new recruits, particularly through its Islamic Students Organization in East Pakistan where they were coming out to "support" provincial autonomy<sup>307</sup> and so go against the official state position.

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<sup>303</sup> Haqqani 2005: 43

<sup>304</sup> Pg 78. Khalid Bin Sayeed, 1965: An Epoch-Making Year in Pakistan: General Elections and War with India, *Asian Survey*, Vol. 6: 2, pg 76-85, February 1966

<sup>305</sup> Rizvi 2000: 116

<sup>306</sup> Rizvi 2000: 116

<sup>307</sup> Pg 879. Talukder Maniruzzaman, National Integration and Political Development in Pakistan, *Asian Survey*, Vol. 7: 12, pg 876-885, December 1967



But it was the ongoing disparity across provinces and ethnic groups that posed the most serious threat to the legitimacy of the military-led regime. The Bengali elites' "alienation was intensified by the fact that the economic development of the Ayub era largely passed them by."<sup>308</sup> And it was felt that the province's "economic handicaps were rarely appreciated, nor was any effective remedy ever attempted."<sup>309</sup> This idea of ethnic challenges to the state are largely painted in elite terms in the literature – for instance, from 1962 to 1967, only 22% of the state's Pakistan Industrial and Credit Investment Corporation (PICIC) loans went to elite East Pakistani industrialists, reinforcing the "Bengali alienation from the centre, despite such window dressing as establishing a separate [state development corporation] for each wing."<sup>310</sup>

In fact, "with the coercive powers of the armed forces ... at their disposal, the bureaucratic-bourgeois alliance sought to exploit the resources of East Pakistan in order to aid economic development in the West. [Such] economic deprivation led to the growth of a Bengali national consciousness in the Eastern wing of the country."<sup>311</sup> In East Pakistan, economic growth rose from 0.6% during 1954-1960 to 2.6% during 1960-1965; in West Pakistan, economic growth rose from 0.9% to 4.4% during the same period,<sup>312</sup> reinforcing the ethnic economic disparity.

Beyond economic distress, there was obvious frustration among East Pakistan's leaders who felt they had no real political stake in any state institutions. In fact, "dissatisfaction with the central government and the consequent demand for provincial autonomy seemed almost universal in East Pakistan."<sup>313</sup> Bengalis also continued to feel linguistic discrimination<sup>314</sup> despite the state having given into their earlier demands for a second national language in May 1954; this still made them second choice for government jobs that were the "monopoly of the Urdu-speaking people of West Pakistan."<sup>315</sup> Thus it was clear that as a Punjabi leader, General Ayub "failed to read the political mind of the Bengalis. The movement of the Bengalis to secure their

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<sup>308</sup> Talbot 2005: 163

<sup>309</sup> Pg 3. K. P Misra, Intra-State Imperialism: The Case of Pakistan, *Journal of Peace Research*, Vol. 9: 1, pg 27-39, 1972

<sup>310</sup> Talbot 2005: 169-70

<sup>311</sup> Ali 1983: 71

<sup>312</sup> Shafqat 1997: 60

<sup>313</sup> Maniruzzaman 1967: 880

<sup>314</sup> Bengalis of East Pakistan also faced cultural discrimination. For example, in June 1967, a nationwide ban was placed on broadcasting the songs of Tagore by the Dacca station of Radio Pakistan, which "aroused tremendous resentment" (Misra 1972: 36).

<sup>315</sup> Misra 1972: 36

legitimate democratic rights reached unprecedented heights”<sup>316</sup> with each burst of unrest in 1958-1965 creating legitimacy strain for the state.<sup>317</sup>

But it was the 1965 war<sup>318</sup> with India over Kashmir that posed the most serious threat to the legitimacy of the ruling regime and its system of governance through to 1969. First, the devastating loss in the war – the first major conflict since the bloody partition of the Indian subcontinent in 1947 – meant that tensions between the military as government and the “military as institution”<sup>319</sup> only grew stronger in General Ayub’s ranks. According to certain factions, if the military could not decisively defend itself against India, perhaps it should not occupy itself with governance and political affairs any longer, but instead spend more time improving its capabilities as an institution. In the same way, it was harder for the Pakistani people to view the military as the most stable and powerful institution in the country after the defeat. By comparison, political elites did not look as ineffective in comparison any longer.

Second, the war represented a “serious strategic error”<sup>320</sup> for General Ayub that was deeply rooted in ethnic discrepancies. The war only served to reinforce to East Pakistanis that Pakistan was a “Punjab-centric state whose army defined both the idea of Pakistan and the security of parameters of the state of Pakistan in a manner that was incompatible with Bengali interests.”<sup>321</sup> Ethnic rivalries only intensified because Pakistan’s central government “diverted precious resources away from economic development and weakened the links between the country’s two wings.”<sup>322</sup> It also challenged the religious nationalism that the military regime used to unite its people. “Basing Pakistani nationalism on hostility toward India had led the country into a war that had attained none of Pakistan’s war aims.”<sup>323</sup>

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<sup>316</sup> Misra 1972: 30-31

<sup>317</sup> There was also frustration from other non-Punjabi groups, though this did not appear to pose as urgent a threat to the state and is not detailed in the literature. Sindhi political elites and those in Baluchistan, for instance, often expressed frustration over not benefiting from the country’s alleged growth, particularly as “Punjab with its military connections was not only the politically predominant region in West Pakistan, but possessed growing economic strength.” (Talbot 2005: 170).

<sup>318</sup> Sayeed 1966: 83

<sup>319</sup> Alfred Stepan developed this concept in his books on Brazilian politics – *The Military in Politics: Changing Patterns in Brazil* (Princeton University Press, Princeton, New Jersey, United States, 1971), *Authoritarian Brazil* (Yale University Press, New Haven, Connecticut, United States, 1973) and *Rethinking Military Politics* (Princeton University Press, Princeton, New Jersey, United States, 1988).

<sup>320</sup> Cohen 2005: 73

<sup>321</sup> Cohen 2005: 73

<sup>322</sup> Haqqani 2005: 50

<sup>323</sup> Haqqani 2005: 50

Third, the war reinforced that American support for General Ayub and the military regime was waning – it thus “unhinged the delicate alliance system being evolved in Washington”<sup>324</sup> thereby affecting one form of (international) legitimacy of the Pakistani state. The suspension of supplies or arms by the United States to Pakistan and economic aid during the 1965 war caused “disappointment” given the country’s “dependence on US weapons” and funding.<sup>325 326</sup> The fact that the United States was giving India military aid made Pakistani ruling elites “bitter,” despite reports that “these differences were fully and frankly discussed” when General Ayub met US President Johnson in Washington on December 14 and 15, 1965.<sup>327</sup> This contributed to increasing anti-American sentiment, even leading to protests, and a brief moment of unity for Pakistan.<sup>328</sup>

Fourth, the war gave political elites, like Zulfikar Ali Bhutto, more leverage to attack the military regime’s legitimacy. It was General Ayub’s decision to put more power into the hands of non-representative elites that effectively ensured political parties and elites would at some point fight back. In 1966, Bhutto had left General Ayub’s cabinet “after developing policy differences.” His new organization, the Pakistan’s People Party (PPP), offered a clear alternative to the military regime, publicly critiquing General Ayub and his socioeconomic policies.<sup>329</sup> “The formation of the PPP was a major blow for the Ayub regime.”<sup>330</sup>

In the years after the 1965 war through to 1969, it seemed General Ayub’s regime experienced more legitimacy strain. Bhutto’s growing presence as an alternative political authority figure challenged General Ayub’s legitimacy as a leader. But it also gave the wave of unrest in these later years a “political organization and charismatic leadership”<sup>331</sup> to better challenge the state. In a sense, it reinforced the failure of the Basic Democracies system to ever sufficiently include the input of the urban middle, industrial labour and rural peasantry classes.

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<sup>324</sup> Wilcox 1969: 87

<sup>325</sup> Haqqani 2005: 47

<sup>326</sup> Kux 2001: 159

<sup>327</sup> Sayeed 1966: 84

<sup>328</sup> In the August 2, 1965 edition of *Dawn*, the front-page story headlined this story. “Nation’s Security and Freedom Come First: Development Not at Cost of Independence: Ayub Slates US Arms Rush to India”. On August 3, 1965, students held an “anti-US” rally in Hyderabad (Pakistan Times, August 4, 1965). On August 6, 1965, political elites like West Pakistan Governor Malik Amir Mohammad Khan said Pakistanis are “tough people and even without US aid, [they] can survive” (*Dawn*, August 7, 1965).

<sup>329</sup> Rizvi 2000: 117

<sup>330</sup> Talbot 2005: 180

<sup>331</sup> Pg 212. Shahid Javed Burki, Ayub’s Fall: A Socio-Economic Explanation, *Asian Survey*, Vol. 12: 3, pg 201-212, March 1972

The literature also frames General Ayub's declining legitimacy in terms of his failure to reach out to civil and political groups as required of an effective military-led democratic transition<sup>332</sup> – that spelt his downfall. This was a significant mistake as such military regimes are expected “develop mass political organisations of a civilian type”<sup>333</sup> to be effective in initiating a democratic transition, but clearly this was not a goal for this regime at this point.

Preceding authors consider how industrial workers did protest against their employers about their failure to “share in the profits which were accruing to the business class”<sup>334</sup> in the post-1965 period of this military-led era. But the literature seems to suggest that industrial labour “around the country [also] provided the background for the opposition's renewed efforts to settle old scores”<sup>335</sup> – in this sense, they are portrayed as mere tools of political elites like Bhutto to strategically attack the legitimacy of the military-led regime and ideally (re)gain power. Such industrial unrest is thus presented as a sudden and elite-driven occurrence in the final years of General Ayub's regime, rather than a recurring and independent source of legitimacy strain as articulated in this thesis.

By the end of the 1958-1969 period led by General Ayub, especially between November 1968 and March 1969, “students, industrial labour, professional groups, low-ranking government employees and the ulema all took to the streets in massive anti-government demonstrations in key urban centres [in both East and West Pakistan].”<sup>336</sup> This period reportedly culminated in more than 250 deaths at the hands of the military and police.

But again, such unrest was seen as being motivated by certain political parties who had their own strategic interests to create more legitimacy strain for the increasingly weak Ayub regime, especially in case civilian rule ever returned. “The disorder which preceded the 1958 coup appeared like child's play in comparison with the anarchy which ... prevailed in some towns and rural areas of East Pakistan.”<sup>337</sup> It seemed that “the uprising in West Pakistan had [also] embraced every major city in the province and had not paused for breath since it began on November 7, 1968.”<sup>338</sup>

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<sup>332</sup> Stepan 1988: 40

<sup>333</sup> Janowitz 1977: 77

<sup>334</sup> Talbot 2005: 181

<sup>335</sup> Jalal 1995: 60

<sup>336</sup> Jalal 1995: 60

<sup>337</sup> Talbot 2005: 183

<sup>338</sup> Ali 1970 186

With increasing legitimacy challenges by various groups, General Ayub planned to impose martial law in various cities across Pakistan to cope with such civil unrest. But “the top brass of the Army refused” immediately, as they felt “he was totally discredited at the popular level.”<sup>339</sup> It seemed General Ayub had “erred gravely in overestimating the loyalty of the military in clamping down on the urban protesters bent upon [throwing] him out of office.”<sup>340</sup> The military thus recognized its declining legitimacy. Yet the literature as a whole is limited in terms of more details on the specific nature of the protests. It hints at protests rooted in a burgeoning democratic and anti-military movement, but does not sufficiently consider more economic concerns of labour.

At this point, the military regime was also exposed for corruption at its highest levels, further creating more legitimacy strain. “It was claimed that all the evils, which existed in Pakistan before [General] Ayub took over in 1958, had again grown out of proportion and it was difficult for an ordinary person to have his work done in government offices without promising bribes.”<sup>341</sup> One estimate suggested that in March 1969, General Ayub and his family’s assets were worth between \$10 and 20 million.<sup>342</sup> “An ailing man whose personal reputation had been marred by his immediate family’s well advertised nepotism and corruption, he was not up to the task of salvaging something out of the wreckage.”<sup>343</sup>

To cope with his weakening position, General Ayub began negotiations with opposition party leaders about restoring parliamentary democracy and appeared to accept that a transfer of power was badly needed. The opposition party leaders formed the Democratic Action Committee (DAC) and participated in Round Table Conferences with General Ayub, though Zulfikar Ali Bhutto, who later became prime minister, insisted he would only talk about the country’s future with the people themselves.<sup>344</sup>

But, despite such discussions with opposition party leaders, General Ayub and his supporters could not accept a transfer of power to civilians and a change in regime. He still believed this pool of politicians was corrupt and “not uncompromised by the loss of efficacy”<sup>345</sup> of previous civilian regimes. In his public resignation speech on March 25, 1969, General Ayub

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<sup>339</sup> Rizvi 2000: 119

<sup>340</sup> Jalal 1995: 60

<sup>341</sup> Shafiqat 1997: 165

<sup>342</sup> Feldman 1972: 287

<sup>343</sup> Jalal 1995: 60

<sup>344</sup> Ali 1983: 81

<sup>345</sup> Linz 1978: 87

explained that, due to a “fast deteriorating” situation in the country, “administrative institutions ... [being] paralyzed”, there was no other way to deal with the situation except with military assistance. He saw no potential in the leaders of the opposition political parties. The legitimacy strain of General Ayub’s regime was significant, but had not yet experienced a full-blown crisis as another military ruler was to take over the regime.

Clearly, the 1958-1969 period saw the domination of military-bureaucratic elites in an undemocratic Pakistan. But the influence of various groups, and most significantly marginalized and politically manipulated ethnic groups, ensured that state legitimacy was repeatedly challenged, particularly after the 1965 war. But ultimately, it was an elite actor – i.e. the military – who decided that another general, Yahya Khan, would take over from Ayub for a change in government and not in regime. But unlike in this thesis in a later chapter, the literature fails to adequately consider how a labour-specific lens might relate to state legitimacy before 1958-1969. Because of the “mounting chaos” and the army commanders “becoming impatient,”<sup>346</sup> General Yahya “took up the reins of power” per the army’s request<sup>347</sup> for another military regime.

#### LEGITIMACY CRISIS AND BREAKDOWN OF THE MILITARY-LED REGIME 1970-1971

General Yahya’s regime initially received positive responses from political circles, students, labour and urban unemployed, who had repeatedly and publicly questioned the legitimacy of the previous military regime. In a speech on March 27, 1969, General Yahya declared: “It is my firm belief that a sound, clean and honest administration is a prerequisite for a safe and constructive life and for the smooth transfer of power to the representatives of the people elected freely and impartially on the basis of adult franchise.”<sup>348</sup>

In this way, General Yahya’s chief stated goal was to help transition Pakistan to democracy over two years. The 1970 elections for the National Assembly were a testament to this. General Yahya looked to the politicians to come up with a “workable constitution, which would ensure the integrity of the country.”<sup>349</sup> Even during martial law, the general allowed complete political

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<sup>346</sup> Talbot 2005: 182

<sup>347</sup> Talbot 2005: 183

<sup>348</sup> Shafqat 2001: 66

<sup>349</sup> *The Guardian*, April 11, 1969

activity in preparation for the elections. The military regime was thus working out “viable relations with civilian political groups” to ensure its success and ease a democratic transition.<sup>350</sup>

The fact that the 1970 elections under General Yahya were largely regarded as legitimate is a testament to his regime’s belief in democracy. Political parties produced election manifestoes and ran public campaigns in both East and West Pakistan to rally support before the elections. Here was a military ruler who saw Pakistan’s future in the hands of the people and, more significantly, in the hands of the polity. In December 1970, the Awami League won most votes in East Pakistan, while West Pakistanis cast their vote to Bhutto’s PPP for the National Assembly. These parties were relied upon by General Yahya to produce a constitution and so, in this respect, he did try to give the civilian polity a voice in state affairs. The military appeared to be responsible for initiating a democratic transition.

But, in the end, General Yahya’s downfall lay in the very fact that he really did not know how to handle the ethnic tensions surging in East Pakistan or the underlying Islamic conflict this represented. He simply could not cope with these significant challenges to his legitimacy as a leader. After the general’s first address to the nation, General Yahya “sat down holding his head in dismay and woefully remarked, ‘What should we do now.’”<sup>351</sup> Later, he remarked, “I made no particular attempt to know how to run a government ... for 32 years I had been in the army ... and so I thought running the army was no different from running the country.”<sup>352</sup>

The military regime failed to deal with the demands of many East Pakistanis for greater autonomy and a stronger federation. General Yahya did not expect such a huge victory for East Pakistan’s Awami League party in the 1970 elections. Widespread rioting took place in East Pakistan as people protested to be able to “assert their [democratic] rights”<sup>353</sup> which the Awami League had legitimately won in the election; the general’s response was to launch a military offensive against the “armed rebellion.”<sup>354</sup> The East Pakistanis clearly did not see the existing military-led system of governance as legitimate and in no uncertain terms attacked the state on democratic and political grounds; this thesis adds an additional non-political perspective that emphasizes unmet expectation over subsistence needs.

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<sup>350</sup> Janowitz 1977: 77

<sup>351</sup> Pg 16. F. M. Khan, *Pakistan’s Crisis in Leadership*, National Book Foundation, Islamabad, Pakistan, 1973

<sup>352</sup> Pg 113. Hasan Zaheer, *The Separation of East Pakistan*, Oxford University Press, Oxford, United Kingdom, 1994

<sup>353</sup> Pg 101. Robert LaPorte Jr, Pakistan in 1971: The Disintegration of a Nation, *Asian Survey*, Vol. 12: 2, pg 97-108, 1972

<sup>354</sup> LaPorte Jr 1972: 101

The literature highlights ethnic rioting and related military violence, most notably “Operation Searchlight” which led to the deaths of hundreds of students in East Pakistan.<sup>355</sup> There is also consideration of how the Pakistani military “projected the conflict in East Pakistan as a counterinsurgency drive and at home the troops were presented as mujahedeen fighting the enemies of Islam. Propaganda emanating from West Pakistan also focused on the Hindu influence and the actions of anti-Muslim forces as responsible for the crisis in the eastern wing.”<sup>356</sup> Ultimately, a civil, bloody war began on December 3, 1971. India assisted the East Pakistanis in this war and the ultimate result was the creation of Bangladesh. General Yahya thus suffered “personal humiliation both on the battlefield and the domestic front,”<sup>357</sup> experiencing significant legitimacy strain as a political leader of a now shrunken Pakistani state.

The loss of East Pakistan was a terrible blow for the military – both as an institution and a government, pushing the state into a full-blown legitimacy crisis. Nation-wide demonstrations demanded the immediate transfer of power to the elected representatives of the people, after over a decade of military-led rule. The loss of East Pakistan brought back memories of the 1947 partition, and newspapers sported headlines such as “Yahya Khan is responsible for Pakistan’s defeat”<sup>358</sup> and “One voice, one declaration: Yahya Khan is the murderer of the nation.”<sup>359</sup>

Public sentiment had turned on the general and his departure, along with the elite-centric and undemocratic system he represented, was imminent. The failed campaign in East Pakistan essentially confirmed the legitimacy crisis of the military as the saviour of the country, leading to its withdrawal from politics (at least formally and for the next five years). The “American generation” of Pakistani soldiers was coming to an end as there was little Western support, most notably financial support from the US, for the war – this only worsened the existing economic crisis as defence had to take priority over development.

Since the military as an institution had suffered considerably with the secession of East Pakistan, another military regime in newly created Pakistan was untenable having lost legitimacy as a political system too. This made way for the politicians, led by Bhutto, to take the lead in governance and attempt a democratic transition.

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<sup>355</sup> Talbot 2005: 208

<sup>356</sup> Haqqani 2005: 76

<sup>357</sup> Pg 402. Lawrence Ziring, *Bureaucratic Politics and the Fall of Ayub Khan*, *Asian Affairs*, Vol. 8: 5, pg 304-322, 1981

<sup>358</sup> *Daily Javadan*, December 18, 1971

<sup>359</sup> *Daily Javadan*, December 19, 1971



In the 1970-1971 period, the ability to maintain legitimacy was indeed heavily stunted by ethnic strife against the state in East Pakistan. The literature frames such unrest in political terms as Bengalis demanded democracy and ultimately freedom. But, as illustrated in subsequent chapters, this regime breakdown could also be understood in the context of industrial unrest that repeatedly attacked regime legitimacy on more economic (subsistence) grounds. As a whole, the literature insufficiently considers how groups like industrial labour might specifically attack state legitimacy independent of any larger elite-driven political agenda or be part of an informal patron-client relationship with the regime; there is also limited detail given on how industrial unrest develops over time, particularly with its shift in focus (from wages to prices) towards the end of this civilian-led era, which is featured in a later chapter. As a whole, the literature's illustration of Pakistan's legitimacy crisis and regime breakdown in 1970-1971 is thus incomplete, suffering from a largely elite-centric and political focus.

The preceding illustration of Pakistan's political history in 1947-1971 thus reveals the significance of the military, bureaucrats, politicians, feudals, Islamist groups, ethnic groups, the United States and certain subordinate classes in terms of hindering state legitimacy at different points and even contributing to regime breakdown. But while such factors might explain attacks on state legitimacy, there is insufficient development of how other groups like industrial labour were in fact recurrently challenging the legitimacy of the regime, given their particular relationship with the state.

The subsequent chapters will detail the morally embedded patron-client relationship between the state and labour that reveals a new way to understand the chronic legitimacy strain and eventual crisis of each regime in Pakistan. Let's now consider each civilian and military-led era in 1947-1971 through this specific lens of the moral economy of development policy and thus better understand the significance of labour's "entitlement protests", particularly in relation to state legitimacy and the process of regime breakdown.

## CHAPTER 3

### MORAL ECONOMY OF DEVELOPMENT POLICY DURING CIVILIAN RULE: 1947-1958

In August 1947, Pakistan had just come into existence after a bloody partition from India. Anti-Indian hatred was flaring among the Pakistani people. “The disputes over Kashmir, the division of assets and water at the time of Partition increased anxieties about Pakistan’s precarious geopolitical situation in relation to its much larger neighbour.”<sup>360</sup> Burdened with this “sense of inferiority and insecurity”<sup>361</sup>, newly created Pakistan desperately wanted to prove its Indian counterpart wrong about its very existence by showing it could flourish as an independent state. Despite this significant chip on its shoulder and outside observers publicly labelling it an “economic monstrosity” that was doomed to fail,<sup>362</sup> Pakistan’s government identified its two priorities – defence and development.<sup>363</sup>

The 1947-1948 war with India established “the primacy of the national security agenda.” From then onwards, military security was given maximum priority, resulting in the government allocating about 70 percent of the estimated budget in the first year for defence<sup>364</sup> in Pakistan. With the constant threat of larger India on its borders, three quarters of the central government’s revenue budget was allotted to defence and civil administration in this ten-year period.<sup>365</sup> This contributed in part to the emergence of the “milibus” later in this period – the “economic empire” of the military.<sup>366</sup>

In the country’s first budget speech, the finance minister openly admitted that “the expenditure on defence is higher than would be normally justified for a young state like ours. On the other hand, the dangers surrounding us make it essential for us to maintain an effective

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<sup>360</sup> Talbot 2005: 95

<sup>361</sup> Talbot 2005: 95-96

<sup>362</sup> Gustav Papanek, Harvard academic who served as adviser to Pakistan Planning Commission between 1954 and 1963, noted how outside observers had characterized Pakistan in this apocalyptic way (Pg 84. *Pakistan’s Development: Social Goals and Private Incentives*, Harvard University Press, Cambridge, Massachusetts, United States, 1967).

<sup>363</sup> In his 1948 article, Spate in fact predicted what would be Pakistan’s chronic struggles: “The prospect may well prove to be a military state with little to spare for social services and, if relations with India are permanently strained (there is no real but plenty of irrational reason for this on both sides), social bankruptcy of the most devastating kind – the kind in which the Army takes its pay where it can find it, in fact takes over the state” (Spate 1948: 28).

<sup>364</sup> Siddiq 2007: 63

<sup>365</sup> Jalal 1995: 141

<sup>366</sup> Siddiq 2007: 129

defence force and we are, therefore, reluctantly constrained to spend on the Armed Forces money some of which, under better conditions, should have been available for the social, industrial and economic development of the country.”<sup>367</sup> In 1950, the finance minister made similar comments: “The scale of expenditure on Defence is disproportionately high and for a new country where every rupee ought to be spent on development and production.”<sup>368</sup> This excessive focus on defence spending over development was repeated in subsequent budget speeches until 1954-1955, when the finance minister instead emphasised the generous US military aid package and funding from other donors globally.<sup>369</sup>

With what limited funds were left, the state focused on development. This was seen as an uphill battle as “Pakistan was left with hardly any well organized industry and had to begin almost from scratch.”<sup>370</sup> It was considered to be a “long-range problem” and “slow affair,”<sup>371</sup> but this was also considered a necessary step for the “legitimacy of the [new] state.”<sup>372</sup> The finance minister remarked in his 1947-48 Budget Speech: “overall trading, business and economic conditions have been so seriously dislocated that it now depends largely on the initiative, power of recuperation and adaptability of the people of Pakistan, how quickly and effectively it may be possible to repair the damage done and to reconstruct the fabric of our economic life.”<sup>373</sup> He also noted the “gigantic” problem of absorbing six million refugees into the economic structure of West Pakistan. Beyond giving them food and shelter, there was a need to bring refugees into “our economic life”<sup>374</sup>, which he suggested would only happen after there was a significant surge in development.

To move development forward as quickly as possible, the emphasis was undoubtedly on “state facilitation of industrial growth through the concentration of capital” which was “rooted in American neo-liberal economic thought of the 1950s”<sup>375</sup> and developed by the state’s

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<sup>367</sup> Pg 7. *Budget of Central Government of Pakistan 1947-1948*, Government of Pakistan, Islamabad, Pakistan, 1948

<sup>368</sup> Pg 71. *Budget of Central Government of Pakistan 1949-1950*, Government of Pakistan, Expenditures, Sec 32, Islamabad, Pakistan, 1950

<sup>369</sup> *Budget Speeches of Central Government of Pakistan 1947-1948 to 1954-1955*, Government of Pakistan, Islamabad, Pakistan, 1956

<sup>370</sup> Pg 26. K. L. Seth, *Pattern of Economic Development in Pakistan*, Sterling Publishers, Delhi, India, 1967

<sup>371</sup> Pg 219. Jerome B. Cohen, Asia’s Economic Problems, *Far Eastern Survey*, Vol. 18: 19, pg 217-221, Sept 21, 1949

<sup>372</sup> Pg 87. Christopher Candland, *Labor, Democratization and Development in India and Pakistan*, Routledge, Oxford, United Kingdom, 2007

<sup>373</sup> Budget 1948: 4

<sup>374</sup> Budget 1948: 14

<sup>375</sup> Candland 2007: 88

Development Board and Planning Advisory Board.<sup>376</sup> In December 1947 at the Government's first Industries Conference<sup>377</sup>, "it was decided that the central government would plan the development of 27 urgently needed industries which included textiles, sugar, cement, electricity, heavy chemicals, heavy engineering, and arms and ammunition"<sup>378</sup>.

The first and subsequent budgets of this period focused on industrial development, though the publicly stated goal was for more "balanced development" through both increasing industrial and agricultural production.<sup>379</sup> The "herculean task of building an economic base was left to the state as the private sector was still in embryo and did not have the capital to lead an industrial revolution in the country"<sup>380</sup>. The government's credit (PICIC) and development (PIDC) corporations<sup>381</sup> played an integral role in developing certain key industries such as agricultural processing (jute, rice, wheat), food manufacturing (vegetable oil, sugar) and textiles (cotton, silk, wool).<sup>382</sup> Pakistan's "distinct economy" became "a source of supply of raw materials and a market for manufactured goods."<sup>383</sup> As the finance minister remarked in his 1947-48 Budget Speech: "Pakistan is at present mainly an agricultural country [but] in rapid industrial development lies our chief hope of increased prosperity."<sup>384</sup>

The initial budget speeches of this period repeatedly acknowledged that development could not alone be driven by the state – "private enterprise must also naturally play its big and rightful part."<sup>385</sup> The ruling civilian government thus singled out a small elite of industrialists to help build the new state's economy. Given the "net outflow of human capital" after partition with the departure of "skilled Hindu businessmen and technical migrant workers to India", these few industrialists were of considerable importance to the state.<sup>386</sup> The state's non-devaluation decision for its currency, resultant trade wars with India in jute and other commodities, as well as the struggling agricultural sector (e.g. the weak wheat harvests in 1952-1953 brought about by

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<sup>376</sup> Seth 1967: 26

<sup>377</sup> The results of the state's first Industries Conference are detailed in the *Economic Progress of Pakistan 1947-48* (Publications and Foreign Publicity Department, Government of Pakistan, Islamabad, Pakistan, January 1949).

<sup>378</sup> Pg 571. Irvin J. Roth, Government and Development of Industry in Pakistan 1947-67, *Asian Survey*, Vol. 11: 6, pg 570-581, June 1971

<sup>379</sup> *First Five Year Plan 1955-60*, Government of Pakistan, Islamabad, Pakistan, 1957

<sup>380</sup> Pg 5. S. Akbar Zaidi, *Issues in Pakistan's Economy*, Oxford University Press, Oxford, United Kingdom, 1999

<sup>381</sup> PIDC and PICIC were partially funded by foreign state and organizational donors. Details can be found in Irving Brecher and S. Abbas's study, *Foreign Aid and Industrial Development in Pakistan* (Cambridge University Press, Cambridge, United Kingdom, 1972).

<sup>382</sup> Seth 1967: 27

<sup>383</sup> Pg 43. S. M. Huda, Pakistan's Foreign Trade in *Pakistan Horizons*, Vol II: 3, September 1949

<sup>384</sup> Budget 1948: 20

<sup>385</sup> Budget 1948: 19

<sup>386</sup> Husain 2007: 10-11

drought conditions in West Pakistan)<sup>387</sup> added to the country's economic vulnerabilities in these initial years.

Politicians regularly called on entrepreneurs<sup>388</sup> – who initially were “hesitant to engage in new enterprises”<sup>389</sup> especially if it took away from the “prestige of landownership”<sup>390</sup> – to invest capital in various industries for Pakistan's “prosperity.”<sup>391</sup> This development focus was largely restricted to West Pakistan, until 1955 when more “balanced regional growth” was explicitly proposed in the First Five Year Plan.<sup>392</sup> Because many of these “merchants were shy [about] making industrial investments”<sup>393</sup>, the state offered incentives like reduced taxes, permits, tariffs, reduced duties<sup>394 395</sup> – even if such elite-focused benefits disadvantaged smaller businessmen and traders.<sup>396 397</sup>

This approach was in line with import substitution industrialization that was popular in many developing countries in the 1950s; in Pakistan, this meant that the state provided certain industrialists with “generous fiscal incentives, heavy protection, preferential access to foreign exchange allocation for imports of capital goods and credit at low, controlled sizable rents.”<sup>398</sup> This aspect of development policy encouraged a “private-public sector relationship where clientelism and patronage predominated.”<sup>399 400</sup> Elite industrialists came to expect preferential

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<sup>387</sup> Pg 19. J. Russell Andrus and Azizali F. Mohammed, *The Economy of Pakistan*, Oxford University Press, Oxford, United Kingdom, 1958

<sup>388</sup> The leading entrepreneurs of this period included the Adamjee, Dada and Fancy families. For more detail, see Zeeba Zafar Mahmood, *The Shaping of Karachi's Big Entrepreneurs (1947-98): A Socio-Political Study* (City Press, Karachi, Pakistan, 2003).

<sup>389</sup> Pg 32. Anita Weiss, *Culture, Class and Development in Pakistan: The Emergence of an Industrial Bourgeoisie in Punjab*, Westview Press, Boulder, Colorado, United States, 1991

<sup>390</sup> Papanek 1967: 28

<sup>391</sup> *Dawn*, December 3, 1949

<sup>392</sup> Seth 1967: 136 (Note: this regional imbalance would never be corrected, culminating in East Pakistan's secession and Bangladeshi independence.)

<sup>393</sup> Mahmood 2003: 100

<sup>394</sup> Pg 14. *Finance Minister Abdul Qadir's Speech on Pakistan's Third Budget (1950-1951)*, Publications Department, Government of Pakistan, Islamabad, Pakistan, 1951

<sup>395</sup> Pg 8. Specific details on state patronage to entrepreneurs and industrialists can be found in *Industry of Pakistan August 1947-August 1951* (Ministry of Industries, Manager of Publications, Karachi, Pakistan, 1951).

<sup>396</sup> An October 1953 *Dawn* editorial highlights one example of some industrialists in Sindh who felt excluded by the state-led development policy: traders urged Prime Minister Mohammad Ali to recognize that they had been “mercilessly neglected” and their position “jeopardised” by the policy pursued by the state's Chief Controller of Imports and Exports.

<sup>397</sup> Yet, to a certain extent in this initial period, these industrialists who agreed to invest were under the sway of government because bureaucrats controlled the import licensing system and thus had a “trump card” (Mahmood 2003: 100).

<sup>398</sup> Hussain 2007: 13

<sup>399</sup> Hussain 2007: 13

policies to run their businesses, reinforcing a state-industrialist expectation relationship within development policy.

As the industrialization process became more entrenched in Pakistan's economy, "industrialists earned extremely high profits, [many] investing mainly in consumer-goods industries where the entire initial investment could sometimes be recovered within a year."<sup>401</sup> By the early 1950s, this "new, able, ruthless group of industrial entrepreneurs"<sup>402</sup> like the Wazar Ali and Ghulam Faruque clans<sup>403</sup> became powerful enough to "influence government policy and even to bring about the fall of a Cabinet unresponsive to their pressure."<sup>404</sup> By the late 1950s, "sixty industrial groups (out of 300 firms) controlled 24.4% of private industrial assets."<sup>405</sup> It was obvious that "the Pakistani state explicitly privileged economic growth"<sup>406</sup> for this elite.

For their role in the state's new development policy, industrialists – largely in West Pakistan – became influential in terms of wealth and their power over government and its policies grew. They "made huge mark-ups for themselves and their families, but the spill overs to the rest of the economy were at best marginal."<sup>407</sup> Like in other developing countries, this was an obvious "elitist model of growth, where both economic and political power [were] held by a small coterie of elites" – it ensured that the "market [was] rigged and the state [was] hijacked in order to deliver the most of the benefits of economic growth to this small group."<sup>408</sup>

But what did labour gain from such elite-skewed industrial development? It was clear the civilian regime was "concerned primarily with accelerating the rate of growth of gross national product ... [while] other possible social goals were neglected."<sup>409</sup> This translated to "little development" for the majority of Pakistan's population, including labour.<sup>410</sup> Yet the state still

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<sup>400</sup> According to a *Dawn* editorial, industrialists used investment in industry as a bargaining chip so the Government "would never commit the economic "sin" of nationalization or State trading" which would take away from their own growing wealth (*Dawn*, March 4, 1952).

<sup>401</sup> Shaheed 2007: 20

<sup>402</sup> Pg 50. Gustav Papanek, The Development of Entrepreneurship, *The American Economic Review*, LII, 1962

<sup>403</sup> Pg vi. Naveed Hasan, *Managing Practices and Business Development in Pakistan 1947-88*, Ashgate Publishing, Hants, United Kingdom, 1997

<sup>404</sup> Maniruzzaman 1966: 89

<sup>405</sup> Mahmood 2003: 126

<sup>406</sup> Candland 2007: 88

<sup>407</sup> Husain 2007: 13

<sup>408</sup> Husain 2007: xii

<sup>409</sup> Pg 26. Keith Griffin and Azizur Rahman Khan, *Growth and Inequality in Pakistan*, Macmillan Press, London United Kingdom, 1972

<sup>410</sup> Griffin and Khan 1972: 27

managed to ensure that labour played a role in this elitist model of growth throughout this civilian-led era.

The state repeatedly insisted it would provide “very basic necessities” to its workers, which it claimed was its “primary task.”<sup>411</sup> This became part of the civilian regime’s strategy to promote a “moral economy” centred on its industrial development policy, so workers would play their role in national development for the basic subsistence promised by the state. This “subsistence ethic”<sup>412</sup> thus became the “norm and standard”<sup>413</sup> which labour expected the state to maintain, in return for its role in the country’s development project.

However, as explained later in this chapter, the state did not always uphold its promise of subsistence provision for labour, frequently hindering the state-labour expectation relationship. As a result, at certain points in this period, organized industrial workers challenged the state through unrest, impacting state legitimacy that even contributed to regime breakdown by the end of this civilian-led era. The question to consider first though is how the moral economy and labour’s expectation relationship with the state were derived.

#### SETTING UP THE EXPECTATION RELATIONSHIP IN THE MORAL ECONOMY OF DEVELOPMENT POLICY IN PAKISTAN: 1947-1951

To set up the expectation relationship in the moral economy, the state took a multi-pronged strategy. First, it cashed in on the nationalist sentiment of this post-war era in a new nation-state. It egged on labourers to work in the name of national duty as the Indian threat loomed over Pakistan, economically and otherwise. It also urged workers to be ready to sacrifice for their country as Pakistan fought a significant trade war with India. This introduced the notion that labour should not expect more than mere subsistence provision from the state in this initial period of stabilizing Pakistan.

Second, the state supported some trade unions over others to ensure the anti-government unions would struggle to find their footing and pro-government unions would not only survive but thrive. The state’s message for labour to do their duty was relayed to these unions, the idea being that they would then spread the message to their workers and so create “collectively held

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<sup>411</sup> Zaidi 1999: 5

<sup>412</sup> Scott 1976: 2

<sup>413</sup> Posusney 1993: 85

goals”<sup>414</sup> among labour that reflected the needs of the state to promote industrial development at all costs. The unions themselves also highlighted their expectation of the state to keep up with their promise of subsistence patronage.

Third, strategic communication and policies were introduced by the state to offer basic subsistence to industrial workers in terms of a stable level of wages and prices. This was key to creating a sense of entitlement of labour and expectation from the state for particular patronage. It formed the core of the legitimacy of the state-labour relationship, reinforcing for labour that the state would be “responsive” if the expectation of subsistence provision was not met by the state.<sup>415</sup>

#### LABOUR’S NATIONALISTIC ROLE OF SACRIFICE IN PAKISTAN’S “ECONOMIC WAR” WITH INDIA<sup>416</sup>

While Pakistan’s “survival as a nation-state”<sup>417</sup> was especially brought into question after the deaths of leaders Jinnah and Ali Khan in 1948 and 1951 respectively, the Pakistani state still fervently pursued industrial development throughout the 1947-58 period. The “political system” was considered a “farce” with its “short-lived governments”<sup>418</sup> but all leaders of this era followed the same strategy – industrial development was publicly equated with the country’s feeling of anti-India nationalism and Pakistani nationhood as a way for the state to achieve policy legitimacy.

The potential for another army-led battle with India loomed large, yet Pakistan also faced a “trade war”<sup>419</sup> with its rival, partly due to Pakistan’s decision not to devalue its currency in 1949.<sup>420</sup> Playing a role in industrial development was thus coupled with fighting the Indian enemy and framed by successive government politicians and bureaucrats as the individual Pakistani’s national duty, even if one was a mere factory worker. In these early years, the state frequently commented on India’s “economic war” on Pakistan and the need for Pakistanis to sacrifice to combat India<sup>421</sup>; this set up the idea that workers should only expect basic

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<sup>414</sup> Useem and Useem 1979: 841

<sup>415</sup> Useem and Useem 1979: 841

<sup>416</sup> *Dawn*, November 6, 1949

<sup>417</sup> Noman 1990: 9

<sup>418</sup> Noman 1990: 12

<sup>419</sup> *Morning News*, October 3, 1949

<sup>420</sup> Pg 9. Stephen R. Lewis Jr, *Economic Policy and Industrial Growth in Pakistan*, George Allen and Unwin Ltd, London, United Kingdom, 1970

<sup>421</sup> *Pakistan Times*, November 6, 1949



subsistence support and nothing more from the state during this period of struggle. In this sense, the state appealed to the individual Pakistani's sense of patriotic duty when performing his role in national development.

For instance, during this period, state officials frequently commented on how Pakistanis had to combat India in the war over certain commodities like jute. They claimed that India was actively smuggling jute from East Pakistan to West Bengal to “shatter the economy”; they even suggested that “Indian agents”<sup>422</sup> had been positioned all over the India-Pakistan border ready to “spread rumours”<sup>423</sup> about Pakistan's “weak” markets. In response, the Pakistani state encouraged East Pakistani jute sellers to counter Indian “propaganda” so it would not “lose its monopoly in the world market.”<sup>424</sup>

This trade war also applied to the cotton market. India's “boycott” of Pakistani cotton and its export trade was blatant, formalized in certain retaliatory measures. Yet state officials reassured the public they would overcome such actions, due to the arrival of Japan, China, Russia and other countries wanting to purchase Pakistani cotton.<sup>425</sup> There was a significant Pakistani movement to “boycott” Indian textiles as well. For instance, M. A. Jawad, leading member of Karachi's Textile Importers and Wholesale Cloth Merchants Association, repeatedly spoke out to workers and industrialists that this boycott would continue – until India stopped its “unfriendly trade policies” that were designed to “cripple the Pakistani economy.”<sup>426</sup> Students in East Pakistan also pledged their “full support” to boycott Indian textiles, led by East Pakistan's Muslim Student League.<sup>427</sup>

Besides textiles, Pakistan also felt India had “declared war” because it had suspended coal supplies with no warning.<sup>428</sup> Pakistani media outlets regularly commented on India's “discriminatory trade practices against Pakistan,” particularly in mustard oil, steel and coal, showing that its neighbour was “on the warpath” to destroy the new state “economically”<sup>429</sup> in various industries.

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<sup>422</sup> *Morning News*, October 3, 1949

<sup>423</sup> *Dawn*, October 19, 1949

<sup>424</sup> *Government Press Note*, October 11, 1949

<sup>425</sup> *Dawn*, October 2, 1949

<sup>426</sup> *Pakistan Times*, October 12, 1949

<sup>427</sup> *Pakistan Times*, October 8, 1949

<sup>428</sup> *The Times*, January 4, 1950

<sup>429</sup> *Pakistan Times*, October 13, 1949

With such obvious examples of India's conflict with Pakistan, strong figures in Pakistan politics and the army frequently spoke out to the public about the individual Pakistani's "duty" to the nation's industrial development. Prime Minister Ali Khan, for instance, spoke of how each Pakistani had to take a "daily vow to serve the nation" as "duty to the State comes first."<sup>430</sup> On another occasion, Ali noted that "the people" should be "ready to sacrifice all" to build Pakistan and counter the Indian economic threat.<sup>431</sup> Seven years before he would take over the country in the 1958 military coup, General Ayub publicly stated in a speech: "your efforts are directed towards making Pakistan stronger in whatever walk of life you may happen to be."<sup>432</sup>

In his first budget speech, the finance minister noted that, "the ultimate prosperity and security of Pakistan will depend upon our ability for disciplined hard work, sustained sacrifice, and the degree of enterprise and skill shown by our people."<sup>433</sup> The labour minister made a similar plea for Pakistani workers to sacrifice for their country in 1950: "We must share to take the responsibility in shaping the destiny of our nation. ... We are lucky that our people are all one in sacrificing their last drop of blood for their dear Pakistan. Let us all realise that oneness and take vow before one Allah, to one Prophet and to our one leader, Quaid-e-Azam that the sacred duty entrusted to us by them be fulfilled by us."<sup>434</sup>

At the first meeting of the Tripartite Labour Conference in 1949, Prime Minister Ali Khan addressed labour and their employers; he reminded them that development would lead to the country's prosperity if they would "sincerely collaborate" with the civilian regime for the sake of their country. "I do not promise you a utopia in the twinkling of an eye but I do promise you a rosy dawn and bright morning which will see us march on the road to prosperity and well-being provided – and it is very important proviso – you sincerely collaborate with Government in achieving what we all most passionately want to achieve – a progressive and prosperous Pakistan," he said.<sup>435</sup> Again, the state promoted the idea of sacrifice in the near-term for the sake of improvement in the long term for the individual Pakistani. An informal patron-client relationship between the state and workers was also hinted at as part of the moral economy of

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<sup>430</sup> *Dawn*, October 20, 1949

<sup>431</sup> *Dawn*, July 18, 1951

<sup>432</sup> *Dawn*, January 23, 1951

<sup>433</sup> Budget 1948: 18

<sup>434</sup> Pg 30. A. M. Malik, *Labour Problems and Policy in Pakistan*, Pakistan Labour Publications, Karachi, Pakistan, 1954

<sup>435</sup> Malik 1954: 67

development – if they worked within the state’s purview now, labour would be on the path to “prosperity”<sup>436</sup>.

In the first general meeting of the State Bank of Pakistan, Governor Zahid Hussain made similar remarks about sacrifice, nationalism and development. He noted: “the common man’s faith in the country’s destiny and enthusiasm for sacrifice” are “invaluable assets” in this nation-building period. The governor pointed out that if they work and sacrifice, they would be helping the country to progress. He said: “We must be prepared to face hard days ahead, but with trust in God and faith in our own power of endurance...”<sup>437</sup> Thus, the recurring message of the state to the Pakistani public was that sacrifice was necessary to counter India, especially in terms of labour’s role in industrial development.

#### STATE-TRADE UNION RELATIONS

Beyond speeches to the general public about a trade war with India, the state also focused in on certain key labour unions to educate workers specifically about the need to sacrifice in the name of national development and so to only expect basic subsistence from the state. There were about 300,000 workers and 75 trade unions in organized industry of Pakistan soon after partition, which included groups in textiles, cotton, chemicals, paper, wood and glass.<sup>438</sup> “The small size of the industrial labour force was an initial constraint to trade unionism in Pakistan”<sup>439</sup>, but it was also an advantage for the state to influence these few groups and so shape what “society’s collectively held goals”<sup>440</sup> should be for national development.

Most trade unions were part of the All-India organizations and “had no independent existence of their own.”<sup>441</sup> Previous union leaders were Hindu and migrated to India at partition; thus Pakistan-based unions were initially “deprived of the leadership and active members who had previously been provided by the central organisation.”<sup>442</sup> This gave the state an opportunity to mold the trade unions to operate in line with national objectives from the get-go. By 1951,

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<sup>436</sup> Malik 1954: 67

<sup>437</sup> *1949 State Bank Report*, Government of Pakistan, Islamabad, Pakistan, 1949

<sup>438</sup> Andrus and Mohammed 1958: 439-442

<sup>439</sup> Candland 2007: 36

<sup>440</sup> Useem and Useem 1979: 841

<sup>441</sup> Amjad and Mahmood 1982: 4

<sup>442</sup> Amjad and Mahmood 1982: 4

there were almost 200 unions, the most active unions in “basic industrial infrastructure”, including railways, shipping, hydroelectric power, post and telegraph, cement and mining.<sup>443</sup>

The state’s chief strategy was thus to “promote the formation of a nationwide labour organization which would align itself with its goal of rapid economic development” and reinforce a sense of sacrifice among labourers.<sup>444</sup> After partition, there were four national trade union organizations: All Pakistan Confederation of Labour (APCOL), Pakistan Mazdoor Federation, United Trade Union Federation and East Pakistan Mazdoor Federation. But it was APCOL that the state promoted at the expense of other smaller unions and that was cajoled into promoting subsistence among its members, in keeping with the state’s version of a moral economy of development policy.

APCOL was formed under “government patronage” and came to be recognized as the “sole representative of the working class in Pakistan.” It was “given representation in all national and international organisations.”<sup>445</sup> APCOL also received foreign support in terms of “direct financial assistance” that allowed the organization to set up nationwide offices and to “influence local trade union leaders.”<sup>446</sup> Other trade unions – “either because of a lack of financial support or fear of government reprisals – also fell in line with APCOL’s ethos of workers’ sacrifice and subsistence, at least in this initial period.<sup>447</sup> For many members, “the fear of losing government support and in many cases attractive salaries acted as strong disincentive to leave it.”<sup>448</sup>

By 1958, APCOL considered itself the “most representative organization of the working class in Pakistan” with 635 trade unions and 376,029 in membership<sup>449</sup>, and a state-influenced ethos. “Radical” unions like the Communist-influenced Pakistan Trade Union Federation (PTUF) were weakened as the state focused its patronage on other unions. “The period of radical trade union activity for all practical purposes had come to an end” as early as 1951.<sup>450</sup>

The state also used its influence to remind workers of what they could expect of the state in terms of industrial relations. Labour officials spoke to workers regularly about the state’s promotion of workers’ rights. For instance, at a speech to union workers in 1951, Labour

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<sup>443</sup> Candland 2007: 36

<sup>444</sup> Shaheed 2007: 86

<sup>445</sup> Amjad and Mahmood: 1982: 7-8

<sup>446</sup> Amjad and Mahmood 1982: 8

<sup>447</sup> Amjad and Mahmood 1982: 8

<sup>448</sup> Amjad and Mahmood 1982: 8

<sup>449</sup> Amjad and Mahmood 1982: 9

<sup>450</sup> Amjad and Mahmood 1982: 7

Minister Dr A. M. Malik “assured” workers that the state’s “chief interest [was] to safeguard and maintain the legitimate and reasonable interests for all workers.”<sup>451</sup> He noted that the state would not “sit idle with the differences between [workers and employers] growing wider and wider bringing about strikes and lock-outs to the great detriment of the State.”<sup>452</sup> Malik reinforced the importance of “Government machinery” and how workers would “always receive a fair deal at the hands of the Government.”<sup>453</sup>

While the state promoted its subsistence and sacrifice ideology to certain union leaders, these union leaders in turn spread this rhetoric to workers that created expectation of certain patronage from the state. In fact, at various labour conferences, Pakistani union leaders publicly vocalized their expectation of labour to sacrifice for development; these leaders also expressed their expectation of the state to provide subsistence patronage in return.

At the International Labour Organization’s first Asian Regional Conference held at Nuwara Eliya (Ceylon) in 1950 for instance, Faiz Ahmad, Pakistan Workers’ Delegate, “wholeheartedly supported objectives” of the state and the need for basic subsistence for labour to achieve Pakistan’s state-led development. According to the conference report, Ahmad “pointed out that a hungry man was not in a position to understand the meaning of political [and economic] freedom if he were treated more or less as a commodity [by the state].”<sup>454</sup>

At the Committee on Workers Welfare in 1950, Ahmad forcefully represented Pakistani labour once again, noting how the state’s “increase in production depends ... upon sustaining the welfare standards of the workers.”<sup>455</sup> He also stated that it was the responsibility of government and its policies to “provide welfare services” and that the “amenities of life for the benefit of workers in various undertakings... should be financed by the state.”<sup>456</sup>

Of course, this is not to suggest that union leaders did not want more for their members beyond immediate subsistence from the state. The West Pakistan Federation of Labour, a part of APCOL, for instance aimed to “strive for the amelioration of the economic, political and social conditions of the working class; to support and participate actively in the struggle for Pakistan’s

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<sup>451</sup> Malik 1954: 53

<sup>452</sup> Malik 1954: 53

<sup>453</sup> Malik 1954: 54

<sup>454</sup> Reference to Faiz Ahmad, Pakistan Workers’ Delegate, in Committee on Workers Welfare; *Report of the Leader of Pakistan Delegation to Asian Regional Conference of ILO* (Pg 13. Government of Pakistan, Ministry of Law and Labour, Manager of Publications, Pakistan Government Press, Lahore Pakistan, 1950).

<sup>455</sup> Ahmad 1950: 8

<sup>456</sup> Ahmad 1950: 14

political and economic freedom from the point of view of the working class.”<sup>457</sup> But these goals were considered more long-term, while the state-directed goals of sacrifice and subsistence were considered more short-term as a trade war ensued with India and Pakistan struggled to establish its economy.

Union leaders also made it clear to members that, if the state failed to meet such expectation of patronage, there would be repercussions – particularly through strikes. The APCOL framed its constitution in terms of “securing and maintaining for workers of Pakistan the ... right to strike or withdraw labour.”<sup>458</sup> In fact, at the First Pakistan Labour Conference in 1949, Ahmad spoke out for his fellow workers, noting that the state had taken some steps to “move in the right direction” to “relieve the distress of the working classes” but there was more to be done if the state wanted production to continue “unhindered.”<sup>459</sup> He used this forum to reveal to the state that some employers were openly “victimising” labour and working conditions were “bad.” If state institutions did not deal with this immediately, Ahmad suggested key unions would have to “re-evaluate” its position on the ruling regime and its policies,<sup>460</sup> thus hinting at the patron-client link between the state and organized industrial workers.

Such recurring rhetoric from labour leaders and state officials reminded workers of what they should expect from the state within the scope of industrial relations. It also reminded the state of its obligation to industrial workers – to provide subsistence conditions, which are discussed in terms of wages and prices in this thesis.

## WAGES

In these early years after partition, the state adopted a multi-pronged strategy – strategic speeches, conferences and legislation – to show that wages could be sustained for industrial labour. This was the first key component of labour’s expectation of the state in this moral economy of development policy. It thus formed one part of the core of the legitimacy of the state-labour relationship, reinforcing for labour that the state would be “responsive” if the expectation of wages was not met.<sup>461</sup>

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<sup>457</sup> Pg 42-43. Khalid Mahmud, Trade Unionism in Pakistan, *Studies in Political Science, Public Administration and International Affairs*, University of Punjab, Lahore, Pakistan, 1958

<sup>458</sup> *Pakistan Times*, May 22, 1956

<sup>459</sup> Shafi 1952: 166

<sup>460</sup> Shafi 1952: 167

<sup>461</sup> Useem and Useem 1979: 841

First, it was clear that state officials wanted to project themselves as pro-labour through strategic speeches directed at elite industrialists. Outside parties like the ILO Labour Mission revealed to Pakistan's regime that "management, unable or unwilling, to see the necessity for the expense, do not realize that welfare work, by establishing good labour relations, can show results on the right side of the balance sheet."<sup>462</sup> Jinnah in 1948 was the first to talk to industrialists about fair wages: "I have no doubt that in Pakistan, traders and merchants ... in building up their own fortune, will not forget their social responsibility for a fair and square wage [for labour]."<sup>463</sup>

Other state officials also specifically encouraged industrialists to offer fair wages to their workers. In 1951, State Bank Governor Hussain told a group of industrial elites that they "should not hold back today what the workers would seize from them by force tomorrow."<sup>464</sup> In 1948, Prime Minister Liaquat Ali Khan made a similar speech to Karachi industrialists: "Pakistan will certainly not be a capitalist country; it will not be a communist country, it will function on the principles of Islam" and social justice.<sup>465</sup> He noted that, "our resources are considerable; we have only to harness them to step up the national income and offer a fair wage for the worker."<sup>466</sup>

Labour Minister Dr Malik frequently spoke out about industrialists' role in furthering the state's commitment to "a fair deal for labour."<sup>467</sup> He told industrialists in 1951: "Pakistan has not been established for the benefit of any group or class of people. It has been established for the good and prosperity of its general masses. The working population forms the majority of its people. Their prosperity is therefore the prosperity of Pakistan. ... Heavy responsibility lies upon you – the employers. ... [You are] trustees on behalf of the nation entrusted with the job of looking after the workers and meeting their legitimate needs and demands. ... A contented and happy worker is not only an asset to himself, but an asset to the industry as well as to the nation. ... Those on whose lot have fallen the responsibilities of looking after labour [must] play their part fairly and justly."<sup>468</sup> This was not mere rhetoric – these public comments were extensive, elaborate, frequent and explicit. They were part of the state's strategy to achieve policy

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<sup>462</sup> Pg 20-21. *Report of the ILO Labour Survey Mission on Labour Problems in Pakistan*, Government of Pakistan, Islamabad, Pakistan, 1952

<sup>463</sup> Karachi Chamber of Commerce n.d.; in Shaheed 2007:18

<sup>464</sup> *Dawn*, October 1, 1949

<sup>465</sup> Pg 62. Badiuddin A. Khan, *Structure of Industrial Relations in Pakistan*, Royal Book Company, Karachi, Pakistan, 1992

<sup>466</sup> Pg 3. Foreword by Prime Minister Liaquat Ali Khan, *Industry of Pakistan Aug 1947-Aug 1951*, Ministry of Industries, Manager of Publications, Karachi, Pakistan, 1951

<sup>467</sup> Malik 1954: 124

<sup>468</sup> Malik 1954: 32-33

legitimacy in terms of shared norms about the significance of boosting industrial development for Pakistan.

Second, the state appeared to push further for labour's wages through specialized and highly publicised conferences involving government, industrialist and labour representatives. Documentation from such conferences was then widely distributed to key trade unions to further influence labour about the state's commitment to their needs and the relevant laws in place. This was another key way for the state to monitor and shape industrial relations, while reiterating to labour about wages that they should expect in this moral economy of development policy.

At the first Pakistan Labour Conference in 1949, for instance, Prime Minister Liaquat Ali Khan acknowledged that, "labour constitutes not only the largest section of the population of any country but also the most important. It is obvious that if a Government really intends to improve the lot of its people, it is the worker, the man in the street, it has in its view. My Government is fully determined to ... make every possible effort to improve the lot of the common man. ... Pakistan based on the Islamic principles of freedom, equality and social justice. Therefore the first and foremost duty of my Government is to end all exploitation of one group of people by another. There can be no greater guarantee of justice to labour."<sup>469</sup> He specifically directed his comments to industrialists in attendance: the "Holy Prophet, Peace be on Him with His deep wisdom, had understood this well and he said it again and again that every man must receive the wages that are his due and the full fruits of his labour."<sup>470</sup>

At the All-Pakistan Confederation of Labour in 1950, Labour Minister Malik also told employers directly – "Please read the writing on the wall. If you keep your labourers contented with fair wages ... you will get much better return from them than what you are getting now."<sup>471</sup> He then told labour representatives: "You have one great advantage in Pakistan, your Government is prepared to help you and your employers are sympathetic. I tell you this from my own experience."<sup>472</sup>

Third, through various laws inherited from pre-partition India, Pakistan's government organized industrial-labour relations at the national and provincial level, thus explicitly making

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<sup>469</sup> Pg 6. *Summary of Proceedings, First Pakistan Labour Conference*, Government of Pakistan, Ferozsons Publishers, Karachi, Pakistan, 1949

<sup>470</sup> First Pakistan Labour Conference 1949: 6

<sup>471</sup> Malik 1954: 29

<sup>472</sup> Malik 1954: 29



the state accountable for wages for workers.<sup>473</sup> While there was no official labour policy until 1955, ruling politicians and bureaucrats were still seen as central to industrialist-worker relations through such legislation.

This included the 1947 Industrial Disputes Act, which served to “promote measures for securing and preserving amity and good relations between employer and workmen.”<sup>474</sup> It was supposed to “provide a speedy remedy to workers and officers of trade unions for redressing grievances”, particularly in term of labour’s wage-related issues.<sup>475</sup> Through this law, the state encouraged labour to settle any wages disputes through the Central Conciliation Department or the Industrial Tribunal – both of which were run by government appointees.<sup>476</sup> The impetus of this machinery was also to limit strikes that would hinder national production; strikes and lock-outs could not be declared without first going through appropriate state mechanisms.<sup>477</sup>

The Factories Act 1934 was considered “of vital importance for labour”<sup>478</sup>, giving specific regulations about maximum working hours for industrial factory workers and required rest periods, as well as other minimum working conditions which industrialists were legally expected to provide for their workers. It was the “responsibility of the Provincial Governments”<sup>479</sup> to administer the various labour-related acts. But it was the Payment of Wages Act 1936 that explicitly guaranteed a subsistence wage for labour. “Central and Provincial Governments [were] empowered to extend all or any of the provisions of the Act.”<sup>480</sup> It specified a monthly wage limit of Rs 200, applying to all industry workers.<sup>481</sup>

Although it became questionable as to how effective strategic speeches, conferences and laws were in providing wages for labour, the state clearly made considerable effort to show that it was pro-labour. It also highlighted to labour that state institutions existed to guarantee wages within this moral economy of development policy. Of course, as was evident throughout this

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<sup>473</sup> Pg 85. Mohammad A. Khan, *Non-Agricultural Labour Conditions in West Pakistan: Analysis, Evaluation, Suggestions*, PhD Thesis, University of Basel, Switzerland, 1966

<sup>474</sup> Section 3. *Industrial Disputes Act*, Government of Pakistan, Islamabad, Pakistan, 1947

<sup>475</sup> Amjad and Mahmood 1982: 34

<sup>476</sup> Khan 1992: 32

<sup>477</sup> Khan 1992: 32

<sup>478</sup> Pg 29. M. Shafi, *Pakistan Labour Year Book 1949-50*, Labour Publications, Karachi, 1950

<sup>479</sup> Shafi 1950: 29

<sup>480</sup> Shafi 1950: 46

<sup>481</sup> Pg 143-144. *Worker Journal*, Oct 1951-Sept 1952, Pakistan Labour Publications, Karachi, 1952

period, industrial workers held strikes – or what can be termed “entitlement protests”<sup>482</sup> – against the state when it felt expected wages were not being offered by the state.

### PRICES

In this initial period, the state adopted a similar multi-pronged strategy – speeches, conferences and legislation – to show that prices could be offered to industrial labour and so achieve policy legitimacy. This was the second key component of labour’s expectation of the state in this moral economy of development policy. It thus formed the second part of the core of the legitimacy of the state-labour relationship, reinforcing for labour that the state would be “responsive” if the expectation of prices was not met.<sup>483</sup>

First, it was clear that state officials wanted to project themselves as pro-labour through public speeches specifically about keeping basic prices low. In 1950, the civilian regime vowed to “bring down prices” to “benefit” workers and also ensure that increased taxes would not “burden” the poor.<sup>484</sup> The Labour Minister pointed out the need for “price control” to ensure a subsistence standard of living for labour,<sup>485</sup> noting the “huge discrepancy between wholesale and retail prices of various imported consumers’ goods.”<sup>486</sup>

In this early period, there was a widespread perception of hoarding and black-marketing by certain elites that drove up prices of basic goods. State officials frequently spoke out against suspected industrialist offenders. As early as 1947, the state highlighted the questionable increase in local salt prices: “The Government views with concern the manner in which some traders have taken advantage of a temporary shortage of supplies in certain areas to push up the local salt prices to unconscionable heights in total disregard of the hardships thus inflicted on the community.”<sup>487</sup>

In 1951, Deputy Finance Minister Ghayasuddin Pathan actually publicly connected the salt shortage in East Pakistan with the actions of particular industrialists in the black-market. Pathan said, “the black-marketers have again been able to blacken the face of holy Pakistan and

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<sup>482</sup> Posusney 1993: 109

<sup>483</sup> Useem and Useem 1979: 841

<sup>484</sup> *Dawn*, March 19, 1950

<sup>485</sup> Shafi 1950: 120

<sup>486</sup> *Pakistan Times*, January 14, 1950

<sup>487</sup> *Government Press Note*, November 5, 1947

are making profits at the cost of the poor people by unfair means.”<sup>488</sup> This led to significant speeches by state officials about the need to set a minimum price on basic goods. For instance, prominent politicians like Begum Jahan Ara Shah Nawaz<sup>489</sup> reiterated on many occasions how the “Government should give a constitutional guarantee of basic minimum prices”<sup>490</sup> for the poorer classes, including industrial labour.

Second, the state highlighted labour’s need for prices in its highly publicised conferences involving government, industrialist and labour representatives. Documentation from such conferences was then widely distributed to key trade unions to further influence labour about the state’s commitment to low prices. This was another key way for the state to monitor and shape industrial relations, while reiterating to labour about prices to which they were entitled in this moral economy of development policy.

At the International Confederation of Free Trade Unions in 1949, for instance, Labour Minister Malik highlighted explicitly to workers how the state would “put as many checks on inflation as may be practicable, in order to keep prices under control and to avoid a spiral of wages chasing prices.”<sup>491</sup> At the state-organized Pakistan Tripartite Labour Conference in 1950, Malik again reasoned that: “The country is poor and hunger is great. The wage-earners do not get enough to make both ends meet. They starve. They die for want of food and lack of medicine. It is no surprise that they are discontented. You cannot expect good output and efficient work from a starved person who cannot afford to pay for basic items.”<sup>492</sup>

At the next Tripartite Labour Conference in 1951, he reinforced this point: “Since wage earners constitute the largest section of the people of the country, it is they who are most hard hit if there is any price increase. There is, therefore, the largest share of responsibility for building up an economically sound and stable nation with stable prices.”<sup>493</sup>

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<sup>488</sup> But the view of the deputy finance minister appeared to be a minority one in the government. *Dawn* (November 10, 1950) identified that “many businessmen would frankly see no harm in profiteering, evading the income or sales tax, and even cheating the customer. ... It should have by now become finally clear to the authorities that their fervent persuasions with the business class have made no difference either to its profiteering or to its chronic reluctance to invest its money for the good of the country. ... Controls are no remedy at all; in this subcontinent they have unfailingly played into the hands of business, created and aggravated shortages and sent prices up.”

<sup>489</sup> She was one of only two female members of government at the time.

<sup>490</sup> *Worker Journal* 1952: 213

<sup>491</sup> Malik 1954: 124

<sup>492</sup> Malik 1954: 4-5

<sup>493</sup> Malik 1954: 11-12

Third, through specific laws and policies, the Pakistani state tried to control prices, thus explicitly making the state accountable for prices for workers.<sup>494</sup> Although some state officials viewed the rise in prices of essential goods as the “price of industrialisation” that had to be paid,<sup>495</sup> the rise in prices was also widely attributed to hoarding and black-marketing by certain elite industrialists. Controlling food prices was thus a recurring step taken by ruling political elites during this period, using different strategies.<sup>496</sup>

To tackle high salt prices from elite hoarding, for instance, the state created a monopoly procurement system in the 1950s to ensure the distribution of salt to workers at fair prices. There were also a few rounds of heavily publicized arrests of lower level industrialists and seizure of their salt stocks.<sup>497</sup>

The state introduced “fair price shops” across Pakistan to ensure “regular supplies”<sup>498</sup> and “fixed prices” of “essential goods”<sup>499</sup> for workers. Specific government ordinances were announced in the early 1950s to control prices and dictate the specific amount of a commodity that each individual could buy. For instance, in 1950, the Governor General had announced that “premises may be searched” to see if “wholesalers, retailers, traders or anyone else” was hoarding a commodity, and thus going against the law.<sup>500</sup>

The state even intervened directly in the sale of commodities in the market to reduce the risk of price manipulation by certain groups. For instance, in 1951, Punjab’s provincial government monitored the sale of local and United States imported wheat and flour through depots. The state offered specific instructions as to how the sale would be carried out to counter those who “were selling their quotas in the black-market since the failure of rains had caused a rise in prices in wheat in open market.”<sup>501</sup>

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<sup>494</sup> Khan 1966: 85

<sup>495</sup> *Dawn*, September 26, 1951: Ministries of Industries Qayyum Khan said the period of transition from an agricultural to an industrial economy mean that “trouble, hardship, disbalance and disequilibrium” were to be expected.

<sup>496</sup> A November 19, 1955, *Dawn* editorial commented on the price spiral and the Government’s response: “Local efforts to check rising prices and regulate essential supplies have been well directed to alleviate some of the hardships of the consumer. It is clear however that the chronic imbalance in price structure of country has deeper roots in long mismanaged economy and as such can only be corrected by a more comprehensive effort on a large national level. ... The suffering and deprivation of large numbers of the poor and middle classes – already acute enough – will grow still worse.”

<sup>497</sup> *Dawn*, November 10, 1950

<sup>498</sup> *Pakistan Times*, June 27, 1950

<sup>499</sup> *Dawn*, July 26, 1951

<sup>500</sup> *Pakistan Times*, July 18, 1950

<sup>501</sup> *Dawn*, September 23, 1951

A Food Grains Order was also created to counter smuggling of goods leading to high prices, particularly in Sind. While it had limited results, it at least showed labour that the state was taking concrete action to ensure prices that they expected for their role in development. As a *Dawn* editorial noted, for the worker, “the efficiency of the Provincial Government in dealing with the food crisis, which means in dealing with [elite] hoarders and smugglers, will be the acid test of their honesty and sincerity.”<sup>502</sup>

Although it became questionable as to how effective public diplomacy and specific government orders were in providing prices for labour, the institutions did exist for them to have their voice heard and have their subsistence needs met within this moral economy centred around development policy. It appeared that the state was taking appropriate measures to ensure that labour would be offered prices in return for their role in industrial development. Of course, as was evident especially during the end of this civilian-led era in 1957-1958, industrial labour would stage “entitlement protests”<sup>503</sup> against the state when it felt prices were not being delivered.

#### MORAL ECONOMY VIOLATIONS AND LEGITIMACY STRAIN OF THE STATE 1952-1956

During this early nation-building period of 1947-1951, the state thus did work to both build the expectation of what labour should receive for its role in national development through public communication and take specific measures to follow through on this identified goal – it effectively tried to achieve “policy legitimacy.”<sup>504</sup> At the same time, workers also expressed their expectation of the state in terms of their subsistence needs. In this sense, the moral economy centred around development policy was established during this initial era of civilian rule in Pakistan, with specific expectations built into the state-labour and patron-client relationship. The state clearly used this “ideology” of subsistence and nationalistic sacrifice “to build legitimacy” among unions and industrial workers. It aimed to create “unity of national purpose”<sup>505</sup> to reduce

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<sup>502</sup> *Dawn*, February 27, 1951

<sup>503</sup> Posusney 1993: 109

<sup>504</sup> Smoke 1994: 100

<sup>505</sup> Pg 112. William P. Avery, Political Legitimacy and Crisis in Poland, *Political Science Quarterly*, Vol. 103: 1, pg 111-130, Spring 1998

the risk of strikes and so maximize industrial productivity that would in one sense legitimize the new state.

But after 1952, the state spent less time on building up expectation and more of its focus simply reacting to labour unrest over specific moral economy violations. This was in the backdrop of legislation to “control” workers and unions such as the Pakistan Essential Services (Maintenance) Act and Section 23 and 24 of the Industrial Disputes Act that made strikes “illegal.”<sup>506</sup> Effectively, the significant build-up in 1947-1951 later led to legitimacy strain for the state when it appeared it was not fulfilling labour’s expectation for specific subsistence goods. Previously, the state’s moral economy “ideology [had repeatedly promised] a bright new future as the principal means for establishing legitimacy” but such performance-based legitimacy became “hazardous”<sup>507</sup> with increasing moral economy violations involving wages; this was particularly the case in terms of wages in 1952-1956 as strikes steadily increased<sup>508</sup> against the state. In effect, when labour’s expectation of wages was not met and thus “promises [were] not realized,” the authority of Pakistan’s political leaders quickly “eroded”<sup>509</sup> in their eyes, which led to industrial unrest directed at the state.

Since civilian leaders in the new Pakistani state did “not yet have an easy command of power” and institutions were not firmly entrenched, industrial workers appeared to be evaluating the new state “within a very narrow range of acceptability, requiring only a minor [issue] to spark a crisis.”<sup>510</sup> Such moral economy violations represented workers’ temporary “loss of public confidence” in the state and increased “the potential for disorder.”<sup>511</sup> The disruption in production created legitimacy strain for the new state struggling to develop its industrial economy. This reflects the hypothesis of this thesis: *when there is a decline in subsistence conditions (i.e lower wages, labour stops production through unrest and thus creates legitimacy strain for the Pakistani state.*

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<sup>506</sup> Candland 2007: 38

<sup>507</sup> Avery 1988: 112

<sup>508</sup> Strikes decreased temporarily in 1955, however, due to the state’s official labour policy finally being announced. This is mentioned later in this chapter.

<sup>509</sup> Pg 141. Lucian W. Pye, *The Legitimacy Crisis in Leonard Binder, Crises and Sequences in Political Development*, Princeton University Press, Princeton, New Jersey, United States, 1971

<sup>510</sup> Avery 1988: 112

<sup>511</sup> Useem and Useem 1979: 841

Two types of wage-focused strikes against the state can be inferred from available data. First, workers would strike against the state when it appeared the state was not taking necessary action against industrial elites who were unfairly firing workers or limiting their wages in some way. It was thus rooted in “workers’ sense of injustice, a feeling that they were being denied something to which they were entitled”<sup>512</sup> as part of the moral economy of development policy. Second, industrial workers would strike against the state when they felt state-run institutions and policies did not follow through on delivering expected wages. This could be termed “entitlement protests” rooted in “unmet promises” embedded in state institutions and policies – “anger over unmet expectations [was] the impetus to workers’ actions.”<sup>513</sup>

After both types of wage-focused labour unrest, the state immediately responded with specific speeches or policies to limit any further legitimacy strain. This typically saw the end of industrial unrest and the resumption of labour’s role in production. During this period, this pattern of events occurred repeatedly in various industries. The wage data below reinforces that subtle changes in industrial wages overall had no significant impact on labour unrest. Whether general wage levels increased or decreased, it was specific moral economy violations at the level of individual or a group of industrial outlets that labour perceived as broken promises by the state to maintain wages and which prompted workers to engage in unrest.

***Real Wages of Industrial Workers***<sup>514</sup> (Rs per year per worker)

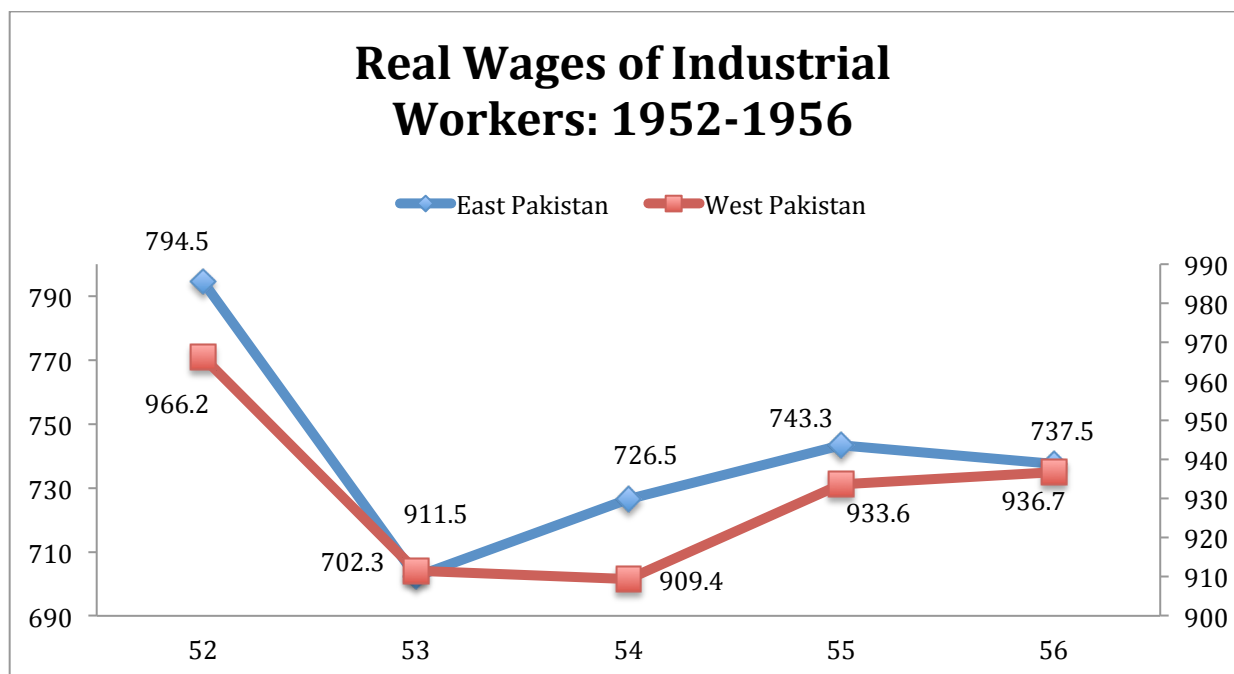
<b>Year</b>	<b>East Pakistan</b>	<b>West Pakistan</b>
1952	794.5	966.2
1953	702.3	911.5
1954	726.5	909.4
1955	743.3	933.6
1956	737.5	936.7

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<sup>512</sup> Posusney 1993: 100

<sup>513</sup> Posusney 1993: 108

<sup>514</sup> *Annual Economic Surveys 1953-1957*, Government of Pakistan, Islamabad, Pakistan, 1953-1957



There was, however, a noticeable drop in industrial unrest after the state’s announcement of its labour policy in 1955 – the first and only official labour policy of this civilian-led era. For workers, this policy finally represented state progress towards meeting workers’ expectation of wages through specific policies. However, a year later, it appeared labour’s expectations of this policy were not met as industrial unrest began to increase again, in fact doubling in one year from 75 incidents in 1955 to 150 in 1956 – its highest point in the 1952-1956 period. By this point, even amendments to the 1947 Industrial Disputes Act<sup>515</sup> in 1956 could not appease labour who did not expect the civilian regime would be able to deliver wages. This added to the legitimacy strain of the state.<sup>516</sup>

Period	Number of Unions	Members	Labour Unrest Over Wages <sup>517</sup>	Production Days Lost
1952	352	394923	93	126178
1953	394	424563	99	79058
1954	382	410755	107	283994
1955	474	325610	75	121312

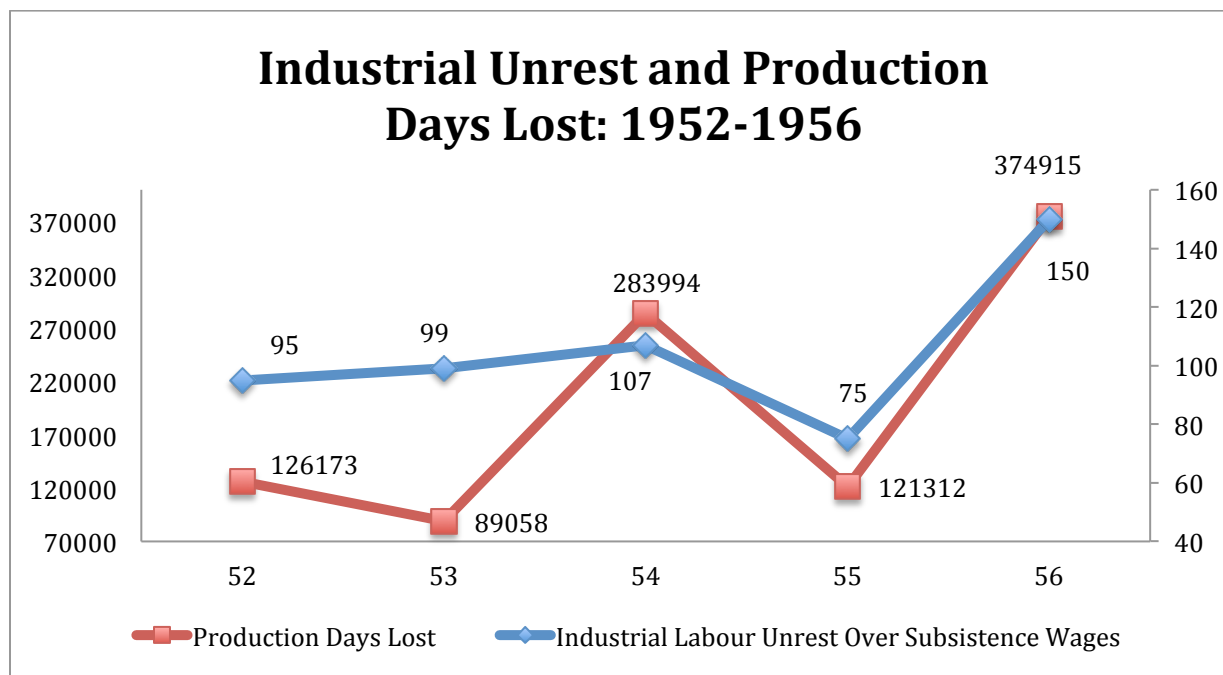
<sup>515</sup> See Amjad 2001: 67-71 for more details on labour legislation in 1947-1958.

<sup>516</sup> The high level of labour unrest over wages continued in 1957 with 150 incidents, but then declined in 1958 to 93. However, this drop in industrial strikes over wages did not reflect the rapid rise in labour unrest over prices in 1958 that also involved other classes all over the country, as Pakistan’s experienced its first process of regime breakdown in its turbulent history – this is explained in the last section of this chapter.

<sup>517</sup> *Pakistan Labour Gazette*, Various Years



1956	542	316642	150	374915
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#### INDUSTRIAL UNREST OVER FIRST WAGE ISSUE: 1952-1954

The first type of industrial unrest focused on industrialists' treatment of workers with respect to expected wages. In this case, workers held strikes against the state because it appeared the state was not taking necessary action against industrial elites who they felt were unfairly limiting their labour's wages and so threatening their subsistence. Such a moral economy violation was thus rooted in "workers' sense of injustice, a feeling that they were being denied something to which they were entitled."<sup>518</sup> This was clear evidence of industrial labour independently attacking the state in a period not necessarily preceding the decline of the ruling regime – unlike what is suggested in the existing literature. After this type of wage-focused labour unrest, the state responded strongly with specific speeches to industrialists and labour to limit any further legitimacy strain. This saw the end of industrial unrest and the resumption of labour's role in production.

This pattern of events was obvious in the textiles industry, particularly in certain silk, cotton and jute factories that sprang up soon after partition. Such textiles represented over 40% of Pakistan's industrial employment, plus over 30% of its value added in manufacturing and 40%

<sup>518</sup> Posusney 1993: 100

of exports.<sup>519</sup> It was thus crucial for the state to attend to textile workers' welfare in the interest of maintain industrial production and one form of legitimacy of the state.

From 1951 to 1952, the amount of industrial disputes involving wages significantly increased from 64 to 95 incidents, after a modest rise from 1947-1951 during the initial build-up of the moral economy. In January 1952, for instance, more than 4,000 industrial workers marched through Karachi to highlight the failure of industrialists to deliver promised wages; these labourers came from several textile outlets including Valika Textile Mills, Alamin Silk Mills, Zebtan Textile Factory and Dyer Textile Mill.<sup>520</sup> Workers rallied together to specifically speak out against the state to take some action and “fulfill their promises” of ensuring that industrialists deliver expected wages.<sup>521</sup>

Some workers at Valika Textile Mills and Alamin Silk Mills claimed they had been unexpectedly fired with no severance pay, while others at Zebtan Textile Factory and Dyer Textile Mill spoke of their employers' decision to reduce their wages with no apparent warning or rationale.<sup>522</sup> Effectively, through such unrest, workers were first challenging their employers about their mistreatment and broken promises. But they were also questioning the legitimacy of the state-labour relationship, pointing out to the state their considerable “sense of injustice”<sup>523</sup> involving the lack of wages the state had guaranteed repeatedly.

In earlier years, the state's hold over certain unions via patronage seemed impenetrable in that state and labour interests seemed aligned along similar nationalistic lines. But, with the failure of the state to uphold its expected guarantee of wages, it became apparent that labourers would speak out for their rights and against state inaction – in this specific sense, labourers were acting independent of any state or elite influence to demand their wages and attack the legitimacy of this particular moral economy centred around industrial development policy. Union leaders like APCOL President M. A. Khatib repeatedly accused “the state” of allowing industrialists to put their own interests ahead of the nation and “exploit” existing surplus labour with limited wages – a result of the influx of refugees after partition.<sup>524</sup>

There were immediate public statements from various state officials, including the prime minister and industries minister, saying these disputes should be resolved as soon as possible in

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<sup>519</sup> Candland 2007: 146-147

<sup>520</sup> *Worker Journal* 1952: 40

<sup>521</sup> *Pakistan Times*, January 11, 1952

<sup>522</sup> *Worker Journal* 1952: 45

<sup>523</sup> Posusney 1993: 100

<sup>524</sup> *Dawn*, January 12, 1952

the national interest.<sup>525</sup> But, weeks later, in February 1952, the textile workers' strikes continued in different cities including Karachi and Lahore. Industrialists once again publicly refused to give into labour's demands. They asked the government to end such strikes, which the owners said were "foreign" inspired and aimed at paralysing Pakistan's textile industry. The Karachi Mills Owners Association insisted that the "demands of labour [were] both illegal and uncalled for"<sup>526</sup>, only serving to hinder production and go against the national agenda.

The workers and industrial elite had appeared to reach an impasse in their negotiations and the break in production clearly created legitimacy strain for a state that focused significant energy on national development. It was at this point when it became abundantly clear how the state was the key arbitrator in Pakistan's industrial relations. After weeks of labour strikes and employer speeches against such unrest, the state offered a strong response in favour of labour and clearly against industrialists, in the interest of resuming production.

Punjab Minister for Industries Syed Ali Husain Gardezi told textile owners that they should not forget the needs of labour when setting up industries as satisfied labourers were an asset to Pakistan, while disgruntled labourers were a hindrance to both industrialists and Pakistan.<sup>527</sup> Labour Minister Malik echoed these sentiments, saying that the government would ensure fair wages for industrial labour and protect textile workers from "capitalist exploiters and political blackmailers."<sup>528</sup> With such public approval from the state, these specific cases of industrial unrest among textile workers reduced. Workers went back to work and industrial production resumed at these mills.<sup>529</sup> The state-labour relationship appeared to be legitimate again in the eyes of labour, with the state no longer experiencing legitimacy strain brought on by industrial unrest.

In 1953, there were a few more cases of industrial unrest at textile factories. But more notable was the increase in activity at those outlets that supported Pakistan's industry. One such example is that of the Karachi Port Trust, which represented a key component of the state's industrialisation policy and as such the workers' welfare was critical for the state to maintain.<sup>530</sup>

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<sup>525</sup> *Dawn*, January 22, 1952

<sup>526</sup> *Pakistan Times*, February 11, 1952

<sup>527</sup> *Pakistan Times*, September 28, 1952

<sup>528</sup> *Dawn*, September 28, 1952

<sup>529</sup> *Worker Journal* 1952: 100

<sup>530</sup> *Dawn*, July 7, 1953

More than 30 percent of workers were involved in strikes over several days to protest unpaid wages that they had been “promised” repeatedly.<sup>531</sup> To limit further disruption to the port, the state soon stepped in to mediate the dispute between the Karachi Port Trust and its labour union. Aslam Haque represented the state and announced, after some deliberation, that the port should “cooperate with labour union in all important matters,” particularly with respect to promised “wage levels.”<sup>532</sup> The state did note that it would not accept all the demands of workers – for instance, the demand that “a daily wage worker who has been employed continuously for six months must be absorbed in the permanent establishment” was not adopted.<sup>533</sup> Labour resumed their work and the state’s legitimacy strain was resolved with respect to this group of workers.<sup>534</sup>

The cement industry saw significant turmoil during this period, with recurring tensions growing between the Karachi-based employers of the Dalmia Cement Ltd and the Cement Factory Workers’ Union that created complications for Pakistan’s growing manufacturing industries.<sup>535</sup> The core of the industrial dispute lay in the fact that expected wages that had been promised by the employers for over one year were simply not delivered to workers. S. Z. Hussain, President of Dalmia Cement Factory Workers Union, finally served a “strike notice” against the employer, Mohammad Hafeez. Within a week, the union furthered its cause by holding its first official strike in which participants aggressively demanded their wages at the levels originally promised. They said their “basic pay” of Rs 100 had never been paid and so this was “insufficient to meet their essential demands of life”<sup>536</sup> – i.e. their wages.

After a few days of strikes at the industrial site, the Dalmia Cement Factory Workers’ Union officially called on government officials to resolve this dispute; state official Abdul Hamid Puri immediately intervened.<sup>537</sup> The state declared that Dalmia’s workers were deserving of their wages and had a legitimate claim against their employers. This declaration was heavily publicized by state media<sup>538</sup> and said to “be binding on the parties.”<sup>539</sup> This case of industrial

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<sup>531</sup> *Pakistan Times*, July 8, 1953

<sup>532</sup> *Dawn*, September 28, 1952

<sup>533</sup> *Dawn*, September 28, 1952

<sup>534</sup> Pg 5-16. *Worker Journal 1953*, Pakistan Labour Publications, Karachi, Pakistan, 1953

<sup>535</sup> *Pakistan Year Book 1953*: 383

<sup>536</sup> *Pakistan Year Book 1953*: 388

<sup>537</sup> *Pakistan Times*, May 1, 1953

<sup>538</sup> *Government Press Note 1953*: 2

<sup>539</sup> *Pakistan Year Book 1953*: 399

unrest subsided, production resumed and the state regained its legitimacy in the eyes of this particular set of industrial workers at the Dalmia Cement Factory.

In East Pakistan, there were considerable disruptions in electricity-linked companies that hindered industrial production in this period. Most notable was the dispute between the Dacca Electric Supply Company and the Dacca Electric Supply Workers' Union. In this case, workers had negotiated a "basic pay" of Rs 40 per month with a Rs 30 dearness allowance.<sup>540</sup> All involved parties previously agreed upon the terms which were reinforced in the government's Central Pay Commission Report<sup>541</sup>, yet workers still felt their employers and the state had failed to follow through.

Members of the Dacca Electric Supply Workers' Union also felt frustration over the "unfair" firing of several workers by the resident engineer.<sup>542</sup> One in particular was a powerful member of the workers' union – Fagu Parey, union vice President, who had "great organising capacity" and thus the employers "did not like him," finding any reason to "dismiss him on flimsy grounds."<sup>543</sup> On orders of his employers, the resident engineer reportedly fired him while he was on legitimate paid leave for the death of his wife in "his village home."<sup>544</sup>

Appeals to the state about unpaid wages and firings rendered limited response, while workers continued their work at the electric supply company. It was only after a series of strikes were announced on specific dates and would halt work that the state took notice. Various members of the Labour Ministry and the state's Electricity Directorate<sup>545</sup> spoke out for workers, calling for the employers of the Dacca Electric Supply to pay due wages.<sup>546</sup> For the moment, the potential for industrial strikes had been quashed.

Similar pattern of events took place at the Chittagong Engineering and Electric Supply – calls for strikes over wage issue were quickly nipped in the bud by public state support in favour of labour.<sup>547</sup> There were also significant labour disruptions in the oil industry, in particular

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<sup>540</sup> *Pakistan Year Book* 1953: 399

<sup>541</sup> *Worker Journal* 1953: 201

<sup>542</sup> *Pakistan Year Book* 1953: 411

<sup>543</sup> *Pakistan Year Book* 1953: 416-417

<sup>544</sup> *Dawn*, July 23, 1953

<sup>545</sup> The Electricity Directorate in East Pakistan was created by the state in 1948 to oversee the various private electricity companies and ensure regular power was available to key industries. However, by 1957, the state took direct control of these privately owned electric companies for more equitable distribution of power (Dhaka Power Distribution Limited manifesto 2010).

<sup>546</sup> *Pakistan Times*, July 25, 1953

<sup>547</sup> *Pakistan Year Book* 1953: 416-417

between the Burmah Shell Oil Storage and Distributing Co. of Pakistan Limited and Burmah Shell Employees Union.<sup>548</sup>

By 1954, it was the textile industry that once more experienced significant labour unrest. Tensions among textile workers resurfaced with numerous cases of strikes and protests that hindered production and thus created legitimacy strain for the state yet again. For instance, there were industrial strikes involving textile workers at Karnafuli Paper Mill, Adamjee Jute Mills, Hafiz Mill and Landhi Mill at different points in 1954. The strike at Karnafuli on March 24 was particularly violent, with several managers of the mill being killed during severe rioting. The crux of labour's demands was focused on wages that their employers had promised them and which the state had not yet ensured. Still, only four days later after state involvement, the mill was back into full production and the workers had backed down from their original wage-specific demands, appeased with state promises of fairer treatment and patronage to their union.<sup>549</sup>

Similarly, a strike in May at Adamjee Cotton Mill was resolved before it even started – 3,000 workers called off their three-day strike because their demand for bonuses and six yards of cloth each on Eid were granted only after the state publicly called on the mill owner. That same month, the workers of Nagaria Cotton Mills called off their planned two-day strike because management – under pressure from the state – agreed to their demands for a bonus and paid leave.<sup>550</sup>

The most violent labour riot of this period took place at the Adamjee Jute Mill at Sidirgunj in East Pakistan. The state attributed the rioting to “Communists and Bharati Hindus, mostly RSS men,” but noted the underlying wage-specific issues of labour as well. In this case, the violence reportedly started due to “two rival sections of labour [who] clashed, leading to a heavy loss of life and arson in the living quarters of labour force.”<sup>551</sup> Media reports suggested it was an Indian attempt to sabotage Pakistan's jute industry, this mill being the heart of East Pakistan.

About three weeks later, in June, the mill resumed production, amid repeated state prodding of the industrialist.<sup>552</sup> But this occurred after the owner, Adamjee, denied allegations of

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<sup>548</sup> *Worker Journal* 1953: 187-188

<sup>549</sup> *Dawn*, March 3, 1954

<sup>550</sup> *Dawn*, May 2, 1954

<sup>551</sup> *Pakistan Times*, May 17, 1954

<sup>552</sup> *Government Press Note*, May 17, 1954

any labour or discrimination issues at his mill, noting that his employees were eager to get back to work. He explained that there was no wage discrepancy between the various sections of workers. Relief measures for the labourers included Rs 100,000 to 12,000 workers and families, as well as six tons of rice and wheat flour, onion and spices on a daily basis. Of the 12,000 workers, only 6,000 lived in permanent quarters, while the rest lived in huts due to the lack of cement for construction.<sup>553</sup>

This mill area was declared “protected” by the state as of July 1, in that only those with a permit from the mills manager, the Dacca district magistrate, police superintendent or the sub-divisional officer at Narayanganj could enter. In this sense, the state appeared to take note of labour’s concern over moral economy violations and subsequently took concrete measures to react to it for the sake of industrial peace and development policy.

#### INDUSTRIAL UNREST OVER SECOND WAGE ISSUE: 1952-1954

Second, industrial workers would strike against the state when they felt state-run institutions had failed in some way. At times, workers felt that official mechanisms simply did not deliver the expected wages that had been promised repeatedly by the state. The lack of a concrete labour policy<sup>554</sup> despite public guarantees by the state only ensured that such labour unrest would recur during this period. Most often, it was clear that the Industrial Tribunal itself was a source of conflict – the problem with this state institution was that it had no real power to hold employers accountable to an “award declared.”<sup>555</sup> As a *Dawn* editorial noted, “although an Industrial Tribunal is given some of the minor powers of a civil court, it has not the power to enforce its own orders and awards. If an employer chooses to defy the law or treat the Tribunal’s award with contempt, he can do so with comparative impunity, unless the government promptly launch prosecution proceedings under the Act.”<sup>556</sup> So, although it showed that workers’ demands about moral economy violations were being taken seriously by the state, the tribunal ultimately had no real legitimacy and recurring industrial unrest was inevitable.

Such unrest could be termed “entitlement protests” rooted in “unmet promises” of state institutions and policies – it was “anger over unmet expectations [that was] the impetus to

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<sup>553</sup> *Dawn*, May 17, 1954

<sup>554</sup> Candland 2007: 38

<sup>555</sup> *Worker Journal* 1953: 150

<sup>556</sup> *Dawn*, June 30, 1953

workers' actions."<sup>557</sup> Once again, this was clear evidence of Pakistan's industrial labour independently attacking state legitimacy in a period not necessarily preceding the decline of the ruling regime – unlike what is suggested in the existing literature. After this particular type of wage-focused labour unrest, the state immediately responded with specific speeches about how to resolve such industrial disputes or consider new policies that would limit any further legitimacy strain. This typically saw the end of industrial unrest and the resumption of labour's role in production.

This backlash against labour-focused state institutions became apparent with certain disruptions in the oil industry that was one of the key components of Pakistan's industrialisation policy. Most notable was the dispute between the Burmah Shell Oil Storage and Distributing Company of Pakistan Ltd and about 2,000 Burmah Shell Employees in 1954.<sup>558</sup> Due to recurring unrest over moral economy violations focused on wages, the state referred this dispute to conciliation proceedings. When these proceedings "failed" and "internecine quarrels sprang up" among workers, the state appointed a specific Industrial Tribunal for "adjudication of the dispute."<sup>559</sup>

At the Industrial Tribunal, both a representative for the company and employees were involved in discussions with state-appointed officials.<sup>560</sup> Both parties "stated their respective cases and also asked for time to file written statements of their claims."<sup>561</sup> They were also given time to "come to terms amicably"<sup>562</sup> but it was quickly clear to the tribunal officials that a state settlement was needed. Workers insisted that employers of Burma Shell had failed to offer them the wages they had been promised; they also failed to follow through on the state's earlier decision in conciliation proceedings to pay due wages. The employers simply denied that wages were due and suggested the problem was with the specific members of the Burmah Shell Union who were creating "squabbles" for their own "selfish interest."<sup>563</sup>

After a few days of mediation, the state-appointed Industrial Tribunal decided in favour of labour and some of their wage demands. However, when the employer of Burmah Shell once again declined to follow through on labour's state-approved demands, the union finally "took the

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<sup>557</sup> Posusney 1993: 108

<sup>558</sup> Pg 147. *Pakistan Labour Year Book 1954*, Pakistan Labour Publications, Karachi, Pakistan, 1954

<sup>559</sup> *Pakistan Labour Year Book 1954*: 187

<sup>560</sup> *Dawn*, June 13, 1954

<sup>561</sup> *Pakistan Labour Year Book 1954*: 149

<sup>562</sup> *Pakistan Labour Year Book 1954*: 149

<sup>563</sup> *Dawn*, May 23, 1954



precipitate action of staging a strike”<sup>564</sup> that would halt operations at the oil company. Within a day, the state declared the strike “illegal” on account of the Industrial Disputes Act but also publicly called on Burma Shell to pay labour its due wages.<sup>565</sup> The workers decided to “postpone” the strike and went back to work the very next day.<sup>566</sup> For the moment, the industrial dispute had been resolved and the state’s goal of continuous production would not be affected.

Similar events occurred at another large oil company, Standard Vacuum Oil Co. earlier in 1952.<sup>567</sup> Once again, workers and employers took the time to file their written statement for the Industrial Tribunal. The Karachi Oil Installations Workers’ Union also filed an application under Section 33 of the Industrial Disputes Act, 1947 “complaining” about certain “illegal acts committed” by their employers and seemingly ignored by the state.<sup>568</sup>

The crux of this dispute lay in the seemingly sudden and unfair firing of a key member of the Karachi Oil Installations Workers’ Union – Abdul Qayyum, who was an “ordinary worker in the Company” but also a member of the Managing Committee of the Union.<sup>569</sup> He was widely seen as a constant “champion” of the cause of the workers and the spokesman and leader of the union. In particular, he stood up for his co-worker, Munawar Khan, who was fired while he was ill. This represented a threat to the wages of these employees and a potential threat to other employees who supported these workers. After doing preliminary planning for a strike, Qayyum himself was subsequently laid off. His supervisor said this was due to Qayyum’s “inciting workers to strike” that would disrupt operations at the oil company.<sup>570</sup>

But amid more calls for strikes by other members of the union, representatives of the state’s Labour Ministry immediately stepped in to mediate the Vacuum Oil Co. dispute more closely through the Industrial Tribunal. State-appointed officials found in favour of Qayyum but felt Khan was fired on legitimate grounds. They also called on the employer to work on better relations with the Karachi Oil Installations Workers’ Union. The strike was then called off and it seemed the attempt to halt operations at the oil company were quashed.

Textile workers also took a stand against what they felt were faulty state mechanisms that could not deal sufficiently with labour issues. The September 1954 strikes at the Adamjee Cotton

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<sup>564</sup> *Pakistan Labour Year Book* 1954: 187

<sup>565</sup> *Pakistan Times*, May 25, 1954

<sup>566</sup> *Pakistan Labour Year Book* 1954: 188

<sup>567</sup> Pg 34. *Pakistan Labour Gazette*, Ministry of Labour, Karachi, Pakistan, 1953

<sup>568</sup> *Pakistan Labour Gazette* 1953: 44

<sup>569</sup> *Pakistan Labour Year Book* 1953: 115

<sup>570</sup> *Pakistan Labour Year Book* 1953: 115-117

mills in Landhi, East Pakistan, were a prime example of this. According to the Karachi Textile Labour Union, the strikes were due to the management's uncooperative and anti-labour attitude, which meant expected wages were often not delivered on time. On this occasion, the state declared the strike illegal on the basis of the Industrial Disputes Act, after 3,000 workers stopped working. On this occasion, the labourers fought back, noting that the state was breaking its promise and changing the terms of the moral economy centred on development policy.

The Adamjee Cotton Mills Labour Union filed a petition in the Sindh Chief Court, challenging the validity of the state's order that deemed their strike "illegal."<sup>571</sup> Management said the workers would have to report to work by Oct 2 or they would be fired and this is exactly what happened. More than 3,000 workers were dismissed from their jobs, but after an 11-day closure, 2,100 workers returned to work and the mill was reopened. Management revealed that 75 percent of the workers hired were from the original pool of labourers. A state-sponsored agreement was signed between the mill's management and its labour union in the interest of industrial peace and production at this cotton mill.<sup>572</sup> So, while initially cotton workers disagreed with state rulings on their labour issues and strike activity, ultimately a tripartite solution appeased all parties involved and industrial production continued.

In another case of mill unrest, after a month of striking by 1,500 workers at Zeb Tan Mill in 1954, the state agreed to appoint the Industrial Tribunal to adjudicate this labour dispute. The workers wanted the mill managers to recognize several aspects of its working conditions such as union activity but also wage-specific issues such as grant bonus allowances and paid sick leave that were required for their very survival. The tribunal, consisting of Mansur Alam, the Custodian of Evacuee Property in Sindh and Federal Capital for Adjudication and other government officials, was asked to resolve this dispute.<sup>573</sup> The state filed partially in favour of labour and partially in favour of the mill owners. For fear of more broken promises by employers, the union began preparations for another series of strikes.<sup>574</sup> This captured the attention of Labour Ministry officials who personally visited the Zeb Tan Mill to speak to its owner and workers.<sup>575</sup> Soon after, the strikes were called off by the union and mill production continued.

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<sup>571</sup> *Dawn*, October 2, 1954

<sup>572</sup> *Pakistan Times*, October 4, 1954

<sup>573</sup> *Dawn*, November 2, 1954

<sup>574</sup> *Dawn*, November 2, 1954

<sup>575</sup> *Pakistan Times*, November 4, 1954

Transportation workers also took a stand against the state when it seemed official mechanisms to deal with labour issues appeared ineffective. In 1953, local trade unions staged a token strike with 20,000 people in sympathy for the Mohammad Ali Tramway Company workers who had been locked out by management for over a month. Twenty-one foreign and local businesses in Karachi also staged a one-hour sympathy strike.<sup>576</sup> Workers had originally started the strike due to low wages and poor living conditions, but management staged a lock-out for a month. They refused to pay for workers' wages during the lock-out, despite a state-sponsored Industrial Tribunal Award stating the contrary.

The state did in fact publicly order for the prosecution of the owner of the tramway company proprietor for alleged defiance of the Industrial Disputes Act. But, as noted in a *Dawn* editorial, "the industrial dispute [had] brought to light more clearly than any of the previous cases the glaring defects and loopholes in the existing Industrial Disputes Act. It [left] defiant employers free to persist in their defiance of the law."<sup>577</sup> Still, in this case, the effect of state influence was apparent. Prime Minister Mohammad Ali himself stepped in to show the state was not only willing to hear the workers' plight but also to apply pressure on industrialists; he let workers know that the state took their issues seriously and would "look into it" fully.<sup>578</sup> While this did not resolve all labour-employer issues, at this point the lock-out ended and workers appeared satisfied enough to go back to work.

There is also evidence of national labour union protests specifically directed at state policies – or lack thereof – that related to industrial disputes. In 1954, several labour groups, in particular the West Pakistan Federation of Labour (WPFL), repeatedly and publicly criticised the state for its what it deemed a "vague" labour policy.<sup>579</sup> The WPFL decided to organize a one-day token strike on July 26 if demands focused on how to "better the wage conditions" of the working class were not adopted by the state.<sup>580</sup> WPFL said its main concern was to ensure that its members in various industries could make ends meet for an "honourable" life.<sup>581</sup>

There was some reaction from the state in terms of announcing a concrete labour welfare plan to address labour's concerns.<sup>582</sup> A *Dawn* editorial noted "that the Government [would] not

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<sup>576</sup> *Pakistan Labour Year Book* 1954: 107

<sup>577</sup> *Dawn*, July 2, 1953

<sup>578</sup> *Pakistan Times*, August 2, 1953

<sup>579</sup> *Dawn*, July 25, 1954

<sup>580</sup> Pg 191. *Worker Journal 1952-1954*, Pakistan Labour Publications, Karachi, Pakistan, 1954

<sup>581</sup> *Worker Journal* 1954: 191

<sup>582</sup> *Pakistan Times*, July 30, 1954

allow themselves to be dictated by [industrialists] in a matter concerning the welfare of millions of workers and thus ultimately the welfare of the state itself.”<sup>583</sup> Yet no official labour policy was announced by state officials at this point. Plans for further protests by WPFL were being publicized to apply further pressure on the state.

Given the recurring industrial unrest during this period, APCOL also called on the state to improve the country’s labour policy, which it deemed “incomplete.”<sup>584</sup> Although APCOL had benefited significantly from state patronage in earlier years, the organization openly noted the state’s inability to control rising living costs and growing unemployment, low wages, as well as the suppression of union activity; without giving consideration to labour, the organisation believed that an industrialisation-led development policy was not going to be achievable in Pakistan.

APCOL offered a public statement directed at the state: “The Government must give up its complacent attitude towards labour problems, lay down its labour policy in clear and unmistakable terms, bring about satisfactory settlement of all disputes, amend the outmoded labour laws and enforce the existing labour laws so as to create conditions conducive to the growth of trade unionism in the country.”<sup>585</sup> M. A. Khatib, President of APCOL, even openly accused Pakistani industrialists of “making fantastic profits under the sunshine of Government protection” and at the expense of labourers who he said did not even make adequate wages to begin with.<sup>586</sup>

And yet during this period, the state still failed to offer increasingly frustrated industrial workers with an official and concrete labour policy. In fact, incidents of industrial unrest had steadily increased in 1952-1954. While the state appeared to appease workers who engaged in strikes or had plans to, it also strategically used state legislation like the Industrial Disputes Act and Industrial Tribunals to limit unrest.<sup>587</sup> Moral economy violations specifically focused on wages thus continued to be an issue for Pakistan’s industrial workers in 1952-1954.

## INDUSTRIAL UNREST POST-1955 LABOUR POLICY: 1955-1956

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<sup>583</sup> *Dawn*, November 28, 1954

<sup>584</sup> *Dawn*, July 25, 1954

<sup>585</sup> *APCOL Manifesto* 1954

<sup>586</sup> *Dawn*, April 22, 1955

<sup>587</sup> Candland 2007: 38

It was only in 1955 that there was finally a significant drop in industrial unrest over wage issues, from 107 incidents in 1954 to 75<sup>588</sup> incidents a year later. The number of production days that were lost dropped by more than 50 percent, from 283,994 to 121,312.<sup>589</sup> This significant drop in strikes and production days lost can largely be attributed to the state finally announcing an official labour policy – eight years after partition and the first time during this civilian-led era. For labour, this policy finally represented state progress towards meeting workers’ expectation of wages through specific policies – it also became part of the state’s efforts to regain “policy legitimacy”<sup>590</sup> in its ongoing “legitimation project”<sup>591</sup> with labour, hence the decline in protests.

However, this ambitious labour policy had limited impact as, only one year later, protests increased once again, doubling to 150 industrial strikes in 1956 from 75<sup>592</sup> in 1955 – this also occurred despite pro-labour amendments made to the 1947 Industrial Disputes Act in 1956. The number of production days lost also reached an all-time high for this civilian-led era, increasing by more than triple in one year – from 121,312 the previous year to 374,915 in 1956.<sup>593</sup> It also seemed that the behaviour of these industrial strikers had changed towards state mechanisms for resolving industrial disputes in that they began bypassing such mechanisms completely and went straight to unrest.

By this point, it thus seemed that organized workers saw such state institutions and the state itself as increasingly incapable of providing wages that they had been promised since 1947. Rather than wait to see if the labour policy and changes to the 1947 Industrial Disputes Act actually facilitated the expected wages, organized workers engaged in more “anti-state protest” – an indicator of their declining “confidence in the [civilian] regime”<sup>594</sup> and the declining legitimacy of the state-labour relationship within the moral economy of development policy.

In May 1955, the first ever nation-wide token strike led by all organised unions in Pakistan was scheduled to take place over the lack of labour policy. Union president B. A. Khan

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<sup>588</sup> *Pakistan Labour Gazette*, Various Years

<sup>589</sup> *Pakistan Labour Gazette*, Various Years

<sup>590</sup> Smoke 1994: 100

<sup>591</sup> Alagappa 1996: 59-60

<sup>592</sup> *Pakistan Labour Gazette*, Various Years

<sup>593</sup> *Pakistan Labour Gazette*, Various Years

<sup>594</sup> Useem and Useem 1979: 843

Bakhtiar said the state's apathy over industrial workers' legitimate needs "must end."<sup>595</sup> But, after talks with Labour Minister Malik who promised an official policy shortly, the strike was postponed. By early August, a new labour policy was finally being discussed by the state. Ruling elites first offered the labour unions an inquiry body to probe labour problems and then offer a realistic solution. This proposed body included two representatives each of employees and employers, as well as a representative from the Defence, Communications, Industries, Interior and Labour ministries.

On August 15, 1955, a "much-awaited"<sup>596</sup> labour policy was finally announced by the civilian regime. It aimed to re-emphasize the terms of the moral economy of development policy, but the state now officially took into account the perspective of labour unions so workers felt they were a legitimate part of policymaking. The new policy promoted trade union activity, called for the end of the exploitation of the workers and ensured labour's welfare.

The state also took special effort to make sure that the policy addressed labour's specific grievances about wages from the past few years. First, it ensured that industrialists could not abruptly end the wages of its workers without significant notice or a valid reason for dismissal. One way to do this was to "ensure that factories [had] proper ... systems of work committees and joint consultative committees, labour officers and similar organizations for looking after the welfare of labour and for permitting labourers to bring their legitimate grievances to the notice of the employers."<sup>597</sup> In the event of dismissal, the state promised to "provide social security for all workers by means of social insurance," though this was only if "economic conditions" permitted it.<sup>598</sup>

Second, the 1955 labour policy specified certain improvements in the industrial tribunal so disputes would be more efficiently resolved and labour would receive its "awards" in the most "speedy and effective" manner.<sup>599</sup> The civilian regime reinforced its support of "promoting the settlement of disputes between employees and employers in the interest of industrial peace through constitutional means such as joint consultation, mediation, conciliation and arbitration."<sup>600</sup> To ensure that tribunal awards were "enforced," the state proposed certain

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<sup>595</sup> *Dawn*, August 3, 1955

<sup>596</sup> Pg 139. *Pakistan Labour Year Book 1956*, Pakistan Labour Publications, Karachi, Pakistan, 1956

<sup>597</sup> Pg 76. Chaudhry Abdul Hafeez, *The Role of Trade Unions in Developing Countries with Special Reference to Pakistan, India and Nigeria*, Free University Press, Berlin, Germany, 1978

<sup>598</sup> Hafeez 1978: 76

<sup>599</sup> Hafeez 1978: 76

<sup>600</sup> Hafeez 1978: 76

revisions “so as to secure settlement with the minimum expenditure of time and money.”<sup>601</sup> This included reducing “the legal technicalities and formalities ... to the barest minimum.”<sup>602</sup>

At the same time, the state’s rhetoric continued to emphasize the link between labour’s key role in industrial production and the need to sacrifice for the sake of national prosperity for a while longer. Ruling elites focused less on appealing to anti-India sentiment in the country as it did in 1947-1951, but instead highlighted the larger goal of Pakistan moving past the early stages of industrialization to achieve “economic progress”<sup>603</sup> – with the help of labour. The civilian regime noted that although they wanted industrial workers to get their “just rights, industry should not be hampered by unnecessary upheaval and strikes.”<sup>604</sup> It stated in clear terms that its “fundamental” objective through industrial development policy was to “raise the living standard” in the long term, but in the short term workers should expect to “sacrifice.”<sup>605</sup>

The terms of the moral economy of development policy thus once again implied that workers should continue to only expect subsistence – at least until industrial production increased enough to deliver them with a higher standard of living. The state also reaffirmed its role as a key arbiter of “industrial peace” to promote a “sound and healthy relationship between the employers and employees.”<sup>606</sup> In this sense, labourers once again were to expect *the state* to ensure that their industrialist employers would maintain their wages for their work, reinforcing the significance of the expectation relationship between state and labour.

It appeared that unions did largely see the merits of the new labour policy and felt some satisfaction that their years of recurring anti-state unrest had finally contributed to policymaking in a notable way. The significant drop in industrial strikes – from 107 in 1954 to 75 in 1955<sup>607</sup> – reflected this. There were also comments from powerful labour leaders like Faiz Ahmad about the benefits of this labour policy. In fact, he publicly spoke out about how the country’s industrialisation program would “not have any setbacks” anymore with this new policy in place.

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<sup>601</sup> *Pakistan Labour Year Book* 1956: 141

<sup>602</sup> *Pakistan Labour Year Book* 1956: 142

<sup>603</sup> Hafeez 1978: 75

<sup>604</sup> *Pakistan Labour Year Book* 1956: 142

<sup>605</sup> *Pakistan Labour Year Book* 1956: 140

<sup>606</sup> *Pakistan Labour Year Book* 1956: 140

<sup>607</sup> *Pakistan Labour Gazette*, Various Years

He even called on his fellow workers to help “maintain industrial peace” through hard work and sacrifice for the country.<sup>608</sup>

This is not to say that there were no industrial disputes in 1955 soon after the labour policy was announced, but in many cases it seemed the disputes were resolved quick enough to forgo the need for a strike. One notable example is the dispute at the Karachi Port – a key source of support to many of West Pakistan’s export-based industries – which was resolved before any strike actually took place. It involved the Karachi Port Workers Union and eight shipping firms – Pestonjee Bhicajee, Dinshaw & Co, Brigstocke Eduljee & Co, Kanji Jadavji, Burjorji Cowasjee & Co, Cowasjee & Sons, A. R. Khan & Sons, Ameejee Valeejee & Sons. The main issue was that the expected increase in wages was not given to port workers by these various firms. Both parties attempted to “come to terms” internally but as they could not reach a consensus, they *together* approached the state via its Industrial Tribunal.<sup>609</sup> The tribunal took oral statements of both the employers of the shipping firms and the workers union. Within a week, the wages were increased for one year.

A similar pattern of events took place between Dock Labourers Union in Chittagong, East Pakistan, and Shipping and Jetty Handling Contractors for Chittagong Port. Dock labourers of Chittagong Port took issue with the lack of pay increase they had been promised for working night shifts; the employers insisted they did make their payments. Both parties filed written statements to explain their position to the Industrial Tribunal. It turned out that the intermediaries (“Sardars and Majhis”) were “taking away some portion of the [wages.]”<sup>610</sup> As a result, the tribunal declared, “a member of the Union to which the workers belong would be present when payments would be made to the workers.”<sup>611</sup> There was no need to strike.

But in 1956, less than a year after the debut of the civilian regime’s first official labour policy, it seemed that increasing numbers of industrial workers had lost their faith in the state in terms of its ability to uphold its promises – industrial unrest doubled to 150 incidents.<sup>612</sup> The time for calm debate between employer and employee in 1955 had been replaced with lengthy strikes and at times even violence in 1956. The ruling regime’s pro-labour amendments to the

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<sup>608</sup> *Dawn*, August 27, 1955

<sup>609</sup> *Pakistan Labour Year Book 1955*: 144

<sup>610</sup> *Pakistan Labour Year Book 1955*: 190

<sup>611</sup> *Morning News*, June 5, 1956

<sup>612</sup> *Pakistan Labour Gazette*, Various Years



1947 Industrial Disputes Act<sup>613</sup> – epitomized by the “central conciliation machinery” – also seemed to fall short of workers’ expectations; the amendment was to “provide a speedy remedy to the workers and officers of trade unions for redressing grievances such as dismissal or other punishments.”<sup>614</sup> But through their increasing unrest that at times bypassed state mechanisms completely, industrial workers showed that they felt the state and their expectation relationship with the state was increasingly de-legitimized.

The documented cases of industrial disputes in 1956 were focused on similar issues – unpaid wages and ineffective state institutions – but led to a “dramatic increase” in “man-days lost”<sup>615</sup> in the country’s industrial production, tripling in one year.<sup>616</sup> Unlike industrial disputes in earlier years of this civilian-led era, workers sometimes bypassed certain elements of state protocol and went straight to holding strikes. This was very apparent in the textile industry where several mills<sup>617</sup> in East and West Pakistan experienced significant labour unrest over wage issues. In such instances, workers ploughed ahead with strikes *before* trying to engage with state mediators or the industrialists themselves. In these cases, state officials spoke directly to industrialists and their workers to resolve the wage dispute.

The strikes involving Adamjee Jute Mills and Chanderguna Paper Mills workers were “high water marks” of the increasing frustration in the industrial sector in East Pakistan.<sup>618</sup> More than 300 workers were killed at these sites during strikes that became violent. This was also the case at Colony Mills in Multan, West Pakistan. According to Mohammad Hassan Siddiqi, General Secretary of the Colony Textile Mills Workers Union, workers were being “crushed with an iron hand” so they would not strike over wage disputes and the management’s “callousness towards their demands.”<sup>619</sup> In these disputes, the strikes lasted many days and the short-lived resolutions only came after months of state-directed debate with labour and employers.

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<sup>613</sup> Pg 69. Ali Amjad, *Labour Legislation and Trade Unions in India and Pakistan*, Oxford University Press, Oxford, United Kingdom, 2001

<sup>614</sup> Amjad and Mahmood 1982: 4

<sup>615</sup> Amjad 2001: 70

<sup>616</sup> *Pakistan Labour Gazette*, Various Years

<sup>617</sup> Amjad 2001: 70

<sup>618</sup> Amjad 2001: 70

<sup>619</sup> *Pakistan Times*, July 25, 1956

The same was true at Sulej Cotton Mills, where over 300 members of the labour union held a strike for several days about wage disputes before approaching a state mediator or giving any notice about halting production.<sup>620</sup> At Firdous Textile Mills, workers engaged in a five-day strike over wages<sup>621</sup> that bypassed the industrial tribunal until the state itself intervened. Similarly, in the Premier Sugar Mills, over 500 workers staged a strike over one week about unpaid wages that the employer had twice promised.<sup>622</sup> They avoided any state intervention until the last day of their struggle. The words of senior government officials no longer had much impact on the outcome of these industrial disputes. For instance, West Pakistan Chief Minister Dr Khan Sahib visited this West Pakistani mill – he advised management to pay due wages to their labour<sup>623</sup> but, unlike in the 1952-1955 period, there was minimal reaction from industrialists or workers.

But perhaps most significant was the dispute between Port Commissioners and the Chittagong Port Mariners and Employees Union which had first started in 1949. The union had been expecting a “Pay Commission Award” to make up for lost wages, but insisted that it had not been “rightly implemented.”<sup>624</sup> This led to the union setting up “new grievances” over pay scales in 1956. State officials, including the Deputy Central Labour Commissioner, pushed the Port Commissioners to agree to these terms. However, the union once again felt they were not being given what they had expected and immediately renewed their strikes, unconvinced that the state would hold the employer to the award.

By the end of 1956, it was clear that workers increasingly felt the state and its industrial tribunals were inept, despite the 1955 labour policy and 1956 amendments to the Industrial Disputes Act. More than thirty-five union leaders rallied to push the civilian regime to make further adjustments to state mechanisms for labour to receive its expected wages – for instance, to appoint high court judges to industrial tribunals so that the awards would be binding.<sup>625</sup> However, this didn’t generate any real response from the state – another indicator of the declining legitimacy of the state-labour relationship and the state within Pakistan’s particular moral economy.

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<sup>620</sup> *Dawn*, March 3, 1956

<sup>621</sup> *Pakistan Times*, September 4, 1956

<sup>622</sup> *Dawn*, July 2, 1956

<sup>623</sup> *Pakistan Times*, July 3, 1956

<sup>624</sup> *Pakistan Labour Year Book 1956*: 228

<sup>625</sup> *Dawn*, December 4, 1956

Undoubtedly, in the 1952-1956 period, increasing moral economy violations challenged the legitimacy of the state-labour expectation relationship and the state itself. When industrial workers perceived that expected wages were not delivered, they would voice their concerns through certain state mechanisms. But, when it seemed such mechanisms were not delivering, they would often stop production through anti-state unrest, thus creating one form of legitimacy strain for the Pakistani state. The ruling regime would then intervene directly through specific speeches and at times certain policies to limit any further strain such that production would resume as quickly as possible.

However, by 1956, this strategy no longer worked as workers often bypassed state mechanisms regarding their wage issues. This represented industrial workers' "loss of ... confidence" in state mechanisms and the state itself, increasing "the potential for disorder"<sup>626</sup> and industrial unrest. The terms of the moral economy of development policy no longer seemed to be legitimate for labour.

While industrial workers created legitimacy strain for the state through their unrest, challenges to state legitimacy also came from other groups in 1952-1956, as illustrated in *Chapter Two* of this thesis. Certain feudals, Islamist groups and ethnic groups posed a considerable threat to state legitimacy, in terms of specific provincial governments and policies. Feudals fought with each other to maintain or gain political power in provinces, while Islamist groups took issue with the liberal leanings of the ruling regime and certain religious minorities in the government (i.e. anti-Ahmadis); ethnic groups challenged the Punjabi and West Pakistani-centric policies of the central government. All these groups contributed to legitimacy strain in 1952-1956 and to a full-blown legitimacy crisis in 1957-1958.

## MORAL ECONOMY VIOLATIONS AND LEGITIMACY CRISIS OF THE STATE 1957-1958

Industrial workers continued to challenge the legitimacy of the state-labour relationship over wages in 1957-1958. The state's attempts to reinstate the terms of the moral economy and regain "[development] policy legitimacy"<sup>627</sup> through the 1955 labour policy and the 1956

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<sup>626</sup> Useem and Useem 1979: 841

<sup>627</sup> Smoke 1994: 100

amendments to the Industrial Dispute Act clearly had limited long-term impact on organized workers. There were over 243 incidents of unrest in this short period and over 500,000 production days lost in each year over wage issues – this was almost double the amount of production days lost from 1956 (374,915) and the highest amount of the 1947-1958 era.<sup>628</sup> Significant numbers of workers felt “those in power [were not] acting in the best interests of the governed”<sup>629</sup> in that that they could not provide the expected wages, hence the rapid rise in anti-state protests<sup>630</sup> in 1957-1958.

<b>Period</b>	<b>Number of Unions</b>	<b>Members</b>	<b>Labour Unrest Over Wages<sup>631</sup></b>	<b>Production Days Lost</b>
1957	611	366317	150	516971
1958	621	337064	93	530573

What is also apparent is that there was another *type* unrest in 1957-1958 that was not documented in the state literature<sup>632</sup> but is obvious in certain media archives. There was a noticeable shift in the focus of these bouts of unrest – labour protests and strikes no longer only focused on wages, but at this point considered the state’s failure to deliver prices as well. General price increases in consumer goods may not have been dramatic in 1957-1958, but at this point even minor fluctuations were perceived by labour as major moral economy violations. Since civilian leaders of this tumultuous era still did not have “an easy command of power” and political institutions were not firmly entrenched even a decade later, industrial workers continued to evaluate the state “within a very narrow range of acceptability, requiring only a minor [issue] to spark a crisis.”<sup>633</sup>

As indicated in the table and graph below, in both East and West Pakistan, the consumer price index<sup>634</sup> for industrial workers steadily increased during this civilian-led decade, but reached its highest points in 1957-1958. In fact, in East and West Pakistan, the prices for

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<sup>628</sup> *Pakistan Labour Gazette*, Various Years

<sup>629</sup> Avery 1988: 112

<sup>630</sup> Useem and Useem 1979: 843

<sup>631</sup> *Pakistan Labour Gazette*, Various Years

<sup>632</sup> By state literature, I am referring to publications from Pakistan’s Labour Ministry such as the *Labour Gazette* and the *Pakistan Labour Book*. By media archives, I am referring to various newspapers such as *Dawn* and the *Pakistan Times*.

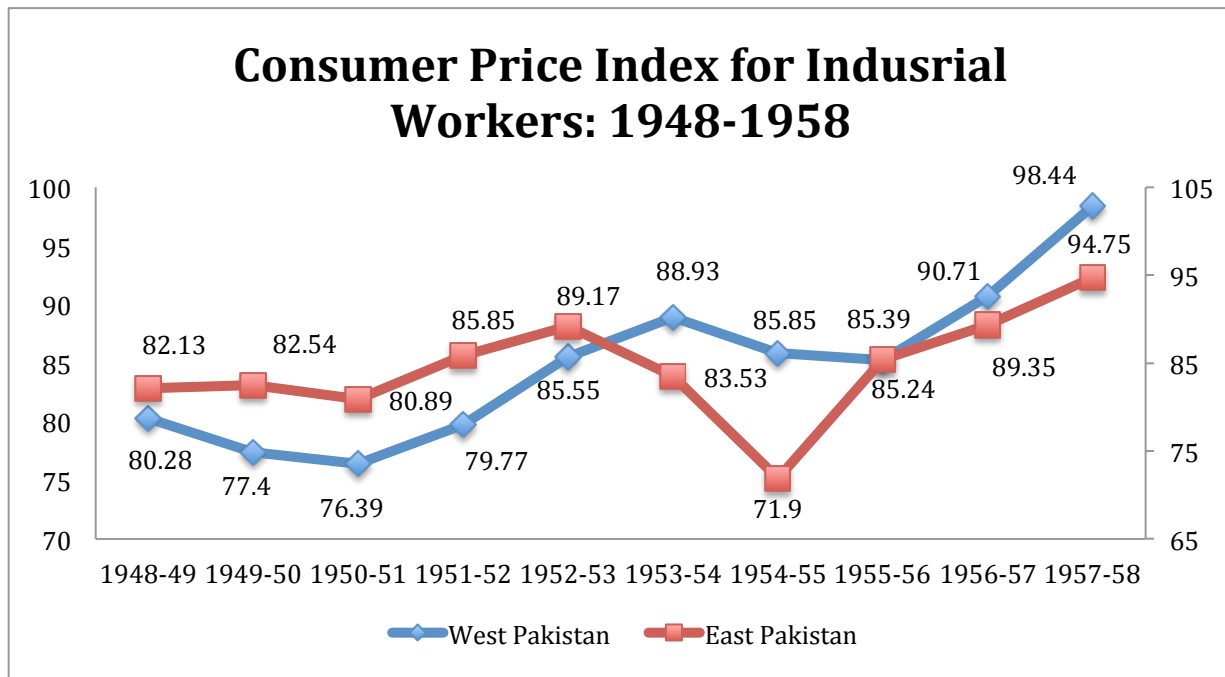
<sup>633</sup> Avery 1988: 112

<sup>634</sup> The consumer price index included price levels for basic commodities like wheat, sugar, flour and vegetables, according to the Statistics Division.

industrial workers reached highs of 94.75 and 98.44 by 1957-1958, up from an index level of 89.35 and 90.71 in 1957, respectively.<sup>635</sup> This coincided with sudden and numerous protests and strikes by industrial workers against the state, specifically over price-related issues involving basic commodities across the country.

**General Consumer Price Index Numbers  
for Industrial Workers<sup>636</sup> (Base: 1959-1960 = 100)**

Period	West Pakistan	East Pakistan
1948-49	80.28	82.13
1949-50	77.40	82.54
1950-51	76.39	80.89
1951-52	79.77	85.85
1952-53	85.55	89.17
1953-54	88.93	83.53
1954-55	85.85	71.90
1955-56	85.24	85.39
1956-57	90.71	89.35
1957-58	98.44	94.75



Thus the civilian regime’s moral economy “ideology that [had initially guaranteed] a bright new future as the principal means for establishing legitimacy”<sup>637</sup> – a future that was

<sup>635</sup> Statistics Division, Government of Pakistan, Islamabad, Pakistan, 1972

<sup>636</sup> Statistics 1972

<sup>637</sup> Avery 1988: 112

supposed to include prices for labour – evidently backfired for the state by 1957-1958. From the perspective of labour, the state committed more and more moral economy violations over prices during these final two years of the civilian regime. In effect, when labour’s expectation of prices was not being met and thus “promises [were] not realized,” the authority of Pakistan’s civilian leaders increasingly “eroded”<sup>638</sup> in their eyes – this was on top of the broken promises that workers felt the state had already made concerning wages recurrently in 1952-1956 and had continued to make in 1957-1958. Industrial workers thus became a source of two separate legitimacy strains through their anti-state unrest over wages *and* prices, adding to the growing legitimacy crisis of the state and civilian regime in 1957-1958.

Two types of price-focused strikes against the state can be inferred from available data. First, workers would strike against the state when it appeared the state was not taking necessary action to reduce prices they promised they would maintain (e.g. bringing elite manipulators of the market to book). It was thus rooted in “workers’ sense of injustice, a feeling that they were being denied something to which they were entitled”<sup>639</sup> as part of the moral economy of development policy. Second, industrial workers would strike against the state when they felt state-run institutions and policies were not effective at delivering expected prices. This could be termed “entitlement protests” rooted in “unmet promises” embedded in state institutions and policies – “anger over unmet expectations [was] the impetus to workers’ actions.”<sup>640</sup>

After both types of price-focused labour unrest, the state would sometimes offer a public response to reduce unrest and so limit further legitimacy strain. However, these minor remarks appeared to have no real impact as protests and strikes against rising prices continued and at times even escalated, hindering industrial production. This was unlike in 1952-1955 period when state responses to moral economy violations over wages usually appeased workers to stop their anti-state unrest and resume their role in production. But by 1957-1958, it seemed workers from various industries no longer saw the state as a viable authority that could respond to moral economy violations, as the state experienced increasing legitimacy strain and crisis.

These findings thus support the hypothesis of this thesis: *when there is a decline in subsistence conditions in terms of prices, labour stops production through unrest and thus*

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<sup>638</sup> Pye 1971: 141

<sup>639</sup> Posusney 1993: 100

<sup>640</sup> Posusney 1993: 108

creates *legitimacy strain for the Pakistani state that can contribute to legitimacy crisis and regime breakdown*. Along with other groups identified as causing legitimacy strain, industrial workers thus contributed to the legitimacy crisis that preceded the regime breakdown of this civilian-led era in 1958.

#### ECONOMIC DECLINE

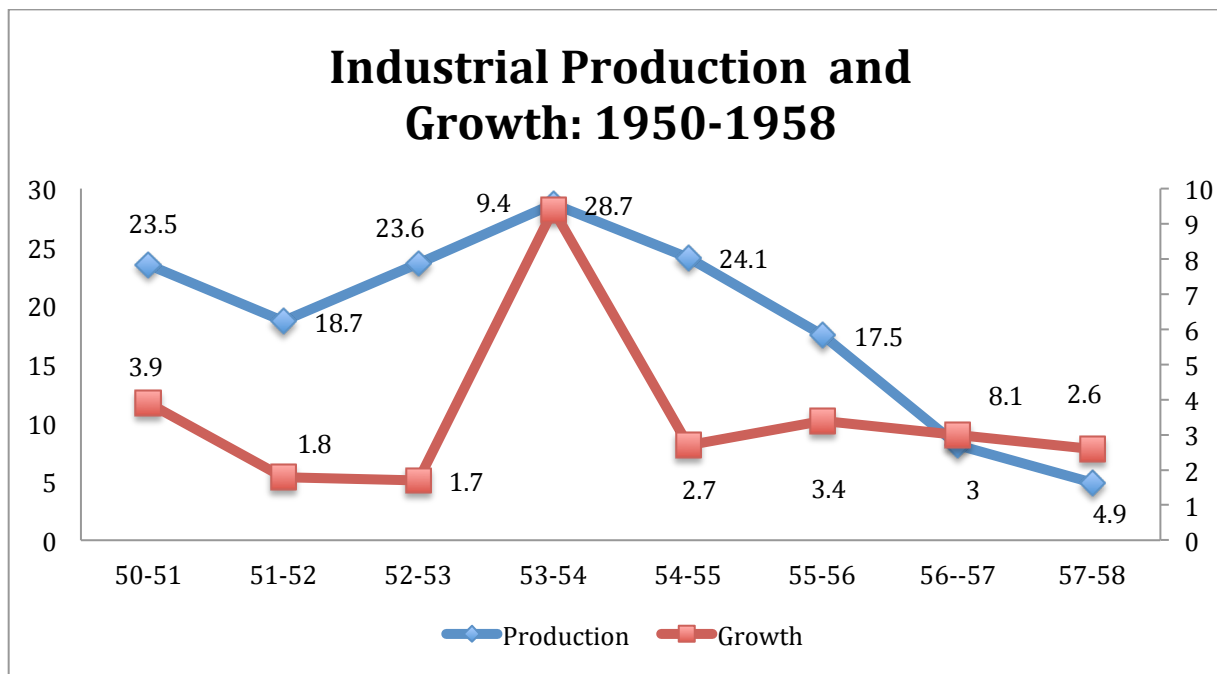
With rising industrial unrest that was one factor that hindered production, there was undoubtedly a significant impact on Pakistan’s overall growth. This created further legitimacy strain for the state that had partially defined itself in terms of increasing production and high growth since 1947. As the table and graph indicate, industrial production dropped by almost 50 percent, from 8.1 in 1956-1957 to 4.9 in 1957-1958, hindering the level of overall growth. This was after a steady decline that began in 1953-1954 when industrial production reached its decade-high of 28.7.

#### *Annual Industrial Production and Growth: 1950-1958*

Year <sup>641</sup>	Production	Growth
1950-51	23.5	3.9
1951-52	18.7	1.8
1952-53	23.6	1.7
1953-54	28.7	9.4
1954-55	24.1	2.7
1955-56	17.5	3.4
1956-57	8.1	3.0
1957-58	4.9	2.6

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<sup>641</sup> *Annual Economic Survey*, Government of Pakistan, Islamabad, Pakistan, 1985



But production and growth also suffered because of the general decline in economic conditions that caused further strain to the civilian regime. In the last two years of the 1947-1958 period, the economic crisis and especially the country’s food deficit, were perceived to be rapidly worsening, leading to deteriorating living conditions. The State Bank of Pakistan’s Report for 1957-1958<sup>642</sup> revealed that this was a year of “great difficulty” due to excessive government expenditure and large deficit financing. The Bank cited inflation as the “main evil” faced by the country, particularly with the rise in prices of everyday commodities. Academics like Gustav Papanek identified this period as one of “apparent stagnation and mounting economic problems, when early dire predictions seemed to be fulfilled.”<sup>643</sup> Finance Minister Syed Amjad Ali also noted that Pakistan’s “economic dependence on America [had] grown beyond [its] expectations.”<sup>644</sup> The “difficult food position, decline in foreign exchange earnings and large demand of the development programme on [the country’s] limited resources”<sup>645</sup> in 1957-1958 made the overall economic situation very tenuous.

There was also particular concern in the East Pakistan Assembly about the severe economic conditions of the province, especially relative to the western wing. Chaudhri Mohammad Ali, for instance, accused the ruling regime of being responsible for the “miserable

<sup>642</sup> The State Bank of Pakistan Annual Report for 1957-1958 was released in September 1958.

<sup>643</sup> Papanek 1967: 1

<sup>644</sup> *Dawn*, May 22, 1957

<sup>645</sup> *Budget Speeches* 1984: 297



condition of Pakistan's economy."<sup>646</sup> He pointed out that there should not be two economies – one for East Pakistan and another for West Pakistan, but one economy for the whole country.<sup>647</sup>

In September 1958, only weeks before the coup, an economic affairs debate lasting more than five hours in the National Assembly talked about the widespread “gloom over the economy.” Opposition members, including former prime ministers I. I. Chundrigar and H. S. Chundrigar, accused the ruling regime of ruining the economy through the misuse of and dependence on foreign aid, widespread corruption, heavy taxation that was most detrimental to the “common man” and a neglectful attitude towards small-scale and cottage industries. Amjad Ali, former Finance Minister by this point, said if the “rot” is not removed, “We shall be bankrupt in one year's time. We shall not be able to meet our foreign commitments.”<sup>648</sup>

#### INDUSTRIAL UNREST OVER FIRST PRICE ISSUE: 1957-1958

Amid this backdrop of declining economic conditions, industrial workers continued their anti-state unrest over wages as in 1952-1956. But they also engaged in unrest over prices during this turbulent two-year period in 1957-1958. In some cases, these strikes against the state were focused on the ruling regime's apparent inability to keep prices low – this represented broken promises and moral economy violations to labour. For instance, this included the official price increase of certain basic commodities that the civilian regime had said it would never do and the elite manipulation of the market that the state had promised it would curtail. Such industrial unrest was thus rooted in “workers' sense of injustice, a feeling that they were being denied something to which they were entitled”<sup>649</sup> and had been promised as part of the moral economy of development policy.

First, industrial workers took issue with the state's sudden price increase of certain food items that was announced in January 1957 – this policy had significant reverberations for the entire year contributing to strikes, protests and silent marches directed at the state. At the start of the year, the ruling regime suddenly announced that it would have to increase food prices by 10-25 percent. This included price increases for basic commodities like wheat, flour and sugar –

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<sup>646</sup> *Pakistan Times*, September 10, 1958

<sup>647</sup> *Pakistan Times*, September 10, 1958 – Other politicians like Abdul Rahman of the Awami League complained that East Pakistan was being neglected in development; he noted that “an amount negligible in comparison to what had been allotted to West Pakistan was given to East Pakistan from foreign aid” and only one third of this amount was actually spent. Rahman was particularly critical of the central government's bias towards rejuvenating the cotton trade of West Pakistan, at the expense of the development of the dominant jute trade in East Pakistan.

<sup>648</sup> *Dawn*, September 10, 1958

<sup>649</sup> Posusney 1993: 100

staples for many workers which the state had originally said they would never increase in price.<sup>650</sup> This decision was reached after “high-level food talks” to evaluate the declining wheat, flour and sugar position in the country.<sup>651</sup> While state officials like Central Food and Agriculture Minister Dildar Ahmad, “justified” the rise in food prices as an expected side effect of industrialization and understood “the people’s hardships”<sup>652</sup>, this did not appease industrial workers who grew more “bitter.”<sup>653</sup>

Certain trade unions commented on the “cryptic” government press note announcing the latest rise in prices” which did “little to justify the [state’s] action.”<sup>654</sup> These aggravated workers then held widely publicized “city meetings” to discuss how the state’s decision was simply “unjustified”<sup>655</sup> and they discussed how it would be incredibly difficult for labour to make ends meet with such high prices. They “demanded” a suitable state response for their concerns about clear moral economy violations over the prices they had been recurrently promised. Key trade unions in Karachi and Dacca even threatened hunger strikes if the price of flour, wheat and sugar was not brought down by the state immediately.<sup>656</sup> But at this point, the civilian regime’s response seemed to be muted by other concerns – the rising political violence in East and West Pakistan as well as the growing tensions between the military and the polity as it battled its own legitimacy strains at the elite and political level.

The anti-state sentiment of industrial workers over the regime’s broken promise to keep prices low continued to spread to others cities in West and East Pakistan like Lahore and Chittagong, respectively, later in the year. In February 1957, the rapid rise in food prices prompted various groups – including key trade unions of sugar and wheat mills – to hold protests against the state at industrial sites, which hindered production.<sup>657</sup> At this point, many workers were further aggravated by the announcement of Finance Minister Amjad Ali of the new budget, which introduced more taxes and so hit “the common man” hardest.<sup>658</sup> Yet there was no real response or state intervention at these industrial sites.<sup>659</sup>

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<sup>650</sup> *Dawn*, January 15, 1957

<sup>651</sup> *Dawn*, January 3, 1957

<sup>652</sup> *Pakistan Times*, January 16, 1957

<sup>653</sup> *Pakistan Times*, January 21, 1957

<sup>654</sup> *Dawn*, January 23, 1957

<sup>655</sup> *Pakistan Times*, January 21, 1957

<sup>656</sup> *Dawn*, January 23, 1957

<sup>657</sup> *Dawn*, February 9, 1957

<sup>658</sup> *Pakistan Times*, February 11, 1957

<sup>659</sup> *Dawn*, February 9, 1957

In May 1957, protests over the state's decision over prices appeared to evolve into silent marches in West Pakistan. For instance, silent marches against high prices took place in Karachi over several days – this was organised by members of the Consumers Protection Society, a group which included many textile workers.<sup>660</sup> This month, there was also a “Food Demand Day” declared by several groups, including labour unions. Media reports also revealed hunger rallies were being held in Jessore<sup>661</sup> and Bogra, in East Pakistan.<sup>662</sup> Protesters complained of the abnormally high food prices and near famine conditions; they demanded province-wide modified rationing to be organised by the state. In August 1957, Thatta, demonstrations and silent marches persisted specifically over the state's decision to increase high prices of wheat and foodstuffs.<sup>663</sup> But once again, the direct response from the ruling regime to such unrest over prices appeared minimal as it battled its own legitimacy crisis at the elite level. The expectation relationship between state and labour within the moral economy and the legitimacy of the state itself appeared to be in significant decline.

Second, it was also apparent during this period that workers challenged the state for its failure to prevent elite manipulation of the market that drove up prices – in this sense, the state had failed to keep its earlier promise to curtail such hoarding and black-marketing as part of its constructed moral economy.

For instance in October 1957, smaller businesses in Karachi like goods carriers held anti-state strikes over rising vegetable prices – they specifically emphasized that the ruling regime had allowed elite manipulation of the market that had artificially driven up prices.<sup>664</sup> The Consumers Protection Society, including its members from the industrial sector, also organised silent protests in Hyderabad in major business centres to highlight the rise in prices and black-marketing, as well as the state's passive response to such serious issues.<sup>665</sup>

This was also the case in Thatta. Muslim League Representatives had organized subordinate classes, including significant numbers of industrial workers, to protest how the state was allowing the “common man” to “starve” as certain elites drove prices up through hoarding and profiteering. In particular, these protesters pointed out how the ruling regime was allowing

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<sup>660</sup> *Dawn*, May 16, 1957

<sup>661</sup> *Azad*, May 15, 1957

<sup>662</sup> *Millat*, May 15, 1957

<sup>663</sup> *Pakistan Times*, August 16, 1957

<sup>664</sup> *Dawn*, October 3, 1957

<sup>665</sup> *Pakistan Times*, October 16, 1957

low priced foodgrains to be “forcibly taken away” from certain tenants and peasants and resold at “exorbitant prices.”<sup>666</sup>

Yet, despite such strikes, protests and silent marches, the state seemed to largely ignore the hoarding and black-marketing issue at this late stage of the civilian regime’s tenure. Except for one announcement that the army “may” be deployed by the civilian regime to combat smuggling to help reduce prices<sup>667</sup> and a few public comments against hoarding as a “man-made scarcity” that needed to be stopped,<sup>668</sup> no plan of action was offered to deal with this aspect of rising prices. This was perhaps another indicator of the increasing inability of the civilian regime to govern. The ongoing labour unrest over these aspects of prices also reinforced how it saw the state as less viable as a political authority or a legitimate partner in the moral economy.

#### INDUSTRIAL UNREST OVER SECOND PRICE ISSUE: 1957-1958

Some industrial workers also held strikes against the state when they felt state-run institutions and policies did not follow through on delivering expected prices. Specific state mechanisms like local food drives and importing foreign food did not deliver the expected results, prompting significant industrial unrest. This could be termed “entitlement protests” rooted in “unmet promises” embedded in state institutions and policies – “anger over unmet expectations [was] the impetus to workers’ actions.”<sup>669</sup>

It was obvious that the food situation was “critical” and political elites did organise an all-party conference in May 1957 to determine the best way to tackle this issue.<sup>670</sup> But such efforts didn’t generate any concrete policy response. Months later, in December 1957, the ruling regime restarted its food talks.<sup>671</sup> However, this never led to any concrete plan of action to deal with this aspect of prices and of course did little to reduce the wave of industrial unrest over prices during this two-year period.

State officials like the Governor of Punjab province did make appeals for “people’s cooperation” to launch a “Grow-More-Food-Drive”<sup>672</sup> that would help increase food production and ideally reduce prices in the near-term. This concrete strategy was in fact carried out by the

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<sup>666</sup> *Dawn*, June 22, 1957

<sup>667</sup> *Dawn*, December 1, 1957

<sup>668</sup> *Pakistan Times*, February 26, 1958

<sup>669</sup> Posusney 1993: 108

<sup>670</sup> *Dawn*, May 27, 1957

<sup>671</sup> *Dawn*, December 1, 1957

<sup>672</sup> *Dawn*, December 5, 1957

state in certain provinces but was deemed largely unsuccessful as various groups, including industrial workers, felt the extra food was never offered to them at reasonable prices.<sup>673</sup> This served to aggravate the growing food deficit, reinforcing for industrial labour that the state was not capable of keeping its promise of maintaining prices even when attempting specific policies.

The ruling regime also tried to tackle the food crisis through its relations with the United States and so consider more long-term strategies for more food and lower prices that would be affordable for groups like labour. At this point, both East and West Pakistan needed at least 500,000 tons of imported wheat to pull through the 1957-1958 period. Pakistan was to receive 673,300 tons of American foodgrains in 1958<sup>674</sup>, as well as 750,000 tons of wheat and rice.<sup>675</sup> This legitimate action on the part of the state, however, had no discernible impact on industrial workers who continued to organize their own strikes and participate in those organized by other subordinate classes to challenge the state on prices.

The situation in East Pakistan was particularly difficult – some reports suggested that the price of rice in East Pakistan was rising by Rs 1 every day.<sup>676</sup> Former Chief Minister Abu Hossain Sarkar, whose regime saw one of the worst post-independence famines in East Pakistan and whose government was accused of “bungling” power, bitterly criticized the Government’s food policy; he said that the views of Central Food Minister Deldar Ahmad on the province’s food position were “absolutely ridiculous.”<sup>677</sup> Ahmad reportedly stated that 80 percent of East Pakistan’s labour force had enough funds to buy basic food requirements, but media outlets, like *Ittehad*, said this view reflected a “daydream” and “such a complacent attitude amounted to self-description and is suicidal.”<sup>678</sup> In this sense, the state may not have had a realistic view of the food crisis to formulate the appropriate policies and counter price increases of basic commodities.<sup>679</sup>

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<sup>673</sup> The failure of the West Wing Food Drive was also partly attributed to political reasons i.e. the opposition Republican Party’s direct interference in the drive.

<sup>674</sup> *Dawn*, December 13, 1957

<sup>675</sup> *Pakistan Times*, July 12, 1957

<sup>676</sup> *Pakistan Observer*, May 14, 1957

<sup>677</sup> *Dawn*, May 15, 1958

<sup>678</sup> *Ittehad*, May 14, 1957

<sup>679</sup> Protests and strikes at this point also involved labour in the agricultural sector – this is mentioned in *Chapter Five: Conclusion*. In Noakhali Thana, there was a significant decline in the purchasing power of landless peasants who, according to Thana Awami League member Abdus Salam, had no work or income. He urged provincial and central authorities to note the “alarming” food situation in the area and demanded “immediate relief” for East Pakistan.<sup>679</sup> The Muslim League Working Committee blamed the provincial government for the food crisis because

Amid such intensified protesting against the state over the economic and food crises as well as its commitments in the moral economy, the ruling regime threatened to take “drastic measures” to ban all strikes in early January 1958.<sup>680</sup> Within a few days, the civilian regime promulgated an ordinance to counter the ongoing strikes and notice of strikes by various organisations including the All Pakistan Posts and Telegraphs Union, Chittagong Port Worker Union, as well as jute workers and steamer employees of Narayanganj. These groups took issue with rising inflation and their loss of purchasing power. In the case of the steamer workers, more than 200 were held in Narayanganj by local police.<sup>681</sup> In this sense, by 1958, the state seemed to bypass its commitments in the moral economy to provide wages and instead focused on simply quashing industrial unrest as quickly as possible. The state-labour expectation relationship within the moral economy had weakened considerably.

For the remaining months of 1958, the economic conditions “deteriorated still further,” while agricultural output dropped and the regime was “forced” to increase food prices of “essential foodstuffs”<sup>682</sup> even further. The cost of living in some Pakistani towns went up by “an average of 8.2%,” according to one estimate.<sup>683</sup> Only weeks before the October coup, the provincial government still struggled to find a solution to the provinces’ food and fiscal crises. On September 20, 1958, a public meeting was held at Paltan Maidan with various labour, educational and cultural organizations. They urged both the provincial and central government to probe the soaring high prices and demanded an extension of the Anti-Hoarding Act as well as fair price shops to supply basic goods in municipal towns.

Women of the East Pakistan Youth League protested at this point as well, shouting slogans against soaring prices. They even carried placards and an effigy of a black-marketer. A six-person group, headed by Mrs. Hazera Mahmud Ali, went to the East Pakistan Chief Minister’s house to state their demands, which included a Grow More Vegetable Campaign in East Pakistan, transport facilities to local salt manufacturers and imposition of further restrictions on import of luxury goods and fixation of jute prices. The Chief Minister said he would investigate but no action was taken. The remaining weeks of this civilian-led era were consumed

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it had failed to take the required steps against “smugglers, anti-Pakistan and subversive elements” (*Dawn*, May 21, 1957).

<sup>680</sup> *Dawn*, January 2, 1958

<sup>681</sup> *Pakistan Times*, January 18, 1958

<sup>682</sup> Ali 1970: 82

<sup>683</sup> *Financial Times*, May 11, 1959

by political violence, as mentioned in *Chapter Two*, and this civilian-led era was coming to an end.

Undoubtedly, in the 1957-1958 period, increasing moral economy violations challenged the legitimacy of the state-labour expectation relationship and the state itself. When industrial workers felt that expected prices were not delivered, they would voice their concerns through anti-state protests and strikes that at times became violent. This was the case in both East and West Pakistan and escalated at a rapid pace, as compared with the industrial unrest that occurred earlier in this civilian-led era. The fact that the state had minimal if no response reinforced the legitimacy strain it was experiencing at this point. The terms of the moral economy of development policy no longer seemed to be viable for labour or the state in this civilian-led era. This also extended to the anti-state unrest over wages in these years.

While industrial workers clearly created legitimacy strain for the state through their unrest over wages *and* prices, challenges to state legitimacy also came from certain elite groups in 1957-1958, as illustrated in *Chapter Two* of this thesis. Key members of the military and bureaucracy, as well their links to the United States, posed a considerable threat to state legitimacy that contributed to regime breakdown. The civilian regime had made a mockery of itself, with chronic political crises and three governments falling during this short two-year period. But the military and its key bureaucratic partners still felt a parliamentary façade was no longer needed, particularly if a new government in the impending elections actually gained legitimate power that could challenge the military in some way. With unofficial support from the United States, the military-bureaucratic takeover became more likely. These groups, including industrial labour, thus contributed to legitimacy strain in meaningful ways, which culminated in the civilian regime's legitimacy crisis and regime breakdown by the end of 1957-1958.

## CHAPTER 4

### MORAL ECONOMY OF DEVELOPMENT POLICY DURING MILITARY RULE: 1958-1971

After ten years of political turmoil and steady economic decline, General Ayub's coup was initially received positively in October 1958. Crowds of Pakistanis in major cities of both East and West Pakistan "cheered" for the general<sup>684</sup>, perhaps feeling that real change was now possible with a new regime. In fact, within three days of the coup, the first positive development was felt – prices on basic consumer goods fell by more than 25 percent.<sup>685</sup> Various ordinances to ease the economic situation were announced by the military leader and his bureaucratic team, including the new order for the "death for hoarders" of commodities<sup>686</sup>; the political situation was also framed in very specific terms with the new Basic Democracies model. It seemed that the general's "leadership [was going to give] Pakistan relative political stability and a coherent public policy"<sup>687</sup>, unlike the previous civilian-led era. However, the primary focus of the new military regime – defence and development – was effectively the same as that of its civilian predecessor.

With the military now at the official helm of government and "mutual distrust and fear of aggression"<sup>688</sup> from India still very much in force, high defence spending continued to dominate the state's budget; this took up over 46 to 64 percent of total expenditure in each year of this military-led era<sup>689</sup> and contributed to the rapid growth of the military's business empire or "milibus"<sup>690</sup> in Pakistan. As a result of this heavy defense expenditure, this once again "[deflected] the flow of resources away from development needs."<sup>691</sup> This became even more apparent in the buildup to the 1965 war with India,<sup>692</sup> when General Ayub openly expressed in

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<sup>684</sup> *Dawn*, October 9, 1958

<sup>685</sup> *Pakistan Times*, October 11, 1958

<sup>686</sup> *Dawn*, October 12, 1958

<sup>687</sup> Pg 87. Wayne Wilcox, Pakistan: A Decade of Ayub, *Asian Survey*, Vol. 9: 2, A Survey of Asia in 1968: Part II, pg 87-93, February 1969

<sup>688</sup> Wilcox 1968: 87

<sup>689</sup> *Annual Economic Surveys*, Various Years

<sup>690</sup> Siddiq 2007: 129

<sup>691</sup> Pg 160. A. M. Huq, Pakistan's Economic Development, *Pacific Affairs*, Vol. 32: 2, pg 144-161, June 1959

<sup>692</sup> India-Pakistan relations steadily deteriorated over the Kashmir issue from 1962 onwards. The 1962 elections in Kashmir were viewed by India as a "popular confrontation of the state's accession to India," while Pakistani elites felt these were rigged. This later led to significant fighting in the Jammu region of Kashmir, which escalated into "fierce engagements" between India and Pakistan's armies near Lahore. By 1964, protests and "communal disturbances" were bubbling up. By Pakistan's attempt to resolve Kashmir "by force" with Operation Gibraltar was



his monthly broadcast to the public that: “defence [came] first. Everything else [was to take] a secondary place.”<sup>693</sup>

Yet again, with what limited funds were left, the state focused on development. The “first and principal concern of the new government was to put Pakistan’s economic house in order” given the “severe economic crisis” created by the last regime; this was done “expeditiously and effectively” as “modernization – a word that Ayub Khan [appeared to understand] only in its economic context – provided the coup d’état ... with its *raison d’être*”<sup>694</sup>. General Ayub thus tried to “channel the energies of the people toward the single goal of economic development and attempted to integrate the nation by creating confidence among the people about the destiny of Pakistan through maximizing the rate of economic growth.”<sup>695</sup> He wanted to make sure all groups – especially those who previously felt disadvantaged like labour – felt a part of national development and would participate accordingly.

In this sense, development was once again directly linked to the legitimacy of the state. The global community, particularly the United States, had high hopes that the “new regime might provide a model for other developing countries”<sup>696</sup> – the average growth rate of 5.5% each year was considered to be proof of the success of this model, at least initially, thus giving the military regime one form of state legitimacy abroad.<sup>697</sup> Locally, the expectation of the new regime to boost industrial development and so improve general economic conditions was also widespread, particularly among classes like labour who had struggled with basic subsistence during the previous civilian-led era. This expectation of subsistence, of course, would later prove to be the downfall of this military-led era.

To move development forward as quickly as possible in these early years of the military regime, the emphasis was once again on state-led and “rapid” industrial development.<sup>698</sup> This

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in full swing, but was met with a fierce India and ended with a ceasefire orchestrated by the United Nations (Talbot 2005: 175).

<sup>693</sup> *President’s Monthly Broadcast to the Nation*, Pakistan High Commission, Information Division, Press Release, November 2, 1965

<sup>694</sup> Pg 202, Shahid Burki, Ayub’s Fall: A Socio-Economic Explanation, *Asian Survey*, Vol 12: 3, March 1972

<sup>695</sup> Maniruzzaman 1967: 878

<sup>696</sup> Ali 1983: 62

<sup>697</sup> Talbot 2005: 171

<sup>698</sup> Agricultural development was also emphasised so that Pakistan could achieve “self-sufficiency” in foodgrains and ideally prevent any future food crises (Seth 1967: 83-84). The military regime introduced several reforms to strengthen agriculture, including boosting rural infrastructural investment in a way that was never attempted in the preceding civilian-led era (Husain 2007: 19).

was the “centrepiece of Ayub’s economic strategy”<sup>699</sup> and was developed by the Planning Board<sup>700</sup> which had “far greater power and influence in the running of the economy” than in the previous civilian-led era.<sup>701</sup> General Ayub’s vision, as later articulated in the Second Five Year Plan 1960-1965, was for the “removal of administration controls and the maintenance of monetary discipline and price stability to provide a macroeconomic environment conducive to private investment.”<sup>702 703</sup>

The next step was for the ruling regime to provide “liberal facilities to private industry”<sup>704</sup> and so lure them into facilitating the state’s industrial development policy. “Investment schedules” were introduced from 1960 onwards so private sector investments were not “haphazard” and were “channelled into ... the desired fields”<sup>705</sup> – as dictated by the state. In particular, the state focused on the development of a substantial steel industry to “serve as a nucleus for other heavy engineering”, as well as coal and iron ore.<sup>706</sup> This investment of course required the participation of certain key industrialists.

Initial budget speeches of this period repeatedly emphasised how development could not be run by the state alone as the private sector had a “responsibility to the nation.”<sup>707</sup> General Ayub groomed a small entrepreneurial elite – mostly Gujarati-speaking Khojas and Mehmons and a few Punjabi Chiniotis.<sup>708</sup> The military regime readily provided credits, permits and licenses to help empower this small class to facilitate the state’s industrial development policy. This was the continuation of the import substitution industrialization regime of the previous civilian era, which was still popular in the 1960s in developing countries.

These industrialists benefited from funding from the Industrial Development Bank of Pakistan created in 1961, which aimed to promote “industrial development by providing finance, both in local currency and in foreign exchange.” It also contributed to “a broad-based economy,

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<sup>699</sup> Husain 2007: 15

<sup>700</sup> The Planning Board was reorganized and made part of the President’s Secretariat; it was also renamed the Planning Commission (Pg 5. Rashid Amjad, *Private Industrial Investment in Pakistan in 1960-1970*, Cambridge University Press, Cambridge, United Kingdom, 1982)

<sup>701</sup> Amjad 5: 1982

<sup>702</sup> Husain 2007: 16

<sup>703</sup> See the following article for a more detailed economic analysis of the industrial policy: A. M. A. Rahim, The Development Strategy of Pakistan: The Case for Revision, *Asian Survey*, Vol. 13: 6, pg 577-586, June 1973.

<sup>704</sup> *Second Five Year Plan 1960-65* 1960: 223

<sup>705</sup> Pg 81-82. *Economy of Pakistan 1948-68*, Ministry of Finance, Government of Pakistan, Islamabad, Pakistan, 1971

<sup>706</sup> Seth 1967: 83

<sup>707</sup> Budget 1959: 5

<sup>708</sup> Pg 296. W. M. Dobell, Ayub Khan as President of Pakistan, *Pacific Affairs*, Vol 42: 3, pg 294-310, Autumn 1969

concentrating on medium and small industries, and on the underdeveloped regions” and encouraged “new entrants” in “enterprise and innovation.”<sup>709</sup> There was also the state’s PICIC, which, since 1957, tried to “foster the development of industries in the private sector on sound lines”,<sup>710</sup> and the PIDC. Such investment licensing and credit opportunities helped this small elite<sup>711</sup> to boost industrial growth by more than 15 percent in this military-led era.<sup>712</sup> The Wazir Ali group was the quintessential example of this in that they built their companies in the 1960s by “actively accessing state privileges.”<sup>713</sup> Elite industrialists thus came to expect preferential policies from the military regime to run their business, reinforcing a state-industrialist expectation relationship within development policy that was comparable to what existed in the previous civilian regime.

As the industrialization process became more developed in Pakistan’s economy, this elite group of industrialists earned huge profits, as was the case for certain industrialists in the previous era. One estimate by Dr Mahbulul Haq – General Ayub’s former chief economist of General Ayub’s Planning Commission – suggested that by 1968, the general and his family’s assets were worth between \$10 and 20 million. Another estimate suggested that elite industrialists groomed by the ruling regime came to own two thirds of the country’s industrial assets and three quarters of insurance company and bank assets.<sup>714</sup> In this sense, the “Pakistani state explicitly privileged economic growth”<sup>715</sup> for this elite, just as was the case in the previous civilian-led era.

About a dozen major business empires in West Pakistan also dominated the All-Pakistan Federation of Chambers of Commerce and Industries, which was the “most powerful pressure group operating from outside formal government institutions.” This “powerful lobby” also had an “effective influence” on the economic policy of the government.<sup>716</sup>

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<sup>709</sup> Pg 11, *Central Government Corporations*, Ministry of Finance, Government of Pakistan Press, Karachi, Pakistan, 1966

<sup>710</sup> *Central Government Corporations* 1966: 49

<sup>711</sup> In a 1968 interview on *World in Action* on Granada Television, Rtd Air Marshal Asghar Khan talked about the 22 other families who had accrued huge amounts of wealth, given their links to General Ayub and his industrialization policies. He noted: “There are certainly a few families that have the larger share of the business and industry in Pakistan and that is something people do not like.”<sup>711</sup> They reportedly controlled 66 percent of the country’s total industrial capital, 70 percent of insurance and 80 percent of banking (*Business Recorder*, April 25, 1968).

<sup>712</sup> Husain 2007: 17

<sup>713</sup> Hasan 1997: 107

<sup>714</sup> Alavi 1972: 60

<sup>715</sup> Candland 2007: 88

<sup>716</sup> Maniruzzaman 1966: 98

For their role in the state's new development policy, industrialists – largely in West Pakistan – clearly became influential in terms of wealth and their power over the government policymaking. They “made huge mark-ups for themselves and their families, but the spill overs to the rest of the economy were at best marginal.”<sup>717</sup> Like in other developing countries and like the 1947-1958 civilian regime in Pakistan, General Ayub's military regime followed an obvious “elitist model of growth, where both economic and political power [were] held by a small coterie of elites” – it ensured that the “market [was] rigged and the state [was] hijacked in order to deliver the most of the benefits of economic growth to this small group.”<sup>718</sup>

But what did labour gain from such industrial development? It was clear that while the military regime initially expressed its goal of raising the standard of living<sup>719</sup> for all, its main priority besides defence was growth. Or at least such “elitist growth”<sup>720</sup> was all that could be achieved, given limited resources available for development. This translated to minimal benefits for the majority of Pakistan's population, including industrial labour.<sup>721</sup> Yet the state still managed to ensure that workers played a role in this “elitist model of growth”<sup>722</sup> throughout this military-led era.

Just like its predecessor, the military regime state repeatedly insisted it would provide certain wages and prices to industrial workers for their labour. This became part of the military regime's strategy to promote a “moral economy” centred on its industrial development policy, so workers would play their role in national development for the basic subsistence promised by the state. This “subsistence ethic”<sup>723</sup> thus became the “norm and standard”<sup>724</sup> which labour expected the state to maintain, in return for its role in the country's development project. It became a marker for the legitimacy of state-labour relations and the state itself.

However, as explained later in this chapter, the state did not always uphold its promise of subsistence provision for labour, frequently hindering the state-labour expectation relationship. As a result, at certain points in this period, organized industrial workers challenged the state through unrest, impacting state legitimacy that even contributed to regime breakdown by the end

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<sup>717</sup> Husain 2007: 13

<sup>718</sup> Husain 2007: xii

<sup>719</sup> Mohammed Ayub Khan, Pakistan's Economic Progress, *International Affairs*, Vol. 43: 1, pg 1-11, January 1967

<sup>720</sup> Husain 2007: xii

<sup>721</sup> Griffin and Khan 1972: 27

<sup>722</sup> Hussain 2007: xii

<sup>723</sup> Scott 1976: 2

<sup>724</sup> Posusney 1993: 85

of this military-led era. The question to consider first though is how the moral economy and labour's expectation relationship with the state were derived during this military-led era.

### SETTING UP THE EXPECTATION RELATIONSHIP IN THE MORAL ECONOMY OF DEVELOPMENT POLICY IN PAKISTAN: 1958-1961

To set up the expectation relationship in the moral economy, the new military regime took a multi-pronged strategy that effectively mirrored what its civilian counterpart attempted in the previous decade of 1947-1958. First, it cashed in on the nationalist and anti-polity sentiment after the previous ten years of unstable civilian rule. It egged on labourers to work in the name of national duty for Pakistan, economically and otherwise. It also urged workers to be ready to sacrifice for their country so Pakistan could finally reach its potential, particularly after years of mismanagement by the civilian polity. This introduced the notion that labour should not expect more than mere basic subsistence from the state in this period of building and stabilizing Pakistan.

Second, the state announced an ambitious and detailed labour policy within only a few months of the coup, rather than after seven years like in the 1947-1958 civilian-led era. The fact was that, "up to 1958, the government had basically depended on labour legislation, conciliation and adjudication machinery that were inherited from undivided India"<sup>725</sup> and so this new policy was considered a significant step forward for Pakistan. In this military-led era, the state's specific message for labour to do their duty was relayed through a public campaign to unions to create "collectively held goals"<sup>726</sup> among workers that reflected the needs of the state to promote industrial development at all costs.

The unions themselves also highlighted their expectations of the state to keep up with their promise of subsistence provision. Although the state initially reduced its patronage to national trade unions and limited their activity during martial law in 1958-1961, it still called on workers to speak up about their needs. It also later rewarded certain members who were "loyal to its policies" with appointments to its revamped industrial court.<sup>727</sup>

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<sup>725</sup> Shaheed 2007: 93

<sup>726</sup> Useem and Useem 1979: 841

<sup>727</sup> Shaheed 2007: 255

Third, strategic communication and policies were again introduced by the state to offer basic subsistence to industrial workers in terms of a stable level of wages and prices. This was key to creating a sense of entitlement of labour and expectation from the state for particular patronage. It formed the core of the legitimacy of the state-labour relationship, reinforcing for labour that the state would be “responsive” if the expectation of patronage was not met by the state.<sup>728</sup>

#### LABOUR’S NATIONALISTIC ROLE OF SACRIFICE IN MAKING PAKISTAN A VIABLE STATE

After its volatile first decade led by politicians, it was still questionable whether Pakistan could in fact be a viable state. Parliamentary democracy had “failed”<sup>729</sup> miserably but the issue remained whether a regime without the civilian polity could in fact work. Overall growth levels had “stagnated”<sup>730</sup>, despite previous efforts at state-led industrialisation in 1947-1958. Would the new regime’s approach to industrialisation be more effective? It would with labour’s help, according to the state’s recurring message to workers in 1958-1961. The ruling military regime tapped into such burning questions and national self-doubt, appealing to Pakistani workers to perform on nationalistic grounds. Once again, the state urged workers to see their role in industrial development as a significant way to do their duty to Pakistan in its ongoing quest for viability; this appeal to nationalist sentiment was one way for the state to achieve “policy legitimacy”<sup>731</sup> for its industrial development strategy.

General Ayub was the first to talk of this idea of sacrifice two months after the coup in December 1958. He noted that, “every individual must work for the country’s good” to make up for the “mistakes” of the politicians of the past regime.<sup>732</sup> He appealed to individual Pakistanis to sacrifice for the sake of their country and perform their national duty, which was in keeping with what he felt were national religious ideals. While previously individual Pakistanis were urged by the state to play their role in development to counter the Indian threat, in the early years of this military-led era state officials instead emphasized the importance of moving beyond the incompetence of the past policies of the civilian governments of 1947-1958 so Pakistan could finally reach its full potential.

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<sup>728</sup> Useem and Useem 1979: 841

<sup>729</sup> Talbot 2007: 153

<sup>730</sup> Wilcox 1969: 90-91

<sup>731</sup> Smoke 1994: 100

<sup>732</sup> *Pakistan Times*, December 17, 1958

In the first budget speech of the new regime in 1958-1959, the Finance Minister Syed Amjad Ali reiterated how Pakistan was “at the economic crossroads” after the previous decade of civilian mismanagement. He noted how the military regime’s policy proposals would “mean additional burdens on our people” but would also “raise much needed resources to maintain the development programme at the very minimum that can be contemplated”, a programme that was seen as “vital to the future of our country and our people,” particularly in terms of raising the “low standards of living of our people, if freedom is to have any meaning for them.”<sup>733</sup>

But again, he noted the people’s need to “sacrifice” and “rise to the occasion and do their duty” for the country’s development. He felt “no human achievement [was] possible without hard work and without sacrifices” and insisted Pakistanis, particularly labourers, should be “ready to make sacrifices ... to build a future worthy of ourselves and our children.”<sup>734</sup> In this sense, the state promoted the idea of sacrifice in the short term for the sake of improvement in the long term for the individual Pakistani. A patron-client relationship between the state and workers was also hinted at as part of the moral economy of development policy – if they worked hard now and sacrificed, they would prosper with the country later, according to the state’s vision.

The April to June 1959 budget speech announced by Finance Minister Mohammad Shoaib struck the same tone of sacrifice and duty of the individual for the sake of Pakistan’s development. He told the public that he could not “conceal [that the] country will have to contend for quite some time with serious economic difficulties. Economic problems of this nature do not yield to easy and quick solutions. It is wishful thinking to imagine that the crisis will soon be over and that [one] shall be able to sit back and relax.”<sup>735</sup> Thus he hinted at the idea of sacrifice for the near-term, but implemented development policy required “the active cooperation and support of the people.” It necessitated “national self-discipline ... hard work and a willingness to bear the sacrifices necessary to assure a better future for all of us.” He felt “confident” Pakistanis could “sacrifice” with “God’s help.”<sup>736</sup>

A few months later the 1959-1960 Budget Speech by the finance minister once again noted the regime’s “constant endeavour to promote the long-term welfare of the people” but

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<sup>733</sup> Pg 315. *Budget Speeches 1947-48 to 1984-85, Vol 1 1947-1960*, Finance Division, Government of Pakistan, Islamabad, Pakistan, August 1984

<sup>734</sup> *Budget Speeches 1947-48 to 1984-85* 1984: 316

<sup>735</sup> *Budget Speeches 1947-48 to 1984-85* 1984: 332

<sup>736</sup> *Budget Speeches 1947-48 to 1984-85* 1984: 333

which required “sacrifice” on the part of the people in the short-term. The “harsh” measures taken were necessary but the ruling regime claimed to have made it “as painless as possible” before “a sound and healthy economy [could] be built.” He spoke of “the nation” as being a “man” who was “given all cooperation and assistance” but “has borne sacrifices ungrudgingly.” These efforts of sacrifice would allow the country to make “steady progress towards [its] goal of economic prosperity.”<sup>737</sup> Such state rhetoric of short-term sacrifice for the nation continued through to budget speeches through to 1961.

This theme of sacrifice was also reinforced at various labour conferences in this period. At the 1959 Karachi Labour Conference, for instance, Finance Minister Shoaib told workers directly how their “sacrifices” today would “help to lay the foundation for a happier future” for them. This required “much higher production than has so far been delivered” and this required that everyone be prepared to sacrifice. “How long this period of hardship will last depends on the efforts all of us make,” he said.

This public official also appealed to the Pakistani workers’ sense of nationhood to encourage their role in development. He noted, “Pakistan was achieved not because others took pity on us, but because the whole nation stood united and determined to attain its freedom. I can say with confidence that a nation which possesses the tenacity to free its homeland against heavy odds can at much less sacrifice make its country happier and prosperous. So let us set our heart to the task under the strong and benevolent guidance of the President, and face with fortitude the difficulties we face.”<sup>738</sup> Bringing back memories of the struggle for independence was another way for the state to gain labour’s support in building Pakistan’s economy and thus achieve policy legitimacy.

At the Tripartite Labour Conference in 1960, the labour minister appealed to workers’ sense of nationhood to spur their involvement in development while building the expectation that they would have to continue to sacrifice. He explained how “cold statistics” mean nothing until “millions and millions of individual citizens begin to sense the possibility, and progressively to experience the reality, of a better life for themselves and their children. ... It is you, the people of Pakistan, who provide the motive force and the final answer. So it is to each and all of you that I make a final appeal to you ... to give to your best, individually and collectively, towards achievement of the Nation’s vital economic and social purposes.” He emphasized the mutually

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<sup>737</sup> *Budget Speeches 1947-48 to 1984-85* 1984: 352

<sup>738</sup> *Federal Economic Review* 1959: 11



beneficial relationship between state and labour: “With God’s help, your Government will do its part. We count on you to do yours.”<sup>739</sup> He thus reinforced the informal patron-client relationship between the state and labour as well as the theme of short-term sacrifice for long-term gain.

#### STATE-TRADE UNION RELATIONS

Beyond speeches to the public and to workers specifically about the need to sacrifice to make Pakistan viable, the state also focused on promoting its 1959 Labour Policy<sup>740</sup> to educate workers about their important role in national development and to only expect basic subsistence from the state. The state emphasized this new policy heavily during this martial law period of 1958-1961 when trade union activity was limited<sup>741</sup> though the unions themselves were not banned.<sup>742</sup> Unlike in the previous civilian-led era that did not have a labour policy in over seven years, the military regime announced its concrete labour policy within a few months, serving as its official sound piece to all trade unions about their critical role in national development.

The state did not choose to continue patronage to strengthen nationwide unions like APCOL<sup>743</sup>, instead relying on its bureaucracy to publicize the merits of its new labour policy to unions of all sizes across the country – the purpose was to once again create “collectively held goals”<sup>744</sup> that reflected the needs of the state to promote industrial development at all costs. But, as part of its new policy, it did look to union leaders for input about labour’s needs. It also chose to “reward” certain union leaders who were “loyal to its policies” by appointing them to industrial courts.<sup>745</sup>

General Burki, Minister for Social Welfare and Health, was the first to speak out to workers about the 1959 Labour Policy and its relevance to national production. At various union

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<sup>739</sup> *Budget Speeches 1947-48 to 1984-85* 1984: 47

<sup>740</sup> Ronald Da Costa, *The Role of Trade Unions in Developing Countries: A Study on India, Pakistan and Ceylon*, Havaux Press, Nivelles, Belgium, 1963

<sup>741</sup> Amjad and Mahmood 1962: 11

<sup>742</sup> One labour leader active in organizing industrial strikes did note that the period of martial law was tense: “You must bear in mind that those were years of Martial Law, when strikes were very difficult to pull off. But the prevailing conditions and also the workers demanded this kind of forceful action. Workers received between 2 and 2.25 rupees per day in textile mills, only ten days’ holiday, no fringe benefits, no bonus. These problems were uppermost in our minds at that time. Thus, in our strike, the demands were for more wages, fringe benefits, a provident fund, etc; but we also paid attention to the conditions of work and maltreatment of workers by management” (Shaheed 2007: 56).

<sup>743</sup> Amjad and Mahmood 1962: 11

<sup>744</sup> Useem and Useem 1979: 841

<sup>745</sup> Shaheed 2007: 255

meetings, he offered a recurring message specifically about the policy: “We strongly believe that all benefits – to the workers, to the employers, and to the country – can flow from one factor only and that is increased production.”<sup>746</sup> He explained repeatedly that increased production would require “better conditions” for labourers.<sup>747</sup> But Burki emphasized that: “the workers should also understand they can get their needs and demands satisfied only out of increased productivity.”<sup>748</sup> In this sense, the ruling regime was making it clear through its labour policy and public diplomacy that workers’ “needs” being “satisfied” were contingent upon their role in increasing national production, thus echoing the informal patron-client and mutually beneficial relationship embedded in the moral economy of development policy.

Burki also repeatedly pointed out that labour unions were “not very well organised and economically a weaker party” and so “the employers should therefore be sympathetic to problems of the workers.” He emphasized the need for a “harmonious relationship between the workers and employers” for “industrial peace” and “increased productivity.”<sup>749</sup> He explicitly said the state would now ensure that employers would provide unions with “the basic minimum amenities so that the personality of the workers [could] find full expression in terms of his right as a citizen of a free country.” This served as a reminder to workers and unions that the ruling regime was central to industrial relations and workers should hold the state accountable if employers did not deliver certain “amenities.”<sup>750</sup>

Various state officials also urged industrialists to take measures to “help [their] workers to identify ... with the interest of the establishment” so that they could “feel that [they] had a stake and a vital stake” in the industry,<sup>751</sup> as noted in the labour policy. Industrialists were singled out to “pool their resources in a cooperative manner to provide for social welfare amenities.”<sup>752</sup> Again, this mirrored the moral economy rhetoric in which – in return for labour’s role in development policy – the state would ensure that employers would provide their industrial workers with appropriate conditions.

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<sup>746</sup> Pg 2, *Revised Labour Policy of Government of Pakistan*, Ministry of Healthy and Social Welfare, Government of Pakistan Press, Karachi, 1959

<sup>747</sup> *Revised Labour Policy of Government of Pakistan* 1959: 1

<sup>748</sup> *Revised Labour Policy of Government of Pakistan* 1959: 5

<sup>749</sup> *Second Five Year Plan 1960-65* 1960: 378

<sup>750</sup> *Revised Labour Policy of Government of Pakistan* 1959: 6

<sup>751</sup> *Revised Labour Policy of Government of Pakistan* 1959: 6

<sup>752</sup> Shafi 1959: 106

The state also called on unions and labour leaders to use their organizations to educate workers about “their rights and privileges but also on their obligations and duties to the employers and the country as a whole.” The ruling regime encouraged labour unions to focus on “a programme of building up the correct leadership amongst the workers, so that they [could play their role as useful citizens of the country in the present phase of development.”<sup>753</sup> The policy thus reinforced the critical role of workers in the state’s ambitious development policies and the need for unions to educate their members about their role in the national development project.

While the state promoted its subsistence and sacrifice ideology to certain workers and employers, certain union leaders in turn spread this rhetoric to workers that created expectation of specific patronage from the state. This was despite the limited activity of and decline in state patronage to nationwide unions during martial law. In the early years of this military-led era, there were about 350,000 to 400,000 workers and 600 to 700 trade unions in organized industry of Pakistan, which included groups in electricity production, textiles and sugar.<sup>754</sup> This was double the number of workers involved at partition (150,000) and the number of unions (300), which were small but increasingly active.<sup>755</sup>

At various labour conferences, union leaders “praised” the new labour policy as a “wise step” that had “raised the prestige” of the new regime.<sup>756</sup> These union leaders who were more vocal about towing the state’s line on labour and development policy were often rewarded by the military regime for their “loyalty” to state policies with prestigious industrial court appointments.<sup>757</sup> But union leaders also told its members that if they did not find their conditions were sufficient, they then could strike – a right that was restored as part of the Martial Law Regulation No 29.<sup>758 759</sup>

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<sup>753</sup> Shafi 1959: 104-105

<sup>754</sup> *Pakistan Labour Book* and *East Pakistan Labour Journal*, Various Years

<sup>755</sup> *Pakistan Labour Book* and *East Pakistan Labour Journal*, Various Years

<sup>756</sup> *Dawn*, May 7, 1959

<sup>757</sup> One union leader said he was pursued by the state to accept a position in the industrial court: “One of the bribes that the government offers to appoint people active in the labour movement as members of the labour court. They offered me such a post, at a fixed salary of Rs 1400. I told them I would gladly accept, but on condition that I forfeit the salary. ... They insisted that I accept the money, so I refused. Then they issued a gazette notification to the effect that I had been appointed a member of the court, at such and such salary. I sent them an official resignation. They refused to accept my resignation for six months. Then they agreed to accept my resignation if I agreed to accept four months’ salary. What work had I done for them to accept this salary of four months? They try to win you over in all ways” (Shaheed 2007: 255.)

<sup>758</sup> *Dawn*, May 5, 1959

<sup>759</sup> Of course, there were severe restrictions on when a worker could strike, which included giving notice six weeks (Section 18, Industrial Disputes Act 1959) before to his employer about a protest and waiting for a “settlement of conciliation proceedings” or an application for “adjudication of the dispute to an Industrial Court” (pg 50. M. Ali

Leading labour figures like Committee President of the West Pakistan Federation of Labour M. A. Khatib spoke to workers about what they should expect from the state. At the first labour rally during this military-led era in early 1959, Khatib noted the value of the new labour policy, as “ever since the establishment of Pakistan no reasonable amendments [had] been made in the labour laws. Provincials and Central Governments came and left after making false and empty promises. Most of the reactionary, out-dated and inequitable laws of the British regime are in force in the country. In spite of the fact that various conventions and recommendations of ILO have been ratified by Government, no legislation based on these conventions and recommendations have been introduced.”<sup>760</sup> Thus the implication was that labour should expect an improvement in working conditions, courtesy of the state.

Khatib also highlighted that labour should expect an improvement in economic conditions, remembering that past civilian governments had failed the “objects for which Pakistan was established.” He explained labour’s view that it was the “selfish and destructive policy of most of the political leaders ... that made the country’s economic condition so unbalanced and precarious during the last 11 years that the wealth of the country accumulated in the hands of a few persons and the masses were rendered destitute.” He also made it clear that price inflation, particularly of food prices, had caused labour significant distress and such high prices were due to the actions of “dishonest political leaders” who allowed “industrialists and businessmen to “indulge in black-marketing, profiteering, hoarding and smuggling. ... The economic structure of the country was ruined.”<sup>761</sup> Again, labour made another expectation of the state clear – a stable set of living conditions.<sup>762</sup>

Such recurring rhetoric from labour leaders and state officials thus reminded workers of what they should expect from the state within the scope of industrial relations. It also reminded the state of its obligation to industrial workers – to provide sufficient working conditions and living conditions, which are discussed in terms of wages and prices in this thesis. Through its

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Raza, *Industrial Relations System of Pakistan*, Bureau of Labour Publications, Educational Press, Karachi, Pakistan 1963).

<sup>760</sup> Shafi 1959: 67

<sup>761</sup> Shafi 1959: 66

<sup>762</sup> As a representative for labour, Khatib also expressed “hope” in the new military regime, given its “sincere and dynamic character.” He noted labour’s expectation of “positive and planned steps” be taken to raise or at least maintain the living standard of the workers, “suitable residential accommodation,” “the dignity of labour be recognized and workers’ representatives be given due representation in official and semi-official institutions, fair price shops and canteens, healthy trade union movement be encouraged, and out-dated labour laws be amended immediately and fresh laws based on the conventions and recommendations of ILO be framed and enforced” (Shafi 1959: 67).

new policy, the new regime felt it was absolutely “necessary to create goodwill among the working class” and so in the initial years “promises [of wages and prices] were made to reduce the tension and severe strife between labour, management and employers.”<sup>763</sup>

## WAGES

In these early years of the military regime, the state once again adopted a multi-pronged strategy – strategic speeches, conferences and legislation – to show that wages could be sustained for labour. This was the first key component of labour’s expectation of the state in this moral economy of development policy. It thus formed one part of the core of the legitimacy of the state-labour relationship, reinforcing for labour that the state would be “responsive” if the expectation of patronage was not met.<sup>764</sup>

First, it was clear that, just like in the previous civilian-led era, state officials wanted to project themselves as pro-labour through strategic speeches directed at elite industrialists. Days after the October 1958 coup, for instance, East Pakistani Martial Law Administrator General Umrao Khan outlined how the new labour policy would encourage industrialists to provide “better working conditions” to its workers to benefit production and overall growth.<sup>765</sup>

In various meetings with industrialists, General Muhammad Azam Khan specifically called on this elite class to work with the state by “fulfilling their obligations to ensure decent [wages]” were paid to workers. Only two months after the coup, General Khan addressed 300 Karachi-based industrialists about this very issue. He highlighted to them that the “existing gap between rich and poor must be closed up.” But this could only happen if industrialists helped to ensure that “Pakistan’s working class [was] content and happy, so there could be real stability in the land.”<sup>766</sup> Similarly, seasoned bureaucrat Abul Kasem pointed out in various public meetings the state’s expectation of industrialists to “better the lot of labour” in terms of their working conditions.<sup>767</sup>

Second, the state appeared to push further for labour’s wages through specialized and highly publicised conferences involving the ruling regime, industrialists and labour leaders. Just like in the previous civilian regime in 1947-1958, documentation from such conferences was

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<sup>763</sup> Hafeez 1978: 77

<sup>764</sup> Useem and Useem 1979: 841

<sup>765</sup> *Dawn*, November 4, 1958

<sup>766</sup> *Pakistan Times*, December 6, 1958

<sup>767</sup> *Dawn*, December 14, 1958

then widely distributed to active trade unions at various industrial sites to further influence labour about the state's commitment to their wage needs and the relevant laws in place. Again, this was a key way for the state to monitor and shape industrial relations, while reiterating to labour about the wages that they should expect from this moral economy of development policy.

At certain tripartite conferences during this martial law period 1958-1961, two state representatives, four industrialists and four labour leaders, who were nominated by the provincial governments, would debate industrial relations, including the wage issue. Each conference produced reports and recommendations that were then passed on to the ruling regime.<sup>768 769</sup> At the 1958 tripartite labour conference one month after the coup, General Umrao Khan emphasised the need for “a changed outlook under which national interest should get priority over that of the consumer, worker and the industrialist.”<sup>770</sup> At the same time, he noted the regime's belief in “justice to one and all,” including for labour's wages. He explained the “need of the hour” was more production and fair wages to workers.<sup>771</sup> Once again, labour was told that their welfare was a primary concern of the ruling regime, alongside the need for increased industrial development.

At a Labour-Management Cooperation Conference a month later in December 1958<sup>772</sup>, General Ayub himself noted the “difficult problems” that the country faced in “planning a balanced national economy” but which urgently required an “imaginative handling” of “labour problems.” Key to this was for “labour to give their best for what they [were] paid” and for the employer to “realise that what they [were] dealing with is human material and not machines, and as such [to] give them all the comfort, conveniences and dignity due to honest, hard-working and self-respecting human beings.”<sup>773</sup> Thus, this reinforced for labour that a fair wage was due to them for their labour and would be overseen by the state, as part of the moral economy of development policy.

The military leader even reminded labourers of their right to “seek redress” through appropriate state mechanisms, if they felt they did not earn what they deserved. He called on “management” to “conform to the fundamental prerequisites” of labour laws and trade unionism.

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<sup>768</sup> Khan 1966: 86

<sup>769</sup> Related to this conference was the Standing Order Committee created by the new military regime in 1958; it comprised of an ILO representative in Pakistan, employers and workers and an officer from the Central Ministry of Labour and Social Welfare who examined the findings of each tripartite conference before being sent to the Provincial Government (Khan 1966: 86).

<sup>770</sup> Shafi 1959: 69

<sup>771</sup> Shafi 1959: 69

<sup>772</sup> The government and the Pakistan Institute of Personnel Administration coordinated this conference.

<sup>773</sup> Shafi 1959: 73

When a worker had legitimate “demands or grievances” over wage issues, they were to be taken by the union secretary to the manager or to the Works Committee<sup>774 775</sup> which was an “advisory body.”<sup>776</sup> Workers and employers had to follow the “established legal procedures,” i.e. mediation, intervention of labour officers, labour courts, Appellate Courts or the National Industrial Relations Commission.<sup>777</sup> General Ayub thus reminded workers that they could challenge the state if their expected wages were not delivered.

Third, through various laws that had been introduced in independent Pakistan and pre-partition India, Pakistan’s regime organized industrial-labour relations at the national and provincial level, thus explicitly making the state accountable for wages for workers. Certain “old laws [continued] in force by virtue of a Presidential order,”<sup>778</sup> but new ones were introduced as well to specifically deal with wage issues.

From the previous civilian-led era, the Factories Act 1934 continued to be in effect. It specified maximum working hours and “suitable” working conditions for labour, but it also specified the need for minimum wages. The Industrial Disputes Act 1947 was also still in effect to “govern the investigation, settlement and adjudication of industrial disputes.”<sup>779</sup> These laws were to continue to give labour some legal justification to expect wages as part of the moral economy of development policy.

This military regime also adopted new legislation to deal with various labour issues, including wages. The Industrial Disputes Ordinance 1959 reshaped the industrial systems so it would be more “adjudication oriented.” The legislation acknowledged that “workers had not had a fair deal in the past” in terms of the worker’s real income and the ordinance was a step towards rectifying that.<sup>780</sup> It introduced “conciliation officers” appointed by the state who would mediate industrial disputes of any nature. They were encouraged to “make efforts” to promote the settlement of all disputes within a “specified period.”<sup>781</sup>

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<sup>774</sup> Khan 1966: 89

<sup>775</sup> It should be noted that this Works Committee made it “practically impossible” to stage strikes and lockouts in certain public utility industries, frustrating workers (Khan 1992: 35). Also, in some cases, the Works Committees was “not very accepted” in that it did not get “proper recognition for joint consultation and participation in management because of the management bureaucracy which approached labour relations with traditionally authoritarian and paternalistic attitudes” (Hafeez 1978: 69).

<sup>776</sup> Hafeez 1978: 69

<sup>777</sup> Amjad and Mahmood 1982: 46-47

<sup>778</sup> Shafi 1959: 23

<sup>779</sup> Shafi 1959: 23

<sup>780</sup> Amjad 2001: 79

<sup>781</sup> Khan 1992: 35

The military regime also created the Minimum Wages Board in the provinces<sup>782</sup> to “work out minimum wages for unskilled industrial workers in order to remove the differences in wages for similar work in different regions.”<sup>783</sup> This was legalized in the Minimum Wages Ordinance 1961, formalizing “the responsibility for fixing wages ... with the government.”<sup>784</sup> It also included a Minimum Wages Council to “advise and guide” the military regime about wage issues, with the input of labour.<sup>785</sup> Once again, this built up the expectation of labour that the military regime would provide sufficient working conditions in the form of wages through certain laws. By the same token, if the expectation of labour was not met, workers could hold the state responsible for its flawed implementation of such laws.

While it became questionable as to how effective strategic speeches, conferences and laws were in providing wages expected by industrial workers during this military-led era, the state clearly made considerable effort in these initial years to show that it was pro-labour. It also showed labour that state institutions existed to guarantee wages within this particular moral economy. At the same time, as was evident through out this period, industrial workers challenged the state through strikes or “entitlement protests”<sup>786</sup> when it felt expected wages were simply not being offered.

### PRICES

In this initial period of martial law in 1958-1961, the state adopted another multi-pronged strategy – speeches, conferences and legislation – to show that prices could be offered to industrial labour and so achieve “policy legitimacy.”<sup>787</sup> This was the second key component of labour’s expectation of the state in this moral economy of development policy in Pakistan. It thus formed the second part of the core of the legitimacy of the state-labour relationship, reinforcing for labour that the state would be “responsive” if the expectation of prices was not met.<sup>788</sup>

First, it was clear that state officials again wanted to project themselves as pro-labour through public speeches specifically about keeping basic prices low, which were then widely

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<sup>782</sup> Raza 1963: 106-107

<sup>783</sup> Hafeez 1978: 84

<sup>784</sup> Hafeez 1978: 84

<sup>785</sup> The Minimum Wages Council was made up of a chairman appointed by the central government, a chairman of the provincial boards, two employer representatives and two labour representatives. The first council that made recommendations to the state about wage issue was in East Pakistan regarding cotton textiles and the jute industry (Raza 1963: 107-108).

<sup>786</sup> Posusney 1993: 109

<sup>787</sup> Smoke 1994: 100

<sup>788</sup> Useem and Useem 1979: 841



publicised to certain unions that supported the regime through media and other state publications for labour like the *Pakistan Labour Gazette* and *Labour Journal*.

Finance Minister M. Shoaib emphasized his concern over prices in various speeches about the economy, stating his government's goal of tackling inflation. For instance, at the inaugural speech at the second session of the Karachi Economists Conference on Austerity Economy in 1959, he presented the military regime's plan to improve living conditions specifically in terms of prices. He highlighted the need to reduce inflation of basic consumer goods and ensure price stability that had plagued Pakistan during the previous era of civilian rule.

He noted, "I am sure no one in government labours under the illusion that the task of rehabilitating our economy will be easy. ... My main concern now is how to get out of the present economic difficulties which I frankly admit leave me with no peace of mind." He outlined the "paramount problem" of "creeping inflation" which had surfaced in a significant way in recent years. "Basically it is the familiar phenomenon of too much money chasing too-few goods" and such "spiralling prices have brought great hardship" to Pakistanis, especially "lower classes" like labour. Ultimately, he noted that the "inflationary psychology" had become too widespread and speculation, black-marketing and hoarding by certain elites had only "added fuel to the [existing] inflation" and put more burden on the labour class.<sup>789</sup> Such remarks by high-level state officials were not mere rhetoric – they were frequent and explicit. Reducing prices of basic goods was thus part of the state's strategy to ensure labour's participation in development policy. It created labour's expectation of prices for their role in the moral economy.

Second, the state appeared to push further for labour's wages through specialized and specialised conferences involving government, industrialist and labour representatives. Documentation from such conferences was then widely distributed to active labour unions to further influence labour about the state's commitment to reducing prices. This was another key way for the state to monitor and shape industrial relations, while reiterating to labour about prices that they should expect form in this particular moral economy of development policy.

Soon after the coup, at a 1958 labour conference, General Ayub himself offered some insight to labour, though recognizing he was "no expert in labour laws and management affairs." He told workers that the "our objects are clear. We want to grow more food. We want our

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<sup>789</sup> *Budget Speeches 1947-48 to 1984-85, Vol 1 1947-1960* 1984: 311

industry to work to its full capacity. We cannot afford any lapse of standards and production in either.” At the same time, he recognized the need to “ensure an equal measure of social justice for the employer and the employee in every sphere of national activity.” By social justice in this case, he specifically referred to the need to offer relief to the industrial worker in terms of prices as the labourer had “suffered under the grinding wheel of high prices for much too long.”<sup>790</sup> Similar speeches by the labour minister and finance minister at key conferences reinforced for industrial workers that the state’s focus was on prices.

Third, through various laws and policies created during this military-led era, Pakistan’s regime organized industrial-labour relations at the national and provincial level and also made the state accountable for wages for workers. There were several short-term and long-term strategies attempted by the state in these early years of the military regime.<sup>791</sup>

The state “rigorously pursued”<sup>792</sup> certain anti-inflation policies, to ensure that prices would not increase. This included an anti-hoarding ordinance that was “enforced with vigour” and price controls to “arrest the rising trend in prices to provide some relief to the common man.”<sup>793</sup> In fact, the prices of 15 commodities were “fixed” by the Controller-General of Prices and Supplies and 73 others were “fixed by trade and industry” so it would “provide relief to the consumers.”<sup>794</sup> These were “temporary controls”, which the military recognized were not a “permanent remedy for rising prices.” It then focused on “gradual decontrol to allow the free play of the market mechanism as far as practicable.” In 1960, the state created a Price Commission to investigate price instability and introduce price stabilization measures.<sup>795</sup> It was acknowledged, however, that “some increase in the price level [was] inevitable in the process of economic growth.”<sup>796</sup>

General Ayub also tackled price inflation by publicly targeting black-marketers and hoarders from the previous era who had artificially driven up prices on certain commodities. The military regime seemed genuine in its efforts to hold guilty parties accountable for their

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<sup>790</sup> Shafi 1959: 73-74

<sup>791</sup> *Federal Economic Review* 1959: 7-8

<sup>792</sup> Raza 1963: 39

<sup>793</sup> Pg 170. *Economy of Pakistan 1948-68*, Ministry of Finance, Government of Pakistan, Islamabad, Pakistan, 1971

<sup>794</sup> *Economy of Pakistan 1948-68* 1971: 81-82

<sup>795</sup> Chundrigar, former prime minister of Pakistan, headed the Price Commission for two months in October-December 1957.

<sup>796</sup> Pg 31-33. *Economy of Pakistan 1948-68*, Ministry of Finance, Government of Pakistan, Islamabad, Pakistan, 1968

behaviour in previous civilian governments of 1947-1958, particularly certain members of the “capitalist elite.”<sup>797</sup>

Several former ministers were charged and arrested for their involvement in black-marketing that had artificially driven prices up. In December 1958, former Sind and Defense Minister M. A. Khuhro was also implicated in a rice permit scandal from the previous regime.<sup>798</sup>; he allegedly issued permits worth several thousands of rupees to persons of his choice in contravention of rules and regulations<sup>799</sup> and so contributed to the soaring prices of rice in Karachi in particular.<sup>800</sup>

Certain industrialists were also targeted for their role in price manipulation of basic commodities. For instance, M. A. Rangoonwala and J. S. Lobo, President and Secretary of the Federation of the Chamber of Commerce, as well as “prominent” businessman Ahmed A. Karim,<sup>801</sup> were charged with “conspiracy” in “sabotaging” local prices, currency and income regulations under Martial Law Regulations.<sup>802</sup>

The state felt that import licenses were also linked to price instability in Pakistan and so took action to deter this. Governor of West Pakistan Akhter Husain noted how “one of the main causes for inflation of prices and black-marketing was the illicit sale of import licences which passed through quite a few hands before they reached the actual industrial or commercial consumer.”<sup>803</sup> In October 1958, weeks after the coup, several businessmen even destroyed licenses they previously bought from license holders, before the military regime caught up with them. But, as a *Dawn* editorial noted, the government was trying to counter these license-related

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<sup>797</sup> Weiss 1991: 34

<sup>798</sup> Although this was not for food prices, Khuhro was also arrested on charges of black-marketing only days after the coup. According to the Enforcement Police, he sold a new unregistered Chevrolet car in the black-market to a city businessman (*Pakistan Times*, October 11, 1958). He was also later accused of tax evasion, only paying tax for one car though reportedly owning ten. He was sentenced to five years in prison and fined Rs 1.5 lakhs under Martial Law Regulation (*Pakistan Times*, January 18, 1959).

<sup>799</sup> *Dawn*, Dec 15, 1958

<sup>800</sup> Other former bureaucrats and politicians were implicated in other corruption-related offences relating to price manipulation. In East Pakistan, the East Pakistan Bureau of Anti-Corruption held Abul Mansur Ahmed, Mohammad Abdul Khaleque, Sheikh Mujibur Rahman and Hamid Haq Choudhry under the Security Act in October 1958. Later that month, the ex-Excise and Taxation Minister in the West Wing, Chaudhri Abdul Ghani Ghuman was arrested on corruption charges. Former Deputy Minister Mohammad Yusuf Mohmand received three years imprisonment and a fine of Rs 50,000. The son of former Central Minister Haji Maula Bukhsh Soomro, Ahmad Mian, was arrested under the Anti-Hoarding and Black-marketing Act. (*Pakistan Times*, November 26, 1958).

<sup>801</sup> Mahmood 2003: 124

<sup>802</sup> Mahmood 2003: 124

<sup>803</sup> *Pakistan Times*, November 16, 1959

issues: “the one-year period should furnish more “elbow-room” to all concerned and enable demands to be assessed and allocations made on a more satisfying basis.”<sup>804</sup>

While it was questionable as to how effective these strategies were in providing prices to Pakistan’s industrial workers, these institutions and mechanisms did exist for prices to be achieved for labour within this moral economy. Of course, as was evident at certain points of this military-led era, industrial workers would stage “entitlement protests”<sup>805</sup> against the state when it felt prices were not being delivered.

### MORAL ECONOMY VIOLATIONS AND LEGITIMACY STRAIN OF THE STATE: 1962-1969

During this initial period of martial law in 1958-1961, the state thus did work to both build the expectation of what labour should receive for its role in national development through public communication and specific measures to follow through on this identified goal – it effectively tried to achieve the normative and cognitive component of “policy legitimacy”<sup>806</sup> involving industrial development. At the same time, workers also showed their expectation of the state in terms of their subsistence needs. In this sense, the moral economy of development policy was established during this initial era of military rule in Pakistan, with specific expectations built into the state-labour and informal patron-client relationship. The state clearly used this “ideology” of subsistence and nationalistic sacrifice to “build legitimacy” among unions and industrial workers. It aimed to create “unity of national purpose”<sup>807</sup> to reduce the risk of strikes and so maximize industrial productivity that would in one sense legitimize the military-run state.

But after 1962, the state spent relatively less time on building up expectation of subsistence provision and more of its focus simply reacting to labour unrest over specific moral economy violations. They would offer certain labour concessions (i.e. 1965 Labour Advisory Board; East Pakistan Labour Disputes Act 1965, East Pakistan Employment of Labour Standing Orders Act 1965, and East Pakistan Trade Unions Act 1965; 1968 Industrial Disputes Ordinance and Trade Union Ordinance) when strikes increased, but this was also in the backdrop of

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<sup>804</sup> *Dawn*, June 29, 1959

<sup>805</sup> Posusney 1993: 109

<sup>806</sup> Posusney 1993: 109

<sup>807</sup> Avery 1998: 112

legislation to “control” and “weaken” the trade union movement (e.g. Defence Pakistan Rules) in 1965.<sup>808</sup>

Effectively, the significant build-up of expectation in 1958-1961 later led to recurrent legitimacy strain for the state when it appeared it was not fulfilling labour’s expectation for specific subsistence goods. Previously, the state’s moral economy “ideology [had repeatedly promised] a bright new future as the principal means for establishing legitimacy” but such performance-based legitimacy became “hazardous”<sup>809</sup> with increasing moral economy violations involving wages; this was particularly the case in terms of wages in 1962-1969 as strikes steadily increased<sup>810</sup> against the state. When labour’s expectation of wages was not met and thus “promised were not realized,” the authority of Pakistan’s leadership quickly “eroded”<sup>811</sup> in their eyes, which led to industrial unrest directed at the state; this was similar to the pattern of events in 1947-1958.

Since military leaders in the Pakistani state did “not yet have an easy command of power” as institutions were not firmly entrenched given martial law in 1958-1961, industrial workers appeared to be evaluating the state “within a very narrow range of acceptability, requiring only a minor [issue like a drop in wages] to spark a crisis.”<sup>812</sup> Such moral economy violations represented workers’ temporary “loss of public confidence” in the state and increased “the potential for disorder.”<sup>813</sup> The disruption in production created legitimacy strain for the new regime struggling to firmly establish its industrial economy. This reflects the hypothesis of this thesis: *when there is a decline in subsistence conditions in terms of wages, labour stops production through unrest and thus creates legitimacy strain for the Pakistani state.*

Two types of wage-focused strikes against the state can be inferred from available data, just like in the previous civilian-led era. First, workers would strike against the state when it appeared the state was not taking necessary action against industrial elites who were unfairly firing workers or limiting their wages in some way. It was thus rooted in “workers’ sense of

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<sup>808</sup> Candland 2007: 40

<sup>809</sup> Avery 1988: 112

<sup>810</sup> Strikes over wages decreased temporarily in 1965, however, due to labour concessions by the state (i.e. the Labour Advisory Board) and the surge of nationalism after the war with India over Kashmir.

<sup>811</sup> Pye 1971: 141

<sup>812</sup> Avery 1988: 112

<sup>813</sup> Useem and Useem 1979: 841

injustice, a feeling that they were being denied something to which they were entitled”<sup>814</sup> as part of the moral economy of development policy. Second, industrial workers would strike against the state when they felt state-run institutions and policies did not follow through on delivering expected wages. This could be termed “entitlement protests” rooted in “unmet promises” embedded in state institutions and policies – “anger over unmet expectations [was] the impetus to workers’ actions.”<sup>815</sup>

After both types of wage-focused labour unrest, the state immediately responded with specific speeches or policies to limit any further legitimacy strain. This typically saw the end of industrial unrest and the resumption of labour’s role in production. During this period, this pattern of events occurred repeatedly in various industries. The wage data below reinforces that subtle changes in industrial wages overall had no significant impact on labour unrest. Whether general wage levels increased or decreased, it was specific moral economy violations at the level of individual or a group of industrial outlets that labour perceived as broken promises by the state to maintain wages and which prompted workers to engage in unrest.

***Real Wages of Industrial Workers***<sup>816</sup> in Rupees per year per worker  
(Deflated by the 1961-based Consumer Price Index)

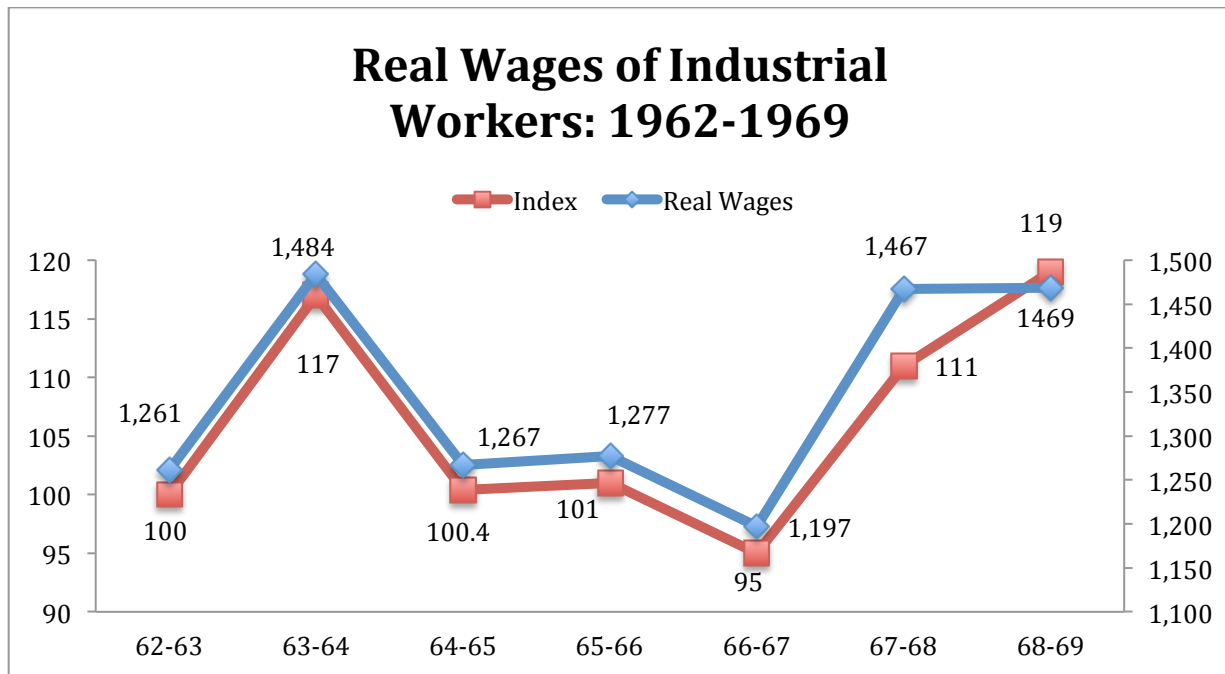
<b>Year</b>	<b>Real Wages</b>	<b>Index</b>
1962-63	1,261	100
1963-64	1,484	117
1964-65	1,267	100.4
1965-66	1,277	101
1966-67	1,197	95
1967-68	1,467	111
1968-69	1567	119

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<sup>814</sup> Posusney 1993: 100

<sup>815</sup> Posusney 1993: 108

<sup>816</sup> Pg 6. Sarwar Rizvi, *Industrial Labour Relations in Pakistan*, National Institute of Social & Economic Research, Pak Publishers, Karachi, Pakistan, 1973



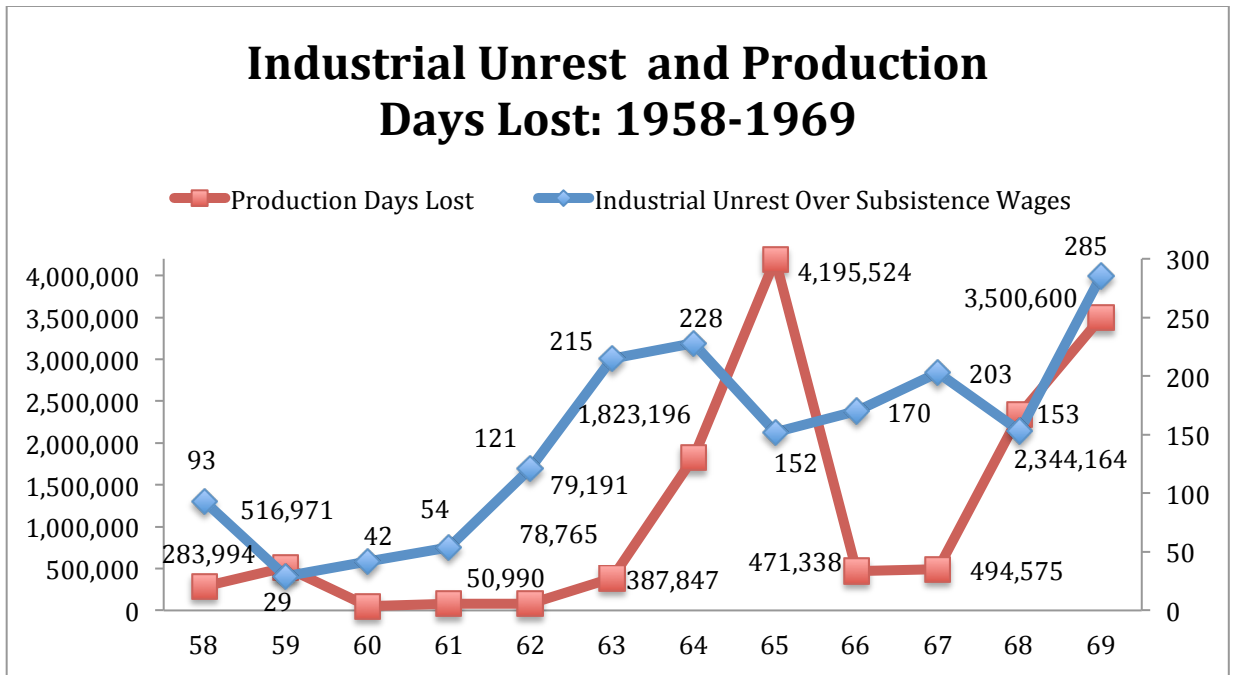
There was, however, a noticeable drop in industrial unrest over wages in 1965 after a significant labour concession in the form of the Labour Advisory Board and an obvious moment of national unity during the war over Kashmir with India. For workers, the labour board represented state progress towards meeting workers' expectation of wages after a steady increase in industrial unrest due to moral economy violations since 1962. However, after 1965, it appeared labour's expectations of this policy were not met as incidents of industrial unrest began to gradually increase again, from 152 incidents in 1965 to 170 and 203 in 1966 and 1967, respectively.

But, after two years of rising unrest, the state offered another set of concessions to labour in 1968, leading to a reduction in industrial strikes and protests from 203 in 1967 to 153 in 1968. These concessions included the announcement of an ambitious new labour policy that was being planned for 1969 and certain labour policies being legalized in East Pakistan (e.g. Industrial Disputes Ordinance 1968 and Trade Union Ordinance of 1968). While some perceived these ordinances as "token appeasements,"<sup>817</sup> for other workers they represented state progress towards delivering labour with expected wages, hence the decline in industrial strikes and protests against the state.

<sup>817</sup> Shaheed 2007: 262

However, within a year, in 1969, it was clear the new labour policy and earlier concessions were not what was expected by workers – industrial unrest over wages almost doubled to 285 incidents that year, which was the highest of the 1962-1969 period and the entire military-led era. In this sense, labour concessions could not appease workers who at this point did not expect the civilian regime would be able to deliver wages. The resultant increase in anti-state unrest consequently added to the legitimacy strain of the state.

Year	Number of Unions <sup>818</sup>	Membership	Labour Unrest Over Wages	Production Days Lost
1958	621	106,417	93	283,994
1959	358	98,692	29	516,971
1960	410	101,138	42	50,990
1961	466	175,313	54	78,765
1962	492	138,356	121	79,191
1963	521	95,022	215	387,847
1964	555	226,789	228	1,823,196
1965	592	218,665	152	4,195,524
1966	621	217,096	170	471,338
1967	639	219,438	203	494,575
1968	654	230,809	153	2,344,164
1969	638	259,723	285	3,500,600



<sup>818</sup> Pg 6. Abul Majeed, The Vital Industrial and Labour Statistics, compiled for the National Administration Training, 1972



#### INDUSTRIAL UNREST OVER FIRST WAGE ISSUE: 1962-1964

The first type of industrial unrest focused on industrialists' treatment of workers with respect to expected wages, just like in the previous civilian-led era. Workers held strikes against the state because it appeared the state was not taking necessary action against industrial elites who they felt were unfairly limiting their labour's wages and so threatening their subsistence. Such a moral economy violation was thus rooted in "workers' sense of injustice, a feeling that they were being denied something to which they were entitled."<sup>819</sup> This was clear evidence of industrial labour independently attacking the state in a period not necessarily preceding the decline of the ruling regime – unlike what is suggested in the existing literature. After this type of wage-focused labour unrest, the state responded strongly with specific speeches to industrialists and labour to limit any further legitimacy strain. This saw the end of industrial unrest and the resumption of labour's role in production.

This pattern of events was once again most obvious in the burgeoning textiles industry, particularly in certain cotton and jute mills in West and East Pakistan, respectively. Soon after General Ayub took over the country, there was a proliferation of mills, with "spinning, weaving, dyeing and finishing sections in a single plant."<sup>820</sup> There were significant and recurring bouts of unrest (and even violence) at these sites in the 1960s during this military-led era. This was partly because mill owners<sup>821</sup> were widely criticised for allegedly "mismanaging mills" and "swindling consumers for rapid profits"<sup>822</sup> Some industrialists "resorted to all kinds of strong-arm tactics" to influence workers, including hiring "gangsters" to intimidate workers from staging protests and strikes.<sup>823</sup> And so it seemed that they were often unable or unwilling to offer subsistence patronage that was expected by labour. This generated significant unrest at times as workers felt the state should be punishing industrialists for their mistreatment of workers. It was thus crucial for the state to attend to textile workers' welfare in the interest of maintaining this key component of industrial production and which provided one form of legitimacy of the state.

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<sup>819</sup> Posusney 1993: 100

<sup>820</sup> Candland 2007: 147

<sup>821</sup> Mill owners were part of the "powerful business association" of the All Pakistan Textile Mills Association (APTMA) that was founded in 1952. Elite industrialists from the textiles sector could exercise "considerable influence" over the state's economic policy.

<sup>822</sup> Candland 2007: 147

<sup>823</sup> Pg 55. Yameena Mitha, *Role of Trade Unions in Pakistan*, MA Thesis, Department of Social Work, University of Punjab, Lahore, Pakistan, 1979

From 1961 to 1962, martial law was lifted and this led to the first in a series of increases in bouts of unrest involving textile workers. Incidents of labour unrest over wage issues more than doubled, from 54 to 121, and steadily increased till 1965. The most widely documented industrial disputes were at various mills in 1962-1964. At Asiatic Cotton Mills in Chittagong, for instance, in February 1962, more than 150 workers “did not attend to their duties” due to the dismissal of one worker who was also the secretary of their union. While the union prepared to file a strike note and remind the state of this moral economy violation, the swift intervention of the state-appointed directorate led to a resolution and the workers resumed their role in production within two days.<sup>824</sup> Similarly, at the Chittagong Textile Mills, a month earlier, workers complained that their employers had failed to pay them the minimum wage it had promised. The Labour Directorate intervened and management paid labour what was due within a few weeks.<sup>825</sup> In such cases, labour resumed their work in production and the state’s legitimacy strain was resolved with respect to this group of textile workers.

In late 1962 and early 1963, several strikes took place at textile mills in and near Karachi.<sup>826</sup> A protest over the sudden suspension of four workers at Ghafoor Textile Mills led to sympathy strikes by labourers at Lakhani, Zebtan and Hafiz Textile Mills.<sup>827</sup> This wage dispute was resolved in a matter of days as the state-appointed Labour Commissioner mediated between management and workers. However, when employers did not meet the terms of the settlement, this led to a resurgence of unrest involving more than 10,000 industrial workers and a general strike on March 1, 1963.<sup>828</sup> This generated considerable protests, processions and clashes with police that reportedly culminated in the deaths of 42 workers and the arrests of several others.

Yet this general strike was still seen as a success – it informed the state of its moral economy violation with regards to wages and allowed them to “extract promises for the labour to be given strike-pay, an unprecedented concession for those times.”<sup>829</sup> In this sense, industrial unrest subsided, production resumed and the state regained one form of legitimacy in the eyes of this particular set of workers.

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<sup>824</sup> *East Pakistan Labour Journal* March - June 1962: 18

<sup>825</sup> *East Pakistan Labour Journal* March - June 1962: 18

<sup>826</sup> Shaheed 2007: 258

<sup>827</sup> *Pakistan Times*, January 3, 1963

<sup>828</sup> Shaheed 2007: 261-262

<sup>829</sup> Shaheed 2007: 259

A similar sequence of events took place at the Platinum Jubilee Jute Mills, Nishat Jute Mills and the Pak Jute Mills Ltd in late 1963.<sup>830</sup> Labour unions spoke out about it not receiving what management had promised and so it publicised its plans to strike. The state reacted by having its Labour Directorate intervene so production would not be hindered any longer. In these mills, within a day or two, workers would call off the strike and resume their role in production.

In 1964, 70,000 workers in Dacca, East Pakistan, went on strike to “press” for an increase in wage rates” as well as other demands like fixed hours, free medical facilities and free housing.”<sup>831</sup> Yet again, the workers showed respect for state mechanisms, taking the time to file a strike notice to limit hindrances to production. Within nine days, the state-appointed Director of Labour negotiated a tri-partite agreement between representatives of workers and the employers over due wages,<sup>832</sup> which temporarily appeased labour who were reminded that the state would fight for them.

Later in 1964, the pace of industrial disputes in the textiles industry continued to escalate. In September, a significant dispute arose between management and labour at the Ashraf Textile Mills in Dacca over the “suspension of certain workers ... for disobeying orders” on July 13. Almost 500 workers staged a strike the next day. But the state’s Labour Directorate resolved the issue within a few days and the workers resumed their work.<sup>833</sup> A few days later at the Luxminarayan Cotton Mills at Narayanganj, workers also announced they would strike over unpaid wages. But the quick involvement of the Labour Directorate led to the workers calling off their strike and management agreeing to pay what was due.

In the event that management did not deliver the terms set by the Labour Directorate, he then recommended the use of the Industrial Court. For instance, this occurred with the case of the Dacca Cotton Mills in 1964. The Dacca Cotton Mills Workers’ Union filed Industrial Disputes cases with the Industrial Court but “in the meantime, there was a tripartite agreement between the parties.” The Chairman of the Industrial Court A. H. Khan noted that the “parties came to an amicable settlement.”<sup>834</sup> However, it was only with a few cases that the labour dispute was resolved without further disruption in production through a tripartite agreement.<sup>835</sup> As explained

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<sup>830</sup> *East Pakistan Labour Journal* 1963: 20

<sup>831</sup> *Dawn*, January 7, 1964

<sup>832</sup> *Dawn*, January 17, 1964

<sup>833</sup> Pg 157. *East Pakistan Labour Journal*, Vol. XVII: 3, East Pakistan Government Press, Dacca, Pakistan, 1964

<sup>834</sup> *Dacca Gazette*, September 14, 1964

<sup>835</sup> This was not always the case, however. The subsequent section highlights cases where industrial workers attacked the state because the decisions of the Industrial Court were not always binding.

in the next section, workers often protested against the inefficiencies of the Industrial Court itself as rulings would take several months and were difficult to enforce.

In these examples, the workers and industrial elite reached an impasse in their negotiations and the break in production clearly created legitimacy strain for a state that was so focused on national development. It was at this point when it became abundantly clear how the state was the key arbitrator in Pakistan's industrial relations. After weeks of labour strikes and employer speeches against such unrest, the state often offered a strong response in favour of labour in the interest of resuming production.

There were other industrial disputes that also had the possibility of strikes that could create disruption but were nipped in the bud quickly by the state-appointed Labour Directorate or Conciliation Officer. This occurred with wage-related disputes where workers felt their employer was not paying what they were entitled to. Labour refused to work and threatened to strike unless employers paid their wages. A swift intervention of the Labour Directorate or Conciliation Officer quashed the threat of strike or at least resolved the issue without production being disrupted for too many days or weeks.<sup>836</sup>

In this sense, the state appeared to be committed in 1962-1964 to responding to what labour felt were moral economy violations involving their wages. This type of unrest was rooted in "workers' sense of injustice, a feeling that they were being denied something to which they were entitled."<sup>837</sup> The fact that workers often went through state mechanisms reinforced that they still believed in state policies and institutions concerning labour at this point. It also showed their commitment to development in that they would go through these state mechanisms before striking so production disruptions would be minimal. This of course would not be the case after 1965, when it appeared the state recurrently lost legitimacy in terms of its informal patron role in the moral economy of development policy.

#### INDUSTRIAL UNREST OVER SECOND WAGE ISSUE: 1962-1964

Second, industrial workers would sometimes strike against the state when they felt state-run institutions had failed in some way. At times, workers felt that official mechanisms simply did not deliver the expected wages that had been promised repeatedly by the state. The perceived gaps in the 1959 labour policy<sup>838</sup> and related state mechanisms only ensured that such labour

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<sup>836</sup> *East Pakistan Labour Journal* 1964: 160-165

<sup>837</sup> Posusney 1993: 100

<sup>838</sup> Candland 2007: 38

unrest would recur during this period.

Most often, it was clear that the Industrial Court<sup>839</sup> itself was a source of conflict. Workers specifically protested to highlight the “inadequacies of the Industrial Courts and the conciliation machinery”<sup>840</sup> that impacted their wages. One “inadequacy”<sup>841</sup> with this state institution was that it had limited binding power to hold employers accountable to an “award declared.”<sup>842</sup> This court had more power than its predecessor – the Industrial Tribunal – in that it could “try and punish persons accused of certain offences”<sup>843</sup> but this was rarely “enforced.”<sup>844</sup> So, although the Industrial Court suggested that workers’ demands about moral economy violations about wages were being taken seriously by the state, the court ultimately was incapable or unwilling to ensure industrialists followed through, leading to recurring unrest.

The other “inadequacy”<sup>845</sup> was that it often took several months for the Industrial Court to hear the case and make a ruling, which contributed to recurring unrest. In fact, industrial labour unions frequently took issue with the fact there were only three Industrial Courts for all of West Pakistan and two for East Pakistan, which could not “deal quickly and effectively with all disputes.” These proceedings were also criticized by labour for being “lengthy.” For instance, in 1963 and 1964, in 90% of these cases, the Industrial Courts took between 7 and 25 months to reach a decision and give out related wage awards.<sup>846</sup> This contributed to the escalation in strikes.

Such unrest could be termed “entitlement protests” rooted in “unmet promises” of state institutions and policies – it was “anger over unmet expectations [that was] the impetus to workers’ actions.”<sup>847</sup> Once again, this was clear evidence of Pakistan’s industrial labour independently attacking state legitimacy in a period not necessarily preceding the decline of the ruling regime – unlike what is suggested in the existing literature. After this particular type of wage-focused labour unrest, the state immediately responded with specific speeches about how to resolve such industrial disputes or announce an appointment with the Industrial Court to limit

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<sup>839</sup> Industrial Courts were created out of the Industrial Disputes Ordinance 1959 and were used to “adjudicate and determine” an industrial dispute.

<sup>840</sup> Khan 1966: 94

<sup>841</sup> Khan 1966: 94

<sup>842</sup> *Worker Journal* 1963: 150

<sup>843</sup> Amjad and Mahmood 1982: 35

<sup>844</sup> *Dawn*, June 30, 1963

<sup>845</sup> Khan 1966: 94

<sup>846</sup> Khan 1966: 94

<sup>847</sup> Posusney 1993: 108

any further legitimacy strain. This typically saw the end of industrial unrest and the resumption of labour's role in production, at least in the near term.

This pattern of events was particularly evident at certain flour mills in 1962-1964. In 1962 for instance, there was significant unrest at the Government Flour Mills over workers' recurring demands for the expected wage increase from Rs 75 to Rs 115.<sup>848</sup> The Labour Directorate initially intervened for mediation, but when no resolution could be reached, the case was forwarded to the Industrial Court. In the six months in which it took for the court to hear the case and make a ruling, however, workers at the flour mills staged three lock-outs and one strike.<sup>849</sup>

This occurred at a number of flour mills in Karachi in the same year. There was a significant dispute involving certain flour mills of Karachi. The Karachi Factories Workers' Union fought with the Karachi Steam Roller Flour Mills, Sind Flour Mills and India Flour Mills Ltd. When the union and employers could not reach an agreement and workers announced a strike, the Labour Directorate intervened in the dispute. The state representative interviewed more than twenty witnesses regarding the issue of wages and expected bonus payments. When no resolution could be reached, the case was forwarded to the Industrial Court. Ultimately, the tribunal decided in favour of labour but it took another year of sporadic protests and strikes for the mill owners to actually pay their workers the wages as specified in the court-appointed award.<sup>850</sup>

The sugar industry faced bouts of anti-state unrest in 1963 when a series of Industrial Court rulings were delayed in East Pakistan. The workers of Jaipurhat Sugar Mills Ltd in Bogra fought for wages and protested the "unfair" dismissal of workers. Unrest recurred for months until the Industrial Court made a ruling.<sup>851</sup> This also occurred at the North Bengal Sugar Mills in Rajshahi. Workers announced strikes over an expected wage increase. The internal discussion failed and was taken over by the Labour Directorate.<sup>852</sup> The Industrial Court's ruling three months later meant the threat of strike was diminished.

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<sup>848</sup> *Pakistan Year Book* 1962: 175

<sup>849</sup> *Pakistan Year Book* 1962: 176

<sup>850</sup> *Pakistan Year Book* 1962: 467

<sup>851</sup> Pg 164-165. *East Pakistan Labour Journal*, Vol. XXIII: 2, Dacca, Pakistan, 1963

<sup>852</sup> *East Pakistan Labour Journal* 1963: 165

Some workers in the textile industry in East Pakistan also challenged the state for its insufficient state mechanisms. The workers of Satrang Textile Mills in Tongi “abruptly” went on strike in 1964. They had 19 issues that they said they needed resolved to stop their strikes. Much of their demands had to do with wages that had not been paid and sudden dismissals of workers with no real cause. After a “protracted negotiation” led by the Labour Welfare Officer, that spanned a month, production resumed. However, when expected wages were still not delivered, unrest resumed. The public announcement of an Industrial Court hearing within a few days saw the end of the strike.<sup>853</sup>

This occurred in Dacca as well, with the dispute between the Ahmed Bawani Textile Mills and its labour union. Five workers were dismissed without cause and this led to significant numbers of workers filing a strike notice and actually holding their strike. But with “conciliation” by the Labour Directorate, an agreement was reached to rehire those dismissed workers and reinstate their wages.<sup>854</sup> However, this mediation by the directorate was not enforced to the satisfaction of these labourers. They announced another strike would be held but called it off when the state representative announced a date for an Industrial Court hearing.

In response to such recurring attacks on such labour-focused state mechanisms, the ruling regime did try to show labour it was working to strengthen its institutions. Beyond its involvement in the Industrial Court and public speeches in support of labour, it also carried state-sponsored studies to highlight where policies had worked and where they needed improvement. Such studies were then publicized through distribution to the state media and various labour unions themselves.

One such study was titled “Improvements in Working Conditions of Labour.”<sup>855</sup> The data from the study revealed “healthy trends in the condition of labour” as “Government policy had helped in improving material and non-material conditions of work in factories.”<sup>856</sup> The report reinforced the many measures taken to deal with the “vital issue” of “labour contentment,”<sup>857</sup> particularly with legislation like the Revised Labour Policy of 1959 and various programs

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<sup>853</sup> Pg 170. *East Pakistan Labour Journal*, Vol. XXIV: 4, Dacca, Pakistan, 1964

<sup>854</sup> *East Pakistan Labour Journal* 1964: 87

<sup>855</sup> Shakila Bokhari, Board of Economic Inquiry, Punjab, Pakistan, Publication 134, General Editor Dr S M Akhtar, 1964

<sup>856</sup> Bokhari 1964: vii

<sup>857</sup> Bokhari 1964: 3

initiated by the state's Directorate of Labour Welfare. Through specific wage and price-related indicators, the study showed improvement in nine centres – Lahore, Lyallpur, Gujranwala, Sialkot, Multan, Rawalpindi, Peshawar, Hyderabad, Quetta – between 1959 and 1964.<sup>858</sup> At the same time, the report admitted that there was still work to be done to improve housing, medical and education facilities for labourers and their families.

Another relevant state publication was the evaluation of labour policies in 1964. Planning Commission Deputy Chair Said Hasan said that led to seven labour welfare centres being established in East Pakistan for “providing education, recreational, cultural and medical facilities to industrial workers” and eleven more were expected. He also noted other patronage offered to labour: “The Factories Directorate and the conciliation machinery were strengthened, making it possible to inspect factories more frequently; provide guidance to employers on safety, protection and welfare in work-places; and to take effective measures to reduce considerable loss of man-hours” from accidents. An industrial relations institute was also established “to provide training to trade union workers and labour officers in labour laws and practices” in both East and West Pakistan.<sup>859</sup>

In 1962-1964, workers still abided by state mechanisms in keeping with the terms of the moral economy – i.e. they only protested *after* these mechanisms failed to provide them with the wages they had been promised. The state also appeared to be committed to responding to what labour felt were wage-related moral economy violations, using different strategies. This in one sense reflected the legitimacy of the state-labour relationship during this period. But the steady build up of labour unrest from 1962-1964 also meant that increasing numbers of workers were challenging the state about expected wages that were not provided by the state. This contributed to the state's decision to announce certain labour concessions in 1965 and so reduce further labour unrest that would hinder industrial production and the state's critical development policy.

#### INDUSTRIAL UNREST POST-1965 WAR AND LABOUR POLICIES: 1965-1969

After significant unrest in 1962-1964, the state announced certain labour concessions, including the Labour Advisory Board and the country's first social security law. This was an

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<sup>858</sup> In fact, overall industrial wages increased from Rs 79.85 per month in 1955 to Rs 93.04 in 1959 and further to Rs 103.46 in 1964 (Bokhari 1964: 117).

<sup>859</sup> Pg 91. *Preliminary Evaluation of Progress*, Government of Pakistan, Islamabad, Pakistan, 1965



effort for the state to regain “policy legitimacy”<sup>860</sup> for industrial development and to strengthen its position in its ongoing “legitimation project”<sup>861</sup> with labour. The state wanted to show labour that it had noted its frustration with certain wage-focused moral economy violations in recent years and was now taking big-picture, long-term actions to tackle them. For workers, such steps represented state progress towards meeting workers’ expectation of wages after a steady increase in moral economy violations since 1962. This contributed to a noticeable drop in industrial unrest over wages in 1965.

The war over Kashmir with India also provided an obvious moment of national unity, such that the need to strike against the state appeared to be put aside while the country focused on a shared hatred for its South Asian neighbour and the United States. However, after 1965 with Pakistan’s loss in the war, labour appeared to shift its focus back to unmet expectations of the state, as incidents of industrial unrest began to gradually increase again, from 152 incidents in 1965 to 170 and 203 in 1966 and 1967, respectively.

After two years of rising unrest in 1966-1967, the state offered another set of concessions to labour in 1968, leading to a notable reduction in industrial strikes and protests from 203 in 1967 to 153 in 1968. These concessions included the announcement of an ambitious new labour policy that was being planned for 1969 and certain labour policies in East Pakistan. While some perceived these ordinances as “token appeasements,”<sup>862</sup> for other workers they once again represented state progress towards delivering labour with expected wages, hence the decline in industrial strikes and protests against the state.

However, within a year, in 1969, it was clear the new labour policy and earlier concessions were not what was expected by workers – industrial unrest over wages almost doubled to 285 incidents that year, which was the highest of the 1962-1969 period and the entire military-led era. It also seemed that the behaviour of these industrial strikers had changed towards state mechanisms for resolving industrial disputes in that they began bypassing such mechanisms completely and went straight to unrest. In this sense, labour concessions could no longer appease workers who at this point did not appear to expect the civilian regime would be able to deliver wages. The resultant increase in anti-state unrest consequently added to the legitimacy strain of the state in 1969, partly contributing to General Ayub’s resignation and

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<sup>860</sup> Smoke 1994: 100

<sup>861</sup> Alagappa 1996: 59-60

<sup>862</sup> Shaheed 2007: 262

handover of power to General Yahya.<sup>863</sup> The informal state-labour relationship in the moral economy of development policy thus appeared to be in decline by 1969.

The first reason for the drop in anti-state strikes and protests in 1965 was the introduction of certain labour concessions by the military regime to “appease trade unions.”<sup>864</sup> The creation of the Labour Advisory Board was seen as a significant move in industrial relations. It was made up of “equal numbers of representatives from the provincial government, employers and workers.” Its various committees were supposed to examine “general problems and grievances of workers in specific industries.”<sup>865</sup> The military regime’s goal was to show labour that the state was committed to addressing their concerns, particularly with their input.

The ruling regime also announced it would ensure “stable wages” and “more favourable decisions in the Industrial Court”<sup>866</sup> which had created much conflict in 1962-1964. In East Pakistan, this was legalised through the Labour Disputes Act 1965, Trade Unions Act 1965 and Employment of Labour (Standing Orders) Act 1965, all of which served as “indispensable elements in shaping industrial relations”<sup>867</sup> in Pakistan.

General Ayub then introduced the country’s first social security law<sup>868</sup> to help those workers who were abruptly dismissed and had no income to survive during unemployment.<sup>869</sup> The law ordered employers to increase their contribution to workers’ welfare fund by two percent.<sup>870</sup> Another development came in the form of the Wage Board of 1965, which specifically recommended increases in wage rates for industrial workers in several industrial sectors including sugar, cotton and silk.<sup>871</sup> All these steps together represented state progress towards meeting workers’ expectation of wages as part of the moral economy of development

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<sup>863</sup> The high level of labour unrest over wages continued in 1970 with 304 incidents, but then declined in 1971 to 141 (*Pakistan Labour Gazette* 1973). However, this drop in industrial strikes over wages did not reflect the rapid rise in labour unrest over subsistence prices in 1971 that also involved other classes all over the country, as Pakistan’s experienced its second process of regime breakdown in its turbulent history – this is explained in the last section of this chapter.

<sup>864</sup> Pg 376-7. Stephen Guisinger and Mohammed Irfan, *Real Wages of Industrial Workers in Pakistan: 1954 to 1974*, *Pakistan Development Review*, Vol. 13: 4, pg 363-388, Winter 1974

<sup>865</sup> Khan 1966: 87

<sup>866</sup> Shaheed 2007: 262

<sup>867</sup> Khan 1992: 36-37

<sup>868</sup> Candland 2007: 41

<sup>869</sup> Amjad 2001: 131

<sup>870</sup> Hafëez 1978: 86

<sup>871</sup> Amjad 2001: 128

policy. It showed efforts by the state to regain whatever legitimacy may have been lost during rising anti-state unrest by workers in 1962-1964.

The second reason for the drop in industrial unrest in 1965 was the surge in nationalism over the war with India over Kashmir.<sup>872</sup> This nationalist sentiment was also a result of the United States' decision to postpone its food aid program<sup>873</sup> as well as its economic and military aid<sup>874</sup> to Pakistan at this critical time of war with India. This nationalist sentiment appeared to take priority over the need for labour to protest over its working conditions. It provided a moment of unity for all groups in Pakistan. Like the early years of this military regime, ruling elites called for every Pakistani to sacrifice and work hard for their country at war.

General Ayub called on Pakistanis to be “thoroughly prepared to meet any aggression”; he noted how “the flame of national fervour and dedication ... [burned] in every home in Pakistan, lighting the path along which people of Pakistan [were] prepared to march as one man when duty [called].”<sup>875 876 877 878</sup> He asserted that “defence [came] first. Everything else [was to

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<sup>872</sup> Sayeed 1966: 83

<sup>873</sup> The US first indicated in December 1965 that in the future it would likely forego its PL480 programme or ask for dollars in exchange for foodgrains to Pakistan. This was because the US administration felt it already had too many local currencies. Additionally, given the depleting world's food shortage, many US officials reportedly felt they could compete in the global market. The PL480 program was originally created as US foodgrains could not find cash markets globally – this subsidized “give away” programme was introduced to tackle food shortages in certain developing countries and also to “squeeze out some political gains from the recipients” (*Dawn*, December 3, 1965). The US also hinted at the possibility of higher shipping charges when it delayed the release of 300,000 tons of PL480 foodgrains to Pakistan. But final decisions were to be taken after General Ayub's meeting with US President Johnson (*Dawn*, December 12, 1965).

<sup>874</sup> The United States had announced it would suspend military and economic aid to Pakistan in 1965 as the war with India loomed. But Pakistan's relations with the United States had started to “cool” as early as 1962. “Ever since the Chinese attack on India in 1962, Pakistan's relationship with the United States has grown increasingly cool. Pakistan has been bitter that India has been receiving military aid from the United States, even though Pakistan has protested very strongly that such military assistance will eventually be used against Pakistan. The United States, on the other hand, has expressed grave concern over Pakistan's increasing cordiality towards the Chinese” (Sayeed 1966: 84).

<sup>875</sup> The national unity over fighting India also coincided with the state's confidence over its progress in industrialisation and its overall economy. “The first signs of this success became clear in 1965 when Pakistan completed the Second Five Year Plan on schedule, over-fulfilling targets in many areas” (Pg 8. Arthur MacEwan, *Contradictions of Capitalist Development in Pakistan*, *Pakistan Forum*, Vol 1: 1, pg 8-9, October - November 1970).

<sup>876</sup> Planning Commission Deputy Chair Said Hasan said of the results of the Second Five Year Plan: “the country had demonstrated its capacity to achieve growth rates higher than 5% per annum in both East and West Pakistan. ... The pace of development in the five years 1960-65 has been remarkable. Adequate infrastructure has been built up and a now confidence created in our ability to attain rapid economic growth in future. The stage is now set to strive for better standards of living for the people for the people and ultimately to reach the goal of a welfare state in Pakistan” (*Preliminary Evaluation of Progress During Second Five Year Plan* 1965: ii and 48).

<sup>877</sup> The finance minister also reiterated the significant achievements of the state's growth policies in his 1964-1965 budget speech: “We are witnessing achievements, of which all possible humanity we can still be proud, in agriculture, in industry, in exports, in rate of growth; in fact, in practically all sectors.”<sup>877</sup> Of course, he

take] a secondary place.”<sup>879</sup> As a result, “this [entailed] hardship and sacrifice.” He called on all citizens to “cheerfully accept a life of austerity rather than allow their freedom to be trifled with.” He reassured the people that the “basic necessities of life” would be “within the reach of every citizen” and “faith” would provide each individual with all that he needed to “sustain [himself] in the struggle.” For labour this meant they could continue to expect subsistence provision from the state.<sup>880 881</sup>

In one of his national broadcasts, General Ayub also talked about how the Pakistani people were even willing to counter the depletion in US aid<sup>882</sup> through taxation: “The willingness with which people in all walks of life have welcomed the additional taxation announced by the Finance Minister is one more piece of evidence of the determination of our people to make every sacrifice for the defence of their homeland.”<sup>883 884 885</sup> Similarly, Bhutto noted that, despite the drop in US aid, development of the eastern wing would not suffer.<sup>886</sup> In East Pakistan, Governor Abdul Monem Khan called for “unity” in the eastern and western wings of the country and for the “need for supreme sacrifice on the part of the people.”<sup>887</sup>

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acknowledged, “We have still, however, a long way to go. ... Let us ... unite as never before and work together, each to the best of his ability, to the limit of our resources, for the greater progress and prosperity of Pakistan, the land of our dreams” (*Budget Speeches 1947-48 to 1984-85* 1984: 116-117).

<sup>878</sup> The state’s confidence about its growth was reiterated in the Third Five Year Plan 1965-70. The Deputy Chairman of the Planning Commission said the major objective of the Third Plan (1965-70) was to continue to “make substantial progress towards achieving certain specific social objectives such as diminishing inequalities in distribution of income, wealth and economic power, providing a measure of social security and promoting social and cultural change conducive to accelerated economic expansion” (*Third Year Plan*, Government of Pakistan, 1965).

<sup>879</sup> *President’s Monthly Broadcast to the Nation*, Pakistan High Commission, Information Division, Press Release, November 2, 1965

<sup>880</sup> The 1965-1966 budget speech also reinforced the national drive for development and surge in nationalism which hindered strikes. The finance minister remarked: “We dare not relax and we must, each and all of us, commit ourselves to the cause of national reconstruction. ... With faith in God, with faith in ourselves, with faith in our destiny, let us get on with the job and leave results to the Almighty” (*Budget Speeches 1947-48 to 1984-85* 1984: 148).

<sup>881</sup> According to Food and Agriculture Minister A. H. M. S. Doha, Pakistan would soon be able to attain self-sufficiency in food in spite of such foreign aid difficulties (*Dawn*, December 12, 1965).

<sup>882</sup> Only a year earlier, the United States Ambassador Walter P. McConaughy praised Pakistan for its economic progress: “Developing nations throughout the world, struggling to improve the standard of living of their peoples, can learn much from the way in which Pakistan has evolved ambitious development plans and then proved by remarkable accomplishment that the plans were practical and visionary. ... The 100 million people of Pakistan can take pride in the economic development of their country” (*The Pakistan Example* 1966: 3-4).

<sup>883</sup> *Dawn*, December 2, 1965

<sup>884</sup> West Pakistan Governor Malik Amir Mohammad Khan noted the toughness factor of Pakistanis and, even without US aid, they could and would survive; he suggested one way to guarantee their survival was for the rich to forgo their luxuries for the sake of the national interest (*Dawn*, August 7, 1965).

<sup>885</sup> Khan A. Sabur, Central Minister for Communications, also reassured the people that development plans would continue as the “US [aid] move was no cause for worry” (*Pakistan Times*, August 8, 1965.)

<sup>886</sup> *Pakistan Times*, August 8, 1965

<sup>887</sup> *Dawn*, December 2, 1965

Many labour groups spoke up to pledge their allegiance to General Ayub. This was especially the case after the United States decided to postpone the Aid-to-Pakistan Consortium meeting in July 1965<sup>888</sup>, proving to be another indicator of a US-Pakistan alliance that was no longer in “full bloom.”<sup>889</sup> In August 1965, as the war in Kashmir between India and Pakistan unravelled, President of the All-Pakistan Federation of Labour Amir Husain assured the general of the full support of labour to “counter the situation created by the United States’ move.”<sup>890</sup> Workers were also urged to condemn American policy on Pakistani aid, as stated by West Pakistan Federation of Labour President Rahmatullah Khan Durrani.<sup>891</sup>

The Federation’s Peshawar Zonal Committee called on workers to raise production to counter the “sinister imperialist move” of the United States, which would “equally” affect the labour class unless action was taken.<sup>892</sup> The business and industrial community also expressed their “whole-hearted support” to General Ayub during this “difficult” time in terms of continuing their “duty” in industry, according to Kasam Usman Kandawala, Acting President of the Chambers of Commerce and Industries.<sup>893 894 895</sup> In this sense, all groups seemed united and with the state.

And yet, after 1965 and the loss in the war, industrial strikes regained momentum, increasing from 152 in 1965 to 170 and 203 incidents in 1966 and 1967, respectively. It seemed the 1965 advances in labour legislation and policies no longer had any impact on workers. The

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<sup>888</sup> Sayeed 1966: 84

<sup>889</sup> Pg 19. Feroz Ahmed, Aiding Underdevelopment in Pakistan, *MERIP Reports*, No 42, pg 19-22, November 1975

<sup>890</sup> *Dawn*, August 2, 1965

<sup>891</sup> *Dawn*, August 2, 1965

<sup>892</sup> *Pakistan Times*, August 17, 1965

<sup>893</sup> *Dawn*, August 7, 1965

<sup>894</sup> This nationalist sentiment was reflected in the media as well. In an August 8, 1965 editorial in *Dawn*, it read: “the nation’s resolve to resist the political pressure which the US seeks to exert on this country continues to find expression on speeches and statements from different quarters. ... National sovereignty cannot be surrendered for the sake of economic aid.” Ten days later, the newspaper’s editorial talked about how the US administration, led by President Johnson, had introduced a “new twist to US economic assistance” which stipulated that aid-receiving countries must “fit in their foreign policies within the framework of the US global strategy as conceived by some short-sighted and frustrated people in the Pentagon and in the White House. This is an outlook to which Pakistan, or for that matter any self-respecting country, cannot yield.”

<sup>895</sup> Even US media critiqued Johnson’s decision to suspend aid because it caused the “virtual collapse of our once good relations with Pakistan,” according to the *Washington Post*. The editorial further noted: “We have dealt with a country of nearly 160 million as though it were a mendicant dependency devoid of power or pride and without the means or spirit of exhibiting its irritation or annoyance” (*Washington Post*, December 15, 1965). The *New York Times* expressed that: “There is little doubt that President Johnson had decided it was time to review the whole relationship with Pakistan. The angry demonstrations in Pakistan, however, only confirmed his judgement and in private aroused his wrath. ... [US] officials here now say they want to know quite bluntly what benefits the US will get from further aid to Pakistan” (*New York Times*, Aug 15, 1965.)

documented cases of industrial disputes in 1966-1967 were yet again primarily focused in the textiles and sugar industry and on unpaid wages and ineffective state institutions.

But there was more turbulence in electricity companies, which were key to all industries in Pakistan. Most notable were the disputes at the Karachi Electric Supply Corporation<sup>896</sup> in West Pakistan and the Dacca Electric Supply<sup>897</sup> in East Pakistan. By now familiar with the ins and outs of industrial relations of the military-led regime, union workers at both companies filed written statements for the Labour Directorate and also the Industrial Court to move for a resolution as quickly as possible regarding wage discrepancies. While these documents were submitted, workers also staged a strike demanding “immediate fulfilment of their [wage] demands.” They even announced their plans to “switch off the electric connections” to “stop work.”<sup>898</sup> The Labour Directorate intervened and mediated the wage dispute immediately. Clearly, by 1966-1967 during this military-led era, industrial workers had become more adept at using the state mechanisms and their own tactics to their full advantage to get the state’s quickest response.

By 1968, protests over working conditions declined temporarily again, due to General Ayub’s new Industrial Disputes Ordinance<sup>899</sup> and Trade Union Ordinance. The government also introduced the Minimum Wages for Unskilled Workmen Ordinance fixed monthly wages for unskilled workers (Rs 140) in Karachi and other industrial areas (Rs 110).<sup>900</sup> For workers, these new laws represented state progress towards meeting their expectation of wages, especially after a steady increase in moral economy violations in 1966-1967. The military regime introduced such labour policies to cope with the “increasing number of strikes” after the 1965 war so that a more effective “machinery” could handle disputes.<sup>901</sup> Protest declined from 203 instances with 344,679 workers involved in 1967 to 153 instances in 1968 with 120,927 workers involved.<sup>902</sup>

However, by 1969, this strategy no longer worked as labourers often bypassed state mechanisms regarding their wage issues. Legislation like the new 1969 labour policy and 1968

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<sup>896</sup> *Pakistan Year Book* 1966: 466

<sup>897</sup> *East Pakistan Labour Journal* 1967: 9

<sup>898</sup> *East Pakistan Labour Journal* 1967: 9

<sup>899</sup> Khan 1992: 37

<sup>900</sup> Amjad 2001: 128

<sup>901</sup> Hafeez 1978: 85

<sup>902</sup> Pg 40. *Pakistan Labour Gazette*, Ministry of Labour and Social Welfare, Government of Pakistan, Islamabad, Pakistan, Vol. XXIX, 1970-1971

ordinances were no longer viewed as capable at delivering wages to labour. This represented industrial workers' "loss of ... confidence" in state mechanisms and the state itself, increasing the "potential for disorder"<sup>903</sup> through industrial unrest. The terms of the informal patron-client, state-labour relationship in the moral economy of development policy no longer seemed to be accepted for labour.

The 1969 labour policy came out of a six-month dialogue and state-organized labour conference. This led to a new minimum wage specifically for the industrial labour force<sup>904</sup> and other non-wage features to appease labour. But this did nothing to stop the increasingly violent momentum of labour unrest. This was glaringly obvious in East Pakistan's jute industry in 1969. At Adamjee Jute Mills in Dacca, without filing any strike notice or attempting an internal mediation via a Labour Directorate, industrial workers went on strike over their lack of increase in wages that was promised.<sup>905</sup> Similar events took place at Alijan Jute Mills in Narsingdi, Bawa Jute Mills in Narayanganj, Delta Jute Mills in Noakhali, Victory Jute Products Ltd in Chittagong and Platinum Jubilee Jute Mills in Khulna, Quami Jute Mills in Pabna.<sup>906</sup> In many of these mills, workers took their strikes a step further by organizing a "gherao" in which they took "complete control" of the industrial site.<sup>907</sup> It was clear the workers "no longer relied upon the legal procedures which had been laid down by the Government to solve industrial disputes." Instead, industrial workers at jute mills and other sites directly confronted employers, sometimes engaging in "violence."<sup>908</sup>

At this point, the state had limited response to workers' issues, nor did any ruling elites take action to tackle rising militancy among labour in any notable way. In this sense, it seemed the state-labour relationship was in serious decline within the scope of the moral economy of development policy. Workers increasingly saw the state as a weak authority that did not try to stop them as they took over factories with "force,"<sup>909</sup> thus contributing to legitimacy strain of the state.

This was further reinforced by a "wave of strikes" led by labour leaders (Bashir Ahmed Bakhtiar, M. A. Khatib, Usman Baloch and Mubarak Haider) in Karachi, Lahore and other

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<sup>903</sup> Useem and Useem 1979: 841

<sup>904</sup> Amjad and Mahmood 1982: 19

<sup>905</sup> Pg 88. *East Pakistan Labour Journal*, Vol. XXIII: 1, March 1969

<sup>906</sup> *East Pakistan Labour Journal* 1969: 88

<sup>907</sup> Amjad and Mahmood 1982: 16

<sup>908</sup> Amjad and Mahmood 1982: 16 – The strikes at Valika Mills were particularly violent in October 1969.

<sup>909</sup> Amjad and Mahmood 1982: 19

cities<sup>910</sup> for a “Demands Week.”<sup>911</sup> At this point, the ruling regime did attempt to “negotiate” with labour leaders but the momentum of unrest was far too strong and workers’ demands were not being sufficiently addressed.<sup>912</sup> It seemed the informal patron-client relationship between state and labour was irreparable at this point, as the state experienced much legitimacy strain. “Industrial strikes, the closing of all schools in the country, increasing social disorder and strife and the defection of key allies within the government led President Ayub Khan to search for a graceful way to exit the political scene.”<sup>913</sup> His government had “collapsed like a house of cards”<sup>914</sup> as “the people and the areas by-passed by economic growth grew progressively resentful,<sup>915</sup> but the military regime continued under General Yahya for a short while longer.

Undoubtedly, in the 1962-1969 period, increasing moral economy violations over expected wages challenged the legitimacy of the state-labour expectation relationship and the state itself. When industrial workers perceived that expected wages were not delivered, they would voice their concerns through certain state mechanisms. But, when it seemed such mechanisms were not delivering, they would often stop production through anti-state unrest, thus creating one form of legitimacy strain for the Pakistani state. The ruling regime would then intervene directly through specific speeches and at times offer relevant policies to limit any further strain such that production would resume as quickly as possible. In fact, specific state policies for labour led to a temporary decline in industrial unrest over wages in 1965 and 1968.

This pattern of events, however, ended in 1969. Despite a new labour policy in 1969 and various legislations introduced in 1968, incidences of industrial unrest doubled in one year reaching the highest level of this period. At this point, labour created the most significant strain for the state, who had no response that would appease frustrated industrial workers. The legitimacy of the state-labour relationship within the moral economy and the state itself appeared to be in significant decline.

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<sup>910</sup> Candland 2007: 41

<sup>911</sup> *Pakistan Times*, March 3, 1969

<sup>912</sup> Shaheed 2007: 262-264

<sup>913</sup> Pg 74. Wayne Wilcox, Pakistan in 1969: Once Again at the Starting Point, *Asian Survey*, Vol 10: 2, pg 73-81, February 1970

<sup>914</sup> Pg 102. Altaf Gauhar, Pakistan: Ayub Khan's Abdication, *Third World Quarterly*, Vol. 7: 1, pg 102-131, January 1985

<sup>915</sup> Burki 1972: 11



While industrial workers created legitimacy strain for the state through their unrest, challenges to state legitimacy also came from other groups in 1962-1969, as illustrated in *Chapter Two* in this thesis. Certain Islamist groups and ethnic groups posed a considerable threat to state legitimacy in terms of their disagreement with certain state policies. After the 1965 war, such legitimacy strains were further reinforced as the United States' financial support wavered. All these groups contributed to legitimacy strain in 1958-1969 that later led to a full-blown legitimacy crisis in 1970-1971.

### MORAL ECONOMY VIOLATIONS AND LEGITIMACY CRISIS OF THE STATE: 1970-1971

Industrial workers continued to challenge the legitimacy of the state-labour relationship over wages in 1970-1971. The state's attempts to reinstate the terms of the moral economy and regain development "policy legitimacy" through the 1969 labour policy clearly had limited impact on organized workers at this point. There were over 445 incidents of industrial unrest in this short period. The 1970 marker was the highest level of industrial unrest of the 1958-1971 period. In fact, "about 40% of the workers employed in factories including 20 or more workers were involved in strikes."<sup>916</sup>

Significant numbers of workers felt "those in power [were not] acting in the best interests of the governed"<sup>917</sup> in that they could not provide the expected wages, hence the rapid rise in anti-state protests<sup>918</sup> in 1970-1971.

<b>Year<sup>919</sup></b>	<b>Number of Unions</b>	<b>Members</b>	<b>Industrial Unrest Over Wages</b>	<b>Production Days Lost</b>
1970	4952	525,062	307	1,220,377
1971	5345	570,202	141	1,747,959

What is also apparent is that, just like at the end of the previous civilian-led era, there was another *type* unrest in 1970-1971 that was not documented in the state literature<sup>920</sup> but is obvious

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<sup>916</sup> Hafeez 1978: 65

<sup>917</sup> Avery 1988: 112

<sup>918</sup> Useem and Useem 1979: 843

<sup>919</sup> Pg 40. *Pakistan Labour Gazette*, Ministry of Labour and Social Welfare, Vol. XXIX, Government of Pakistan, Islamabad, Pakistan, 1970-71

in certain media archives. There was a noticeable shift in the focus of these bouts of unrest – labour protests and strikes no longer only focused on wages, but at this point considered the state’s failure to deliver prices as well. General price increases in consumer goods may not have been dramatic in 1970-1971, but at this point even minor fluctuations were perceived by labour as major moral economy violations. Since the military elites of this tumultuous era still did not have “an easy command of power”, never having truly recovered their prestige after the loss in the 1965 war, and the Basic Democracies system was not firmly entrenched even a decade later, industrial workers continued to evaluate the state “within a very narrow range of acceptability, requiring only a minor [issue] to spark a crisis.”<sup>921</sup>

As indicated in the table and graph below, in both East and West Pakistan, the consumer price index<sup>922</sup> for industrial workers steadily increased during this military-led era, but reached its highest points in 1970-1971. In fact, in East and West Pakistan, the price index for industrial workers reached highs of 147.77 and 150.22 by 1970-1971, up from an index level of 135.55 and 150.22 in 1969-1970, respectively.<sup>923</sup> Just like in the end of the previous civilian-led era, this again coincided with sudden and numerous protests and strikes by industrial workers against the state, specifically over price-related issues involving basic commodities across the country.

***General Consumer Price Index Numbers  
for Industrial Workers 1958-1971***<sup>924</sup>

(Base: 1959-60 = 100)

<b>Year</b>	<b>West Pakistan</b>	<b>East Pakistan</b>
1959-60	100.00	100.00
1960-61	101.82	100.66
1961-62	104.56	105.60
1962-63	103.19	107.21
1963-64	106.45	109.12
1964-65	112.92	113.83
1965-66	123.44	116.70
1966-67	130.99	126.96
1967-68	120.55	120.88

<sup>920</sup> By state literature, I am again referring to publications from Pakistan’s Labour Ministry such as the *Labour Gazette* and the *Pakistan Labour Book*. By media archives, I am again referring to various newspapers such as *Dawn* and the *Pakistan Times*.

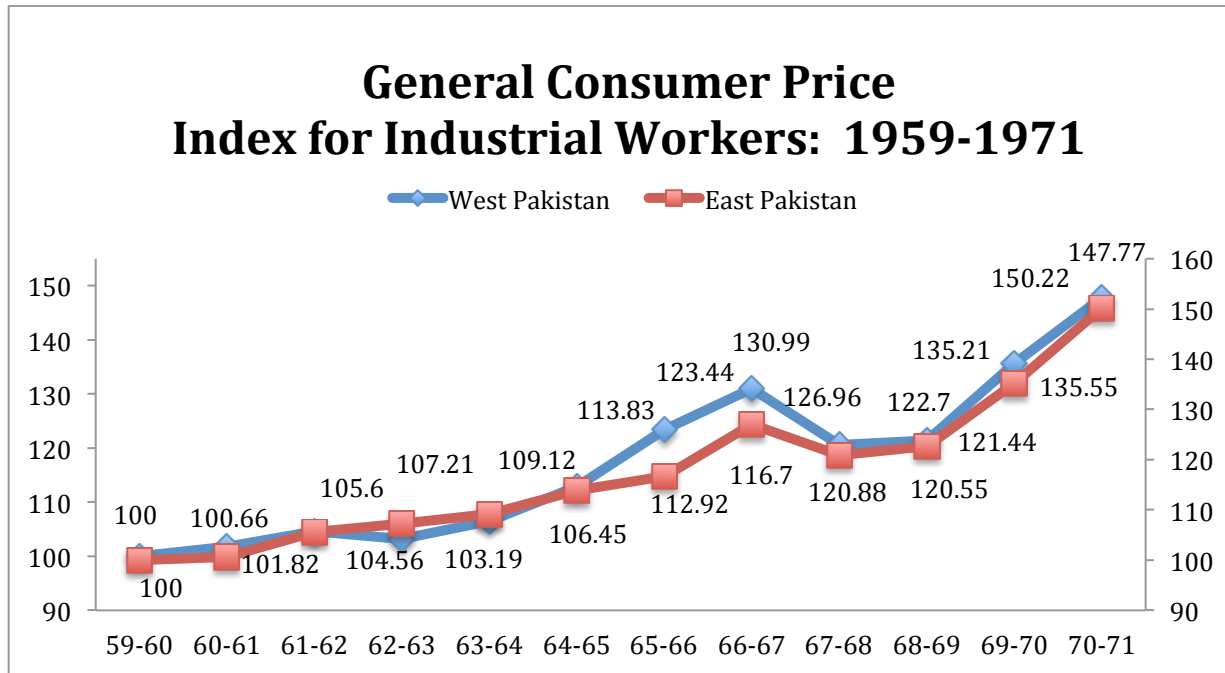
<sup>921</sup> Avery 1988: 112

<sup>922</sup> The consumer price index included price levels for basic commodities like wheat, sugar, flour and vegetables, according to the Statistics Division.

<sup>923</sup> Statistics Division, Government of Pakistan, Islamabad, Pakistan, 1972

<sup>924</sup> Khan 1966: 96

1968-69	121.44	122.70
1969-70	135.55	135.21
1970-71	147.77	150.22



Thus the military regime’s moral economy “ideology that [had initially guaranteed] a bright new future as the principal means for establishing legitimacy”<sup>925</sup> – a future that was supposed to include prices for labour – evidently backfired for the state by 1970-1971. From the perspective of labour, the state committed more and more moral economy violations over prices during these final two years of the military regime. In effect, when labour’s expectation of prices was not being met and thus “promises [were] not realized,” the authority of Pakistan’s military leaders increasingly “eroded”<sup>926</sup> in their eyes – this was on top of the broken promises that workers felt the state had already made concerning wages recurrently in 1962-1969 and had continued to make in 1970-1971. Industrial workers thus became a source of two separate legitimacy strains through their anti-state unrest over wages *and* prices, adding to the growing legitimacy crisis of the state and military regime in 1970-1971.

Two types of price-focused strikes against the state can be inferred from available data, just like in the previous civilian-led era. First, workers would strike against the state when it appeared

<sup>925</sup> Avery 1988: 112

<sup>926</sup> Pye 1971: 141

the state was not taking necessary action to reduce prices they promised they would maintain (e.g. bringing elite manipulators of the market to book). It was thus rooted in “workers’ sense of injustice, a feeling that they were being denied something to which they were entitled”<sup>927</sup> as part of the moral economy of development policy. Second, industrial workers would strike against the state when they felt state-run institutions and policies were not effective at delivering expected prices. This could be termed “entitlement protests” rooted in “unmet promises” embedded in state institutions and policies – “anger over unmet expectations [was] the impetus to workers’ actions.”<sup>928</sup>

After both types of price-focused labour unrest, the military regime would sometimes offer a public response to reduce unrest and so limit further legitimacy strain. However, these minor remarks appeared to have no real impact as protests and strikes against rising prices continued and at times even escalated, hindering industrial production. This was unlike in 1962-1968 period when state responses to moral economy violations over wages usually appeased workers to stop their anti-state unrest and resume their role in production. But by 1970-1971, it seemed workers from various industries no longer saw the military regime as a viable authority that could respond to moral economy violations, as the state experienced increasing legitimacy strain and crisis.

These findings thus support the hypothesis of this thesis: *when there is a decline in subsistence conditions in terms of prices, labour stops production through unrest and thus creates legitimacy strain for the Pakistani state that can contribute to legitimacy crisis and regime breakdown.* Along with other groups identified as causing legitimacy strain, industrial workers thus contributed to the legitimacy crisis that preceded the regime breakdown of this military-led era in 1971.

#### ECONOMIC DECLINE

With rising industrial unrest that was one factor that hindered production, there was undoubtedly a significant impact on Pakistan’s overall growth at the end of this military-led era. This created further legitimacy strain for the state that had partially defined itself in terms of increasing production and high growth since 1947 and especially since 1958. As the table and graph indicate, industrial production dropped by dramatically, from 13.9 in 1969-70 to -6.8 in

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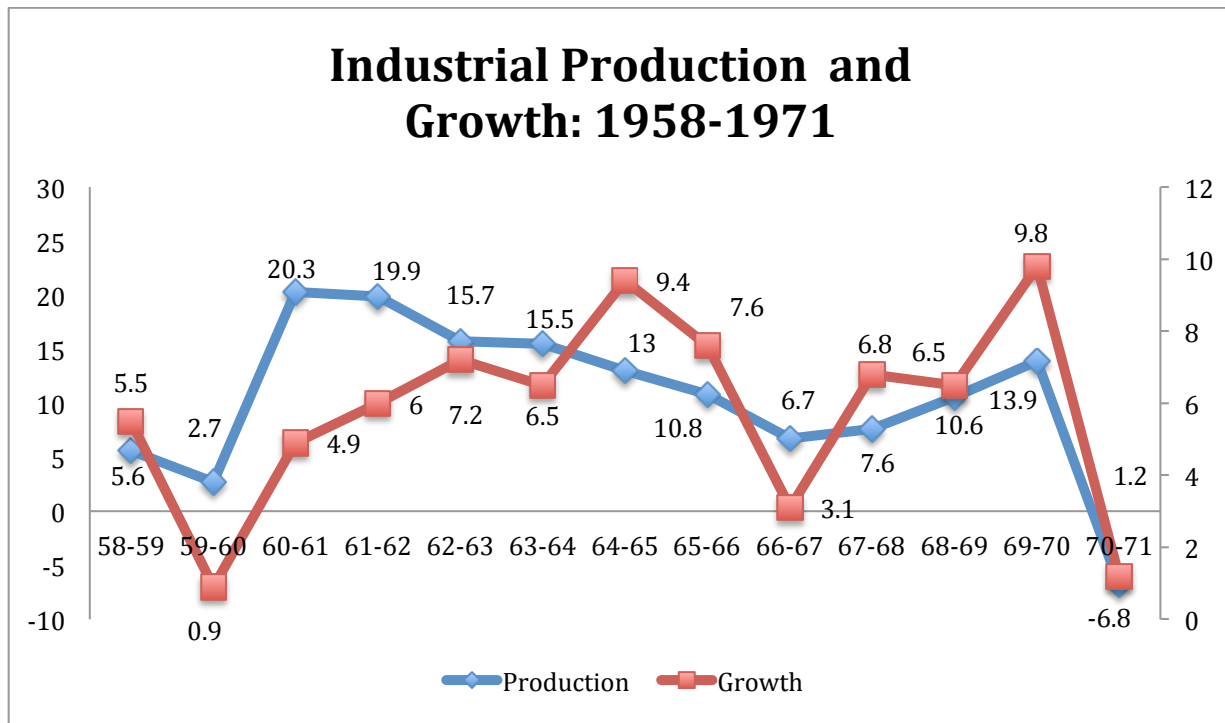
<sup>927</sup> Posusney 1993: 100

<sup>928</sup> Posusney 1993: 108

1970-1971, reducing the level of overall growth from 9.8 to 1.2 in one year. Of course, it should be noted this also had to do with the effects of the 1971 war.

***Annual Industrial Production and Growth 1958-1971***

Year <sup>929</sup>	Production	Growth
1958-59	5.6	5.5
1959-60	2.7	0.9
1960-61	20.3	4.9
1961-62	19.9	6
1962-63	15.7	7.2
1963-64	15.5	6.5
1964-65	13	9.4
1965-66	10.8	7.6
1966-67	6.7	3.1
1967-68	7.6	6.8
1968-69	10.6	6.5
1969-70	13.9	9.8
1970-71	-6.8	1.2



But production and growth also suffered because of the general decline in economic conditions that caused further strain for the military regime, quite a contrast from earlier years

<sup>929</sup> *Annual Economic Survey*, Government of Pakistan, Islamabad, Pakistan, 1985

when Pakistan was seen as a “model” for developing countries.<sup>930</sup> There was a genuine “fear” about a “serious economic crisis” in the entire country that appeared to have no quick or easy solution.<sup>931</sup> Even General Yahya admitted, at one of his first press conferences, that “the distribution of income had not equally favoured all groups in the country [which had] fuelled the agitation of almost all economic groups.”<sup>932</sup>

The country’s growing food crisis was worsened by the water crisis,<sup>933</sup> which hit crop production in Sind and Punjab provinces in West Pakistan. The suspension of foreign aid in 1971 because of the civil war further exacerbated economic conditions, given Pakistan’s dependence on such funding.<sup>934</sup> The overall conditions only served to “alienate the masses from the elite”, “exacerbate regional inequalities and reinforce tendencies towards secession” among East Pakistanis.<sup>935</sup>

#### INDUSTRIAL UNREST OVER FIRST PRICE ISSUE: 1970-1971

Amid this backdrop of declining economic conditions, industrial workers continued their anti-state unrest over wages.<sup>936</sup> But they also engaged in unrest focused on prices during this turbulent two-year period in 1970-1971. In most cases, these strikes against the state were focused on the elite manipulation of the market (through hoarding, black-marketing) that had driven up prices and that the state had repeatedly promised it would curtail. Such industrial unrest was thus rooted in “workers’ sense of injustice, a feeling that they were being denied something to which they were entitled”<sup>937</sup> and had been promised as part of the moral economy of development policy. This was similar to the pattern of events at the end the previous civilian-led era in 1957-1958.

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<sup>930</sup> Pg 229. G. W. Choudhury, *The Last Days of United Pakistan: A Personal Account*, *International Affairs*, Vol. 49: 2, pg 229-239, April 1973

<sup>931</sup> *Pakistan Times*, March 21, 1971

<sup>932</sup> Wilcox 1970: 75

<sup>933</sup> *Dawn*, September 11, 1971

<sup>934</sup> The World Bank and British government played a key role in suspending Consortium Aid for rescheduling of development loans until a resolution was reached on East Pakistan. According to one British newspaper correspondent: “observers in Washington even hoped that the deterioration of economic situation may force President Yahya Khan to increase efforts towards a political solution,” rather than through military means again (*Dawn*, October 3, 1971).

<sup>935</sup> Pg 6. Feroz Ahmed, *Why Pakistan’s Unity Was Jeopardized?*, *Pakistan Forum*, Vol. 2: 3, pg 4-6, December 1971

<sup>936</sup> General Yahya did attempt certain measures to respond to labour unrest concerning wages. He held a tripartite labour conference where labour leaders could “meet employers, government functionaries and advisors to formulate a new, more realistic labour policy.” It appeared that the Government was trying to “give serious consideration to the labour problem” as soon as possible, seeking the “advice of labour leaders who had not previously been consulted” (Shaheed 2007: 265). But at this point, after so many years of moral economy violations, labour unions did not seem to respond.

<sup>937</sup> Posusney 1993: 100

In 1970-1971, industrial workers took issue with the elite hoarding that had created an artificial food shortage and sudden price increases in all provinces in Pakistan. In East Pakistan, workers spoke out about the rise in sugar – from Rs 1.57 one day to Rs 2.50 the next – and flour – from Rs 65 to 75 in just 24 hours. There were also complaints of a “short supply of kerosene oil.”<sup>938</sup> In March 1971, a group of labour leaders publicly warned against the “machination of a business section to play foul with foodgrains in East Pakistan” that was hitting workers, even leading to famine conditions in some parts of the province.

Through a series of public speeches and protests, these labour leaders cautioned the military regime to not allow hoarders and black-marketers “to play with the life of the people” and criticized the inaction of the West Pakistan-focused government in taking steps to counter the “miseries of people” resulting from soaring prices of foodgrains.<sup>939</sup> They urged the central government to take action against anyone engaged in hoarding, black-marketing or smuggling of food items. Labour leader Hamid Khan warned that, without central government support, there was a risk of more than 500,000 people dying, including workers, in the upcoming harvesting seasons – this was the “grim reality in East Pakistan.”<sup>940</sup> This was also the case in some parts of West Pakistan, where essential commodities had gone up 20-30 percent, again largely due to the actions of black-marketers, profiteers and opportunists. Wheat had risen from Rs 18 to Rs 26, prompting some industry workers in Karachi and Lahore to hold protests, along with workers from non-industrial sectors.<sup>941</sup>

Labour’s response to hoarding did generate some response from General Yahya and his military regime during this period of martial law. The approach was effectively for the ruling regime to “deal with anti-social traders and businessmen with an iron hand on the one hand and throwing fresh stocks of needed commodities into the market on the other.”<sup>942</sup>

In Karachi, “profiteers and hoarders” were hit “hard” when ten squads raided certain city markets at night and arrested over thirty people – including two wealthy mill owners<sup>943</sup> and ten

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<sup>938</sup> *Dawn*, November 21, 1971

<sup>939</sup> *Dawn*, March 5, 1971

<sup>940</sup> *Pakistan Times*, March 11, 1971

<sup>941</sup> *Dawn*, March 12, 1971

<sup>942</sup> *Dawn*, June 11, 1971

<sup>943</sup> The two arrested mill owners were Mohammad Siddique, proprietor of Tabani Trading Company in Landhi Colony Market, and Mohammad Bashir, owner of Ahmad-Ajmal Trading Company, both in Landhi Colony Market in Karachi, West Pakistan. Small traders and provision merchants were also arrested on similar charges: Rauf Market in Liaquatabad of Karachi, West Pakistan. Six other traders were arrested for selling flour and sugar at exorbitant prices in Empress and Shahbuddin markets in Karachi (*Dawn*, March 11, 1971).

leading wholesale merchants and retailers.<sup>944</sup> They were charged with “creating an artificial price-hike, hoarding of essential commodities and black-marketing” of sugar, flour and wheat. These raids were “part of hard-hitting measures undertaken by local administration against anti-social traders, businessmen and industrialists who capitalized on the state of emergency declared due to threat of Indian aggression.”<sup>945</sup>

The state also ordered provincial governments to release fresh stocks of “scarce” commodities like wheat and sugar for distribution through ration depots so mill-owners and other market manipulators could not hoard such goods. State-appointed food inspectors were also posted at mills and ration-depots to ensure that “fair amounts” of wheat and other goods were sold at the “fair” prices set by the military regime.<sup>946</sup>

Such “hard-hitting steps against hoarders and black-marketers” did lead to a “slight” and short-lived reduction in prices but “artificial scarcity of consumer goods and essential commodities” continued through out 1971.<sup>947</sup> In November 1971, a month before the breakdown of this military regime, unrest by industrial workers (and other subordinate classes) continued to escalate over price levels of basic goods. The state’s attempts to control prices through provincial food departments’ ration shops and other measures could not combat “large-scale hoarding” that widely persisted.<sup>948</sup>

Increasing numbers of people, including industrial workers, led the charge against the state for the state’s failure to contain hoarding activities. Members of the Merchants Association in Hyderabad, which included some workers, expressed their concern about “sky-rocketing prices of commodities of daily use.” Through a series of protests and speeches, the labour-related association appealed to Governor of Sind Lt Gen Rahman Gul and Divisional Commissioner, Hyderabad, to take steps now to check upward trend in prices and “save poor people from being fleeced by profiteers and black-marketers who [were] ... working against interests of nation.”<sup>949</sup>

Various consumer groups, which had some industrial workers as members, called for the state to “stop hoarding and profiteering” which had caused “panic buying”, further pushing up

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<sup>944</sup> This was carried out under Martial Law Regulation No. 16-A and Defence Pakistan Rules.

<sup>945</sup> *Dawn*, June 11, 1971

<sup>946</sup> *Pakistan Times*, June 30, 1971

<sup>947</sup> *Dawn*, June 13, 1971

<sup>948</sup> *Government Press Note*, November 20, 1971

<sup>949</sup> *Pakistan Times*, November 13, 1971



prices.<sup>950</sup> Nayab Naqvi, Chairman of the Mazdoor Rabia Council, and Nabia Ahmad, General Secretary of Pakistan's Workers Federation, "deplored" the ongoing "trend of profiteering and hoarding" that they expected the military regime to stop. They added that poor consumers were "finding it hard to meet the growing expenses in view of hoarding, profiteering and black-marketing."<sup>951</sup>

The United Hawkers Federation of Pakistan noted this "ugly trend" that the state had failed to stop. The workers linked to the Vegetable Hawker Welfare Association in Liaquatabad protested about the rapid rise in wheat, from Rs 52 to Rs 72, a 25% increase in kerosene oil and 25 paise increase in a seer of sugar. Daud Patel, Chairman of Karachi Retail Grocers, and Rana Azhar Ali, President of the Chamber of Consumers, also appealed to the state to control hoarding before the situation spun "out of control." Soon after, a leading labour figure, Abdul Rehman, also appealed to the state to stop hoarding "at this critical juncture", before his fellow workers would have to strike. He said it was the state's "patriotic duty" to stop such "anti-Islamic, anti-social" behaviour, especially when the country was facing "external aggression."<sup>952</sup>

General Yahya's measures to tackle hoarding and black-marketing thus did little to reduce prices significantly or appease workers or other groups at this late stage of the military regime's tenure. The fact that unrest continued, despite state efforts to combat hoarding, was another indicator of labour's "loss of confidence"<sup>953</sup> in the state and its declining legitimacy in the state-labour expectation relationship; it reinforced how it saw the state was less viable as a legitimate partner in the moral economy.

#### INDUSTRIAL UNREST OVER SECOND PRICE ISSUE: 1970-1971

Some industrial workers also held strikes against the state when they felt state-run institutions and policies did not follow through on lowering rising prices. Specific state mechanisms like national ordinances and food drives did not deliver the expected prices, contributing to further industrial unrest. This could be termed "entitlement protests" rooted in "unmet promises" embedded in state institutions and policies – "anger over unmet expectations [was] the impetus to workers' actions."<sup>954</sup> Such labour unrest was in the backdrop of waves of

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<sup>950</sup> *Pakistan Times*, November 14, 1971

<sup>951</sup> *Dawn*, November 14, 1971

<sup>952</sup> *Dawn*, November 21, 1971

<sup>953</sup> Useem and Useem 1979: 841

<sup>954</sup> Posusney 1993: 108

“disturbances and atrocities”<sup>955</sup> by various other groups over political issues as civil war brewed in East Pakistan, as mentioned in *Chapter Two* of this thesis.

One state mechanism which workers felt increasingly frustrated with were the “ration depots” which were supposed to help regulate prices. Workers from a number of textile mills insisted that these depots were “still” not supplying them with fairly priced flour which they needed for their basic subsistence. The state did attempt to take “stern official action” against ration shops and instructed certain mills they should not interfere in these depots. But this had little benefit to workers who found the flour from these state depots were of “poor quality”<sup>956</sup> and thus not useable.

In response to increasing appeals from workers about faulty state mechanisms to help with prices, officials often spoke out to Pakistanis to remind them that the “price hike came as a complete surprise” to the government but it was still committed to “a policy of promotion of social justice,”<sup>957</sup> including helping lower income classes cope with price increases. The ruling regime also held a “top-level meeting” with local administration and provincial governments to determine the optimal way to reduce price levels.<sup>958</sup> One idea was for the introduction of 200 “fair price shops” to deal with a “much larger variety of goods in general demands” like tea and vegetable ghee and so stabilise prices.

But the most concrete policy to tackle price levels was in the form of the Essential Commodities Control Order 1971. This was the state’s way to overtly “fix” maximum prices of essential commodities and “impose restrictions on possession” as well as the “movement of commodities.”<sup>959</sup> It also empowered the provincial or central government to call for the “declaration of stocks of essential commodities and to direct their supply to specified user in line with what was required.”<sup>960</sup> The military regime also repeatedly called on farmers to “grow more food” as way to “lend their support to the war efforts on the home front.” State officials like Governor of Punjab Lt General M. Attiqur Rahman reiterated how Pakistan was an “agricultural

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<sup>955</sup> Pg 1. *White Paper on Crisis in East Pakistan*, Ministry of Information, Printing Corporation of Pakistan Press, Islamabad, August 5, 1971

<sup>956</sup> Pg 8. *East Pakistan Labour Journal*, Vol XXII: 3, December 1970

<sup>957</sup> Pg 1. *East Pakistan Labour Journal*, Vol XXII: 3, June 1971

<sup>958</sup> *Dawn*, November 27, 1971

<sup>959</sup> *Government Press Note*, December 13, 1971

<sup>960</sup> *Pakistan Times*, December 13, 1971

economy” and so “Farmers were custodians of the economy” who needed to fulfil their “national responsibility.”<sup>961</sup>

But there was limited time to see the effects of such state measures, if any, on workers’ subsistence conditions. Only days later, “law and order had broken down completely” due to the activities of Bengali secessionists in East Pakistan. Apart from widespread incidents of arson and loot, such ethnic violence had taken a critical turn with attacks on non-conformists at Chittagong and Khulna, resulting in hundreds of casualties.”<sup>962</sup> Alongside the freedom agenda led by the Awami League party, there were cases of “looting, arson and other acts of vandalism” spreading in Dacca and Narayanganj.<sup>963</sup>

This pattern of violence continued for days and involved significant numbers of East Pakistani industrial workers. “On the streets, mobs roamed with guns, iron rods and staves in their hands, raising anti-Pakistan slogans” that had failed to give them what they felt they were entitled, including basic subsistence. Several businesses and a jute mill at Ghawasi were set on fire.<sup>964</sup> The state found itself “incapable of coping with the large-scale disturbances which gripped the city, and at their request, troops which has so far remained in the barracks, were called out and curfew was imposed during the night.”<sup>965</sup>

This cycle of violence, with businesses being burned down, indiscriminate firing, acid bottles being thrown, and anti-state slogans being shouted continued for weeks in East Pakistan. It was at this point that labour’s role became more prominent in reacting to what they felt was the failed role of the state to deliver not only political right but also mere basic subsistence.<sup>966</sup> Various labour-led groups “began circulating handwritten and cyclostyled posters in various parts of the province, inciting people to violence.” One poster read: “Please keep in mind that the national liberation of East Bengal is only possible through armed struggle which will be of long duration. Hence, without a guerrilla war tactics, we shall not be able to resist the enemy. Be

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<sup>961</sup> *Pakistan Times*, December 12, 1971

<sup>962</sup> *White Paper on Crisis in East Pakistan* 1971: 15

<sup>963</sup> *White Paper on Crisis in East Pakistan* 1971: 38

<sup>964</sup> *White Paper on Crisis in East Pakistan* 1971: 30

<sup>965</sup> *White Paper on Crisis in East Pakistan* 1971: 30

<sup>966</sup> In the Fourth Five Year Plan, the subsequent government – led by Bhutto – characterized the problems of Ayub’s regime as follows: “Income distribution has become fairly skewed in the process of economic development. Real wages declined by about a third during the 1960’s. The landless labour increased and there was little gain the real farm income per head for the small farmer. The inequalities between various income groups not only increased but also became more vivid by the growing awareness of the masses”.<sup>966</sup> This disparity was significant with respect to East Pakistan – while in 1958, there was a 30 percent difference in per capita income between the two regions, by 1965 this difference had risen to 45 percent and by 1968 it was more than 60 percent (*Fourth Five Year Plan*, Government of Pakistan, Islamabad, Pakistan 1970)

ready to protect the freed areas at any price. The long struggle of liberation of East Bengal is not at its end. It is just the beginning. To weaken us, the enemy may impose economic blockage. The victory of East Bengal is inevitable. We have torn off the shackles of Pakistani colonialism. Independent East Bengal – Zindabad.”<sup>967</sup>

Various industrial centres were also being burned down. At the jute mill owned by the “influential” Ispahani family, there were reports of “mass graves of 152 non-Bengali women and children reportedly executed ... by secessionist rebels in the mills’ recreation club.”<sup>968</sup>

At this point, the efforts by the state could do little to stop rising prices or the related unrest that included labour’s participation. Industrial unrest was also visible in West Pakistan. A day before it was reported that General Yahya was quitting his post on December 19, 1971, thousands of labourers, along with intellectuals, businessmen, lawyers, women and children, protested in Lahore and Rawalpindi about the policies of the regime, including criticizing the state over escalating prices.<sup>969</sup> The day of General Yahya’s resignation, various groups, including members of labour, called for a “complete strike in cities to protest against the “wrong policies” of the military regime.<sup>970</sup>

It seems that in the 1970-1971 period increasing moral economy violations challenged the legitimacy of the state-labour expectation relationship and the state itself. When industrial workers perceived that expected prices were not delivered, they would voice their concerns both through anti-state protests and strikes that at times became violent. This was the case in East Pakistan in particular, as compared with the industrial unrest that occurred earlier in this military-led era. The fact that the state’s efforts to tackle prices had limited impact on industrial unrest even before the war reinforced the legitimacy strain it was experiencing at this point. The terms of the moral economy of development policy no longer seemed viable for labour or the state in this military regime. This also extended to the anti-state unrest over wages in these years.

While industrial workers created legitimacy strain for the state through their unrest over wages *and* prices, challenges to state legitimacy also came from certain elite groups and political factors in 1970-1971, as illustrated in *Chapter Two* of this thesis. Politically-rooted ethnic unrest in East Pakistan, as well as the Islamist conflict this represented, clearly posed a serious threat to

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<sup>967</sup> *White Paper on Crisis in East Pakistan* 1971: 38

<sup>968</sup> *Washington Post*, December 18, 1971

<sup>969</sup> *Dawn*, December 19, 1971

<sup>970</sup> *Dawn*, December 20, 1971

state legitimacy that contributed to regime breakdown. Squabbling at the elite level in West Pakistani politics and declining support from the United States also challenged state legitimacy. The loss in the 1971 secessionist war was of course also a precursor for regime breakdown. These groups, including industrial labour, thus contributed to legitimacy strain in meaningful ways, culminating in the military regime's legitimacy crisis and regime breakdown by the end of 1970-1971.

## CHAPTER 5

### CONCLUSION

#### RECAP OF PHD THESIS

This PhD research has made a significant contribution to the literature on Pakistan, regime breakdown and moral economy within the disciplines of history, political science and sociology. It has highlighted a notable gap in this particular body of literature in terms of the role that industrial labour in fact plays in challenging state legitimacy and contributing to Pakistan's recurring regime breakdown. By using a specific moral economy centred around industrial development policy and underlining the political rhetoric embedded in it, this thesis has illuminated Pakistan's politics and industrial labour in fresh way. Ultimately, labour's unmet expectations from the state's development policy have explained one type of legitimacy strain and crisis of the Pakistani state that contributed to recurring regime breakdown.

First, there is no question that this PhD study has unearthed the significance of industrial labour vis-à-vis notions of state legitimacy in Pakistan. The existing literature on Pakistani history and politics suggests that only elite or elite-linked groups challenged state legitimacy and contributed to regime breakdown. Preceding authors have typically focused on the role of certain military, bureaucratic and civilian elites or Islamist and ethnic groups in orchestrating key changes in political stability and state policy. Yet through an examination of government, institutional and media archives, it is clear that Pakistan's industrial labour acted independent of outside influence to challenge state legitimacy in 1947-1971. These workers were relevant actors in the political process – through their unrest, they managed to impact state policy on labour-specific issues, even if only in a small way. This is contrary to the existing literature that generally portrays the labour class as a mere tool of certain political parties and elites who manipulate workers into unrest when strategic interests arise.

Furthermore, it is clear that industrial labour challenged state legitimacy in both civilian *and* military-led eras of Pakistan. This is contrary to the existing literature that generally appears to emphasize labour protests and strikes during military-led eras, rather than civilian-led eras. Also, this thesis highlights how industrial labour created legitimacy strain via their unrest against the state *through out* a regime's tenure. This is divergent from the existing literature that suggests workers only felt compelled to protest against the state at the end of a regime's tenure when an

elite-driven legitimacy crisis was already in full swing. But in fact, this thesis has pinpointed how industrial workers are a significant player in creating legitimacy strain at various points in a regime's tenure in Pakistan. Industrial labour was also another factor that created legitimacy crisis of the Pakistani state preceding regime breakdown, which is not investigated sufficiently by other authors.

Second, this thesis also reinforced that an elite-centric lens is not sufficient for a complete picture of regime breakdown in Pakistan. It is clear that elite-driven groups such as certain military, political and bureaucratic elites have of course played a key role in regime breakdown in Pakistan. But it is also apparent that other groups such as industrial labour have had a notable impact on regime breakdown that can simply not be ignored. In this sense, I have challenged certain basic ideas about the process of regime breakdown as illustrated in political science literature.

For instance, this PhD thesis has countered the thinking of Bermeo about the "ordinary" person's role in regime breakdown. She herself is challenging what she suggests is an increasingly common view – that people will bring down their governments through protest, especially when there is significant political and economic crisis in a country. Her findings in several modern democracies disprove this theory, instead emphasizing the role of political elites. But again, this thesis shows without doubt that there is a notable role for industrial labour to challenge state legitimacy which contributes to regime breakdown. This is alongside elite-driven factors that hinder regime stability in Pakistan.

This PhD thesis also fills the gap pointed out by Przeworski, Alvarez, Limongi and Cheibub about their failure to observe "something like [popular] pressures toward transition" related to "economic dynamics." Their study suggests that only "manifestations of political mobilization: strikes, anti-government demonstrations, or riots" are visible.<sup>971</sup> But this thesis reveals that in Pakistan there have been notable anti-state protests and strikes that are in fact rooted in "economic dynamics"<sup>972</sup> – even if such anti-state unrest was often based on perceived rather than actual economic factors. Perhaps this research is most compatible with Bellin's ideas on labour's support for government being dependent on what workers receive in return. She alludes to a patron-client relationship between the state and labour which is further outlined in

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<sup>971</sup> Przeworski, Alvarez, Limongi and Cheibub 2000: 114

<sup>972</sup> Przeworski, Alvarez, Limongi and Cheibub 2000: 114

this thesis. Like Bellin, this research emphasized how labour's support for the state is "contingent"<sup>973</sup> on state patronage but I connect it more explicitly to regime breakdown.

Third, this PhD thesis framed such labour-focused bottom-up mobilization in the context of a very particular moral economy that others haven't sufficiently addressed. The earlier moral economy theorists like Scott and Thompson typically suggest that the moral economy can only be centred around a specific market mechanism. Peasant protests, whether in Vietnam or the English countryside, were focused on preventing "market manipulation" of commodity prices and "securing a subsistence" at affordable prices.<sup>974</sup> When it appeared that prices were suspiciously high and officials were not taking action to stop this, anti-state protests would follow. These theorists thus allude to a patron-client relationship with the state within this market-focused moral economy.

In this PhD thesis, however, there is a different moral economy, one that in fact is centred around the state's industrial development policy. A similar patron-client relationship with the state is brought to the forefront of the analysis that preceding theorists do not sufficiently address. Underlying this interpretation of the moral economy is labour's explicit sense of expectation of the state that is not appropriately explored in the theoretical literature. When the state's development policy and related political rhetoric did not deliver what was expected – i.e. labour's subsistence conditions, then anti-state unrest would ensue.

Contemporary theorists like Posusney do mention such moral economy violations rooted in unmet expectations – she even talks about how this relates to development policy with the case of Egypt. But the explicit state-labour expectation relationship is not adequately fleshed out to relate to political changes. Posusney does suggest that recurring moral economy violations and subsequent labour unrest were a "constraint"<sup>975</sup> that made it harder for ruling elites to govern. She thus alludes to the effect of labour's expectation relationship on state legitimacy but does not follow through in any notable way. This PhD thesis fills this gap, walking the reader through the moral economy of development policy that in fact pits labour against the state and specifically illustrates labour's role in attacking state legitimacy that eventually leads to regime breakdown.

## OVERVIEW OF STATE-LABOUR RELATIONS IN 1971-2007

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<sup>973</sup> Bellin 2000: 179

<sup>974</sup> Randall and Charlesworth 2000: 1-2

<sup>975</sup> Posusney 1993: 89



While this thesis convincingly reveals that industrial labour impacted state legitimacy during civilian and military-led eras in Pakistan in 1947-1971 through a moral economy lens, what about subsequent regimes in 1971-2007? A cursory look at government and media archives hints that a similar trend in state-labour relations continued; it is also important to note that industrial unrest was much more frequent in the 1960s and 1970s, compared to the 1980s, 1990s or 2000s.<sup>976</sup>

First, one can witness some cases of labour unrest over wages – this was of course after a short period of stability when a new regime emphatically promises through public rhetoric that the subsistence needs of labour would be delivered and maintained. Effectively, such recurring anti-state unrest was attacking the validity of such rhetoric and related state legitimacy. Second, one can note the rapid rise in labour unrest rooted in prices towards the end of a regime’s tenure.

This was true of Bhutto’s civilian government in 1971-1977. His regime was initially “regarded by most workers as a victory in their struggle”<sup>977</sup> against moral economy violations of the previous military-led era of General Ayub and the civilian-led era after partition. Under Bhutto, the state promised stable subsistence conditions epitomized by the widely publicized slogan of “roti, kapra, aur makaan” (bread, cloth and shelter). Workers, particularly from industry, came to expect such subsistence given the state’s rhetoric and Bhutto’s 1972 labour policy. The 1973 Employee Cost of Living (Relief) Ordinance specifically required employees, including industrialists, to “award cost-of-living adjustments at a rate fixed by” the state.<sup>978</sup> But a similar pattern of events occurred during this civilian-led era when labour’s expectations of the state were simply not met.

First, industrial workers reignited their protests and strikes over wages to challenge state legitimacy, despite “the entire force of the state machinery, the police as well as the militia” that appeared to be vying against them.<sup>979</sup> The state continued its strategy, as in past regimes, to manipulate trade union leaders through patronage to limit unrest.<sup>980</sup> But with increased firings at certain factories and industrial outlets as well as increasingly independent trade unions shunning the state’s ethos, unrest ensued over wages. Second, towards the end of this regime when

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<sup>976</sup> Pg 50. Sabur Ghayur, *Evolution of the Industrial Relations System in Pakistan*, ILO Office for South Asia, International Labour Organisation, Geneva, Switzerland, 2009

<sup>977</sup> Amjad and Mahmood 1982: 20

<sup>978</sup> Amjad and Mahmood 1982: 25

<sup>979</sup> Amjad and Mahmood 1982: 21

<sup>980</sup> Candland 2007: 85

Bhutto's nationalization policies only appeared to worsen economic conditions, there were increasing anti-state protests against rising prices; the regime's steps<sup>981</sup> to counter price inflation seemed ineffective at this point during the state's apparent legitimacy crisis.

The military-led era of General Zia in 1977-1988 followed a similar pattern in terms of its state-labour relations. Zia promised his regime would improve on what he felt were his predecessor's failures and growth at all costs was once again the state's priority policy to achieve legitimacy. In 1978, he appointed a Labour Commission to formulate a new policy that would improve industrial relations. The 1979 report noted the "fundamental problem of Pakistani industrial development."<sup>982</sup> It also detailed specifically how labour's conditions could be improved. While the report itself was not publicly available, public officials echoed the rhetoric of a new and improved labour policy, yet no recommendations were actually implemented. This contributed to labour unrest over unmet expectations of the state.

First, there were cases of significant unrest (especially at textile mills<sup>983</sup>) over wages, despite General Zia having "outlawed strikes and demonstrations under martial law."<sup>984</sup> The "connivance of the police and political appointees" only served to increase tensions between the state and labour that only added to the state's legitimacy strain.<sup>985</sup> Second, there were increasing cases of anti-state unrest focused on price levels in the final years of General Zia's tenure. In fact, two weeks before the general's death in a mysterious airplane crash, significant numbers of workers had protested about the price increase of certain consumer goods.<sup>986</sup> Such anti-state unrest reflected a legitimacy crisis of the state – though the state had tried several measures (e.g. state price lists and rationing schemes) to stop the price hike, it appeared to mean nothing to labour given their sense of a moral economy violation being committed by an increasingly illegitimate state.<sup>987</sup>

The turbulent civilian-led era of Benazir and Sharif once again promised huge improvements for labour. Benazir in particular promised that the country's labour laws would be "amended" in accordance with ILO conventions. Soon after, it was expected that a new labour

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<sup>981</sup> *Dawn*, April 13, 1977

<sup>982</sup> Candland 2007: 47

<sup>983</sup> *Pakistan Times*, June 2, 1983

<sup>984</sup> Candland 2007: 46

<sup>985</sup> Candland 2007: 47

<sup>986</sup> *Dawn*, August 4, 1988

<sup>987</sup> *Dawn*, April 23, 1988

policy would be announced which would “enhance workers’ benefits”<sup>988</sup>, but her government was dismissed in 1990 before anything could be done. The same was true of the Sharif governments and Benazir’s second government during this period – the state made promises, created labour expectation of specific subsistence provision for their role in development policy, but failed to deliver sufficient results.

The 1992 Pakistan Tripartite Labour Standing Committee – the first meeting since 1988 – was seen as a significant positive step during this civilian-led era; the state-sponsored committee even agreed to create the Tripartite Wage Council that would ensure fair wages to labour.<sup>989</sup> But ultimately these measures led nowhere and industrial workers once again challenged the legitimacy of their expectation relationship with the state. For instance, in 1995, workers and supporters of the Shafi Tanneries Labour Union staged a protest over unfair firings by management; they carried banners and placards, chanting anti-state slogans.<sup>990</sup> State intervention typically ended such unrest over wages. But by the end of this politically unstable era, anti-state unrest over prices could not be thwarted, despite the state’s measures to reduce inflation. This legitimacy crisis made it straightforward for General Musharraf to stage his coup and introduce another decade of military-led rule.

General Musharraf’s tenure was also not very different from that of his predecessors in terms of the state-labour relationship within this specific moral economy lens. The initial years of this regime spent considerable time on public rhetoric in favour of labour, while it pushed for high growth at all costs. It also “significantly amended”<sup>991</sup> the Industrial Relations Ordinance to ensure fair conditions, including wages, for industrial workers, and pushed for working conditions that were of course in line with international norms. Minister of Labour Omar Asghar Khan had “approved a new set of policies” before his death, but these were considered “broad” and “vague.” In fact, these policies were largely “unimplemented” and ultimately the same pattern of events resurfaced.<sup>992</sup>

Given the significant political rhetoric of the Ministry of Labour and other state officials, industrial workers likely felt their expectation of the state had yet again not been met. Part of this had to do with the effect of privatisation on labour which unexpectedly altered the terms of their

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<sup>988</sup> Candland 2007: 48

<sup>989</sup> Candland 2007: 48

<sup>990</sup> *Pakistan Times*, June 2, 1985

<sup>991</sup> Candland 2007: 49

<sup>992</sup> Candland 2007: 49

relationship with the state; in certain cases it led to bouts of protest activity (e.g. Pakistan Telecommunication Company Ltd, Karachi Electric Supply Corporation)<sup>993</sup>, though state intervention usually resolved such industrial disputes relatively quickly. But the subsequent anti-state unrest over prices<sup>994 995</sup> only added to the legitimacy strain of the Musharraf regime towards the end of its tenure – when the lawyer’s movement was already in full swing. Technically, moral economy violations did not contribute to the breakdown and a full-blown legitimacy crisis of this military-led regime – the reality is the regime did complete its term and at least appears to have led to a legitimate democratic transition to the democratically elected rule of President Zardari and Prime Minister Gilani that continues today.

### FURTHER RESEARCH

What can one infer from this historical research on the moral economy of development policy in Pakistan? First, there are certain basic policy implications that can be deduced about development policy in a weak state with severely limited resources. Perhaps a slight change in the expectation embedded in development policy could reduce challenges to state legitimacy by vulnerable groups like industrial labour. Second, it may be worthwhile to explore the role of other groups – i.e. agricultural labour – who have impacted state legitimacy in Pakistan but have not been documented sufficiently in the existing literature. Third, there may be value in exploring the patron-client dynamic of foreign donors like the US or IMF and Pakistan as a client state. The moral economy of foreign aid may enhance our understanding of the donor-state patron-client state and perhaps even improve the foreign aid apparatus.

First, in rather simplistic terms, this PhD research has reinforced the idea that political rhetoric can significantly impact state legitimacy. In Pakistan, policymakers clearly placed considerable importance on a moral economy to safeguard the participation of certain groups in implementing development policy. This moral economy focused on a political rhetoric of sacrifice, nationalism and anti-India sentiment to motivate even the most vulnerable groups like industrial labour to play their role in development policy and thus gave the state a sense of policy legitimacy<sup>996</sup>; increasing growth through industrial development was also the quickest way for

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<sup>993</sup> *IPS News*, June 22, 2005

<sup>994</sup> *Dawn*, December 6, 2006

<sup>995</sup> *AFP*, May 7, 2006

<sup>996</sup> Smoke 1994: 100

the state to achieve economic legitimacy. But at the same time, the state created the expectation of certain subsistence provision to labour that it never managed to deliver. When labour did not receive expected wages and prices, they engaged in anti-state unrest that impacted state legitimacy.

It is thus clear that unrealistic expectation embedded by the state in development policy paradoxically contributed to its own legitimacy strain and crisis in Pakistan. Top down rhetoric of state officials on subsistence conditions for labour never seemed to translate into concrete patronage for workers, given the other clients that were deemed more important to the state with its limited resources. In this specific sense, a change in *how* state officials present development policy to labour could help.

The state's recurring strategy of linking development with anti-India sentiment or a larger sense of nationalism isn't sustainable when certain groups – in this case, industrial workers – perceive that their subsistence conditions are consistently not being delivered. Perhaps reducing the expectation of a steady stream of subsistence patronage through a slight adjustment in policy rhetoric might help the state manage its relations with labour; it could reduce the bouts of anti-state unrest that repeatedly challenge state legitimacy, even if only in a minimal way.

Second, it would be worthwhile to explore challenges to state legitimacy by other groups to fill the notable gap in what is largely elite-driven literature on Pakistani politics. During my initial research, I did discover in the media archives how significant unrest was taking place not only among industrial labour, but also among peasants and Haris<sup>997</sup> during different points in 1947-1971. These agricultural labourers were specifically speaking out against the limitations of state policies on land reform and refugee rehabilitation – something that other authors have not emphasized sufficiently. While these workers were less organized in their protest than their industrial counterparts, the state's emphasis on agriculture (especially in terms of “urgently” increasing the food supply<sup>998</sup>) meant it could not completely disregard the needs of landless farmers. One could possibly formulate a moral economy centred on the agricultural sector, honing in on the expectation relationship between the state and peasant farmers. This could complement existing explanations for legitimacy strain and possibly even legitimacy crisis and regime breakdown in Pakistan.

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<sup>997</sup> Haris are landless peasant farmers, particularly in Pakistan's Sindh province, who work for a landlord (Wadhera).

<sup>998</sup> Cohen 1949: 217

At the very least, a cursory look at the archives definitively reveals anti-state unrest by agricultural labourers that is linked to unmet expectations of certain state policies; such anti-state unrest to a certain extent contributed to legitimacy strain of the ruling regime. In the early years of the 1947-1958 era, for instance, ruling political elites emphasized the importance of harmonious relations between landlords and Haris, partly to avoid any impediments to agricultural production, while industrialization was in its early stages. State officials publicly stressed norms of equality and justice alongside concrete legislation – this could be framed in terms of a “moral economy” centred on the agricultural sector. Often, when the Haris felt let down by these norms and laws, they challenged the legitimacy of their relationship with the ruling regime through their anti-state unrest.

This was certainly the case in Pakistan’s Sind province where state officials regularly talked about taking “necessary reforms” so there would be “social justice between landlords and the tenants in accordance with Islamic Principles”<sup>999</sup> and hence uninterrupted agricultural production. Home Minister Kazi Fazlullah repeatedly called for the need for “brotherly relations between Haris and Zamindars” to maintain agricultural production that was driving the economy and also combatting the economic “threat” next door.<sup>1000</sup> State officials regularly publicized specific policies and legislation like the Sind Tenancy Act that they claimed would give Haris – who made up about 80% of Sindh’s population – basic rights and provisions. In this sense, to achieve policy legitimacy<sup>1001</sup> within the agricultural sector, state officials appealed to the individual’s sense of patriotism and social justice, while also giving specific information as to how this policy could be achieved; it served to create a sense of shared norms about state-labour relations within the agricultural realm.

But this strategy increasingly faltered as early as 1952 – peasant farmers began challenging the ruling regime specifically because of its failure to keep up with expected state provision in terms of landlord-peasant relations. One approach was for the political representatives of the Hari population to hold one-on-one meetings with public officials, like Sind Governor Din Mohammad<sup>1002</sup>, demanding the state provision they had repeatedly been promised. The President of Sind Hari Committee Abdul Kader M. Khan explained to the governor on one such occasion: “Today in every village in Sind, the zamindars and jagirdars are terrorising, harassing the Haris.

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<sup>999</sup> *Pakistan Times*, January 30, 1950

<sup>1000</sup> *Dawn*, September 4, 1949

<sup>1001</sup> Smoke 1994: 100

<sup>1002</sup> *Dawn*, February 3, 1952

Corrupt officials and police are supporting the zamindars. In these conditions, the Sind Hari Committee is organising the 30 lakh Haris of Sind [to fight for] their just rights. The result is that the Hari Committee is the target of the landlords.”<sup>1003</sup> <sup>1004</sup> He emphatically questioned the Sind Governor about what he would do to fix this “unjust” situation.<sup>1005</sup>

Another approach was for peasants, tenants and refugees to appeal to certain government officials at state-sponsored labour conferences, even proposing their own policy solutions for the state to pursue. At one such conference, G. M. Leghari, an executive member of the Sind Hari Committee, appealed to the state to be more vigilant about how poorly Haris were being treated.<sup>1006</sup> He offered government representatives a solution in which land plots could be given to the Haris – for instance in the areas irrigated by G. M. Barrage. But he noted that so far, these were usually given to the “relatives of high-ups and the most influential people in the Central and Provincial Ministries”<sup>1007</sup> of the ruling regime. At this point, Sind Minister Pir Ali Mohammad Rashdi openly said that the plight of Haris was “unenviable” and criticism of the state’s approach to this issue was “substantially true.”<sup>1008</sup>

But these efforts to communicate with the state about workers’ unmet expectations often failed to generate much response beyond the state’s admission of mistakes made and a obligatory promise to do better. A more effective approach was for Haris to engage in protests and hunger

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<sup>1003</sup> *Pakistan Times*, September 27, 1952 – At this conference, the General Secretary of the Committee, Ghulam Mohammad Leghari, also spoke up about how certain zamindars were still evicting Haris from their lands and were using any means necessary to deprive cultivators of their share of produce, despite the particulars of the Sind Tenancy Act of 1950

<sup>1004</sup> Significant reports of illegal ejection of tenants and peasants from feudal land also surfaced in February 1953. Hari leaders of Sind alleged that they were being thrown off their land without any legitimate reason. As a *Dawn* editorial noted, “The Sind Tenancy Act of 1950 enacted by an Assembly of feudal zamindars had placed in the hands of landlords unlimited powers to eject their tenants with complete impunity.” (*Dawn*, February 23, 1953) In anticipation of changes to the Act that would limit their ability to freely throw tenants off their land, landowners reportedly began a fierce campaign to eject tenants and peasants from their land. Even after the amendment was passed, the arbitrary terrorising of tenants continued.

<sup>1005</sup> *Pakistan Times*, September 27, 1952 – At this conference, General Secretary of the Committee Ghulam Mohammad Leghari also spoke up about how certain zamindars were still evicting Haris from their lands and were using any means necessary to deprive cultivators of their share of produce, despite the particulars of the Sind Tenancy Act of 1950.

<sup>1006</sup> *Dawn*, February 19, 1956 – Leghari revealed to government representatives at this time: “big landlords and their hirelings in small towns and villages have made it practically impossible for Hari workers to move about and function. Local police and revenue officials in spite of the full knowledge of these facts keep their eyes closed. Instead, Haris are harassed, victimized and thrown behind bars on flimsy grounds. Hari workers are publicly insulted by the hirelings of the landlords and jailed by the authorities. ... Hari workers are pressed by officials not to work in Hari Committees. They are intimidated and warned of the dire consequences if they dare to flout the orders of the authorities.”

<sup>1007</sup> *Pakistan Times*, February 19, 1956

<sup>1008</sup> *Dawn*, June 1, 1955

strikes about the failures of the Sind Tenancy Act and other land-related policies. In 1956, the first reported hunger strike against ejectment by landlords took place. Seven members of the family of Ghulam Mustafa staged a hunger strike for several days before the state provided them with new housing in Anarkali. That same month, more than 200 tenants protested in Peshawar for being forced off their land by feudal elites. They shouted anti-landlord and anti-state slogans, while carrying black flags for several days.

The most serious protesting, however, took place in July 1956 in Lahore. More than 1,000 ejected tenants marched through the city, criticising the state and particularly the ministry responsible for implementing land reforms. More than two dozen tenants also staged a hunger strike. Eighty-nine year old Baba Hasan Din, who staged a hunger strike for more than 72 hours, was exhausted but said with a faint smile: “I will not give up my fast till authorities agreed to our reasonable demands.”<sup>1009</sup> A few days later, another 7,000 ejected tenants reached Lahore, from Gujranwala, Montgomery and Lyallpur. After ten days of tenant-led strikes in Lahore, a three-man committee of tenants met with West Pakistan Chief Minister Dr Khan Sahib, who agreed to “properly consider” their demands.<sup>1010</sup> For the moment, this appeased these agricultural labourers who stopped protesting, perhaps suggesting the state had regained some legitimacy.

A preliminary look at the evidence would suggest that this pattern of events was also true during the military-led era of General Ayub and General Yahya. Particularly during the early years of the 1958-1971 period, state officials spoke out to landowners to treat their workers better and promised tenants and peasants that their situation would improve.<sup>1011</sup> For instance, in Nasirabad sub-division in Sibi district, the Commissioner of Quetta Mohammad Husain Sufi offered landowners a “stern warning against” ejecting tillers of the soil or face trial in a military courts for contravening Martial Law Regulations.<sup>1012</sup>

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<sup>1009</sup> *Pakistan Times*, July 6, 1956

<sup>1010</sup> *Pakistan Times*, July 13, 1956

<sup>1011</sup> *Dawn*, February 19, 1959 – Peasants, tenants and refugees, who had previously been mistreated by their feudal lords, received a lot of attention from the military regime. Governor of West Pakistan and Chairman of the Land Commission Akhtar Husain insisted that refugee allotted would be treated on par with any other landlords. More than one lakh tenants were to become peasant proprietors. In Lahore, for example, one thousand tillers of the soil were to become landowners because over 6,700 acres of land were made available from a dozen landlords.<sup>1011</sup> During a visit to villages near Lahore in February 1959, many peasants reportedly “cheered for their hero” General Ayub who they said had given them life through land. As one peasant put it, “he gave in four months time what we have been craving for 11 years without success.”

<sup>1012</sup> *Dawn*, February 20, 1959



The 1959 land reforms<sup>1013</sup> were a direct response to the increasing unrest among agricultural labourers in 1947-1958. The reforms were based on recommendations from the Land Reform Commission to “put every inch of land to best use”<sup>1014</sup>; violators of this scheme were to receive seven years “rigorous imprisonment.”<sup>1015</sup> It was seen as a historic moment for Pakistan in that feudalism had reportedly ended and “conflicting interests [were] justly compromised.”<sup>1016</sup>  
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But once again, the ruling regime had introduced very specific expectations of state provision which were often not met, leading to significant challenges to the state, sometimes in the form of violence<sup>1018</sup>, in the middle and later years of the 1958-1971 period. In future research, it would thus be worthwhile to look in more detail into how changes in agricultural unrest related to political rhetoric and policies through out Pakistan’s history, which may have impacted state legitimacy. This could lead to another “moral economy” but which is centred around agricultural policy.<sup>1019</sup>

Third, in future research, it may be valuable to consider the moral economy patron-client lens for the donor-state relationship, particularly given the aid-dependent nature of Pakistan’s

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<sup>1013</sup> With such land reforms, it appeared that the political power of certain feudals was “on the wane”, as compared with the 1947-1958 period. As a May 12, 1959 editorial in *Dawn* noted: “the reforms deal has given a stiff jolt to the landowning class as a whole and served warning on them that their political power is on the wane. However generous the terms offered to the present generation of landlords, progressive decline in their authority is inherent in the land reforms scheme. ... Reducing holdings will automatically curtail the supply capital with the zamindars, which instead of being channelled into fresh avenues of agricultural production was mostly diverted towards the commonly pursued pastime of securing political ascendancy. Parties in West Pakistan leaned heavily upon the zamindar segment for financial and political support and none of them dared upset the fat goose which contributed the golden egg to the party’s coffers.”

<sup>1014</sup> *Land Reform Commission Report*, Government of Pakistan, Islamabad, Pakistan, 1959

<sup>1015</sup> *Pakistan Times*, February 8, 1959

<sup>1016</sup> *Dawn*, January 26, 1959

<sup>1017</sup> *Dawn*, February 10, 1959 – A 500-acre irrigated land ceiling was set for feudals and occupancy tenants were to be given full ownership. More than 6,000 landlords were reportedly affected, even ruling ministers like Minister for Social Welfare and Health Lt Gen W. A. Burki and Commerce Minister Zulfikar Bhutto who were reportedly “some of the major sufferers.”

<sup>1018</sup> As in the 1947-1958 era, in 1958-1971 significant numbers of tenants formed political bodies to more effectively challenge the state. For instance, in 1965, a delegation of Anjuman Tahaffuz-i-Haqooq-i-Zamindaran-o-Kashtkaran from Peshawar met a number of Provincial Ministers and members of Parliament to present them with a memo detailing their difficulties as tenants. This delegation, led by Khan Ghulam Mohamad Khan Lundkhour, had been asked by the provincial governor to call on the province’s revenue minister, Khan Habibullah, who would look into their grievance.

<sup>1019</sup> It might also be worthwhile to view the expectation relationship between other non-Punjabi provinces like Baluchistan and the state over time. Vernon Hewitt has explored this in terms of identity in his piece, *Ethnic Construction, Provincial Identity, and Nationalism in Pakistan: The Case of Baluchistan* (pg 42-67) in *Subnational Movements in South Asia* (Subrata K. Mitra and R. Alison Lewis, eds., Westview Press, Boulder, Colorado, United States, 1966).

economy. In no uncertain terms, Pakistan has been a client state to patron donors like the US for decades. The US has had certain security interests in Pakistan since the Cold War with the Soviet War in Afghanistan and more recently with the War on Terror. Pakistan provided its American patron with assistance in fighting its enemies in the region; in return Pakistan, as the client state, received huge aid packages, particularly during the General Zia and General Musharraf regimes. In effect, this resembled a moral economy of foreign aid, with the patron-client expectation relationship firmly rooted in US-Pakistan relations.

However, this expectation relationship lost legitimacy when the US no longer had strategic interests in the region, for instance during the Benazir and Sharif-led civilian eras of the 1990s. The Pakistani state expected aid to continue to keep its economy afloat but when its American ally reduced or stopped its aid assistance, anti-US sentiment surged. The US-Pakistan relationship lost legitimacy.

Today's scenario is slightly more complicated. It is clear the US still has strategic interests in Pakistan, given the obvious terrorist networks which exist and the situation in Afghanistan. Pakistan clearly needs financial assistance: its GDP growth is a meagre 2.4% for 2010-2011, partly due to high food prices, an energy crisis and the ongoing effect of the 2010 floods. The declining security conditions have likely only hindered foreign investment. But the donor-state relationship has also taken a blow since Osama bin Laden's death on Pakistani soil in May 2011. The September 2011 announcement by US Admiral Mike Mullen that Pakistan's spy agency (ISI) is linked to militant groups who carried out the September 13 US Embassy in Afghanistan has not helped bilateral relations either.<sup>1020</sup> The United States has made military aid to Pakistan conditional upon certain security objectives and even financial aid is said to be at risk, with several senior US aid officials (e.g. US Congresswoman Kay Granger (R-TX), chairwoman of the House Appropriations subcommittee that allocates foreign aid<sup>1021</sup>) questioning the sincerity of Pakistan's government.

At the same time, increasing numbers of Pakistani political elites (e.g. Imran Khan) and analysts have called for the state to finally cut off US ties and make its own way to self-sufficiency. Can the moral economy of foreign aid continue, with a patron-client relationship that is laced with such distrust? The mutual benefits may exist but the mutual perception of distrust

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<sup>1020</sup> *Reuters*, September 24, 2011

<sup>1021</sup> *Bloomberg BusinessWeek*: my May 11, 2011 column on the geopolitical economy of bin Laden's demise for Pakistan

may permanently complicate this expectation relationship. Achieving policy legitimacy<sup>1022</sup> in the eyes of political opposition and even citizens may be difficult for the current government, given increasing anti-American sentiment.

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<sup>1022</sup> Smoke 1994: 100

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