

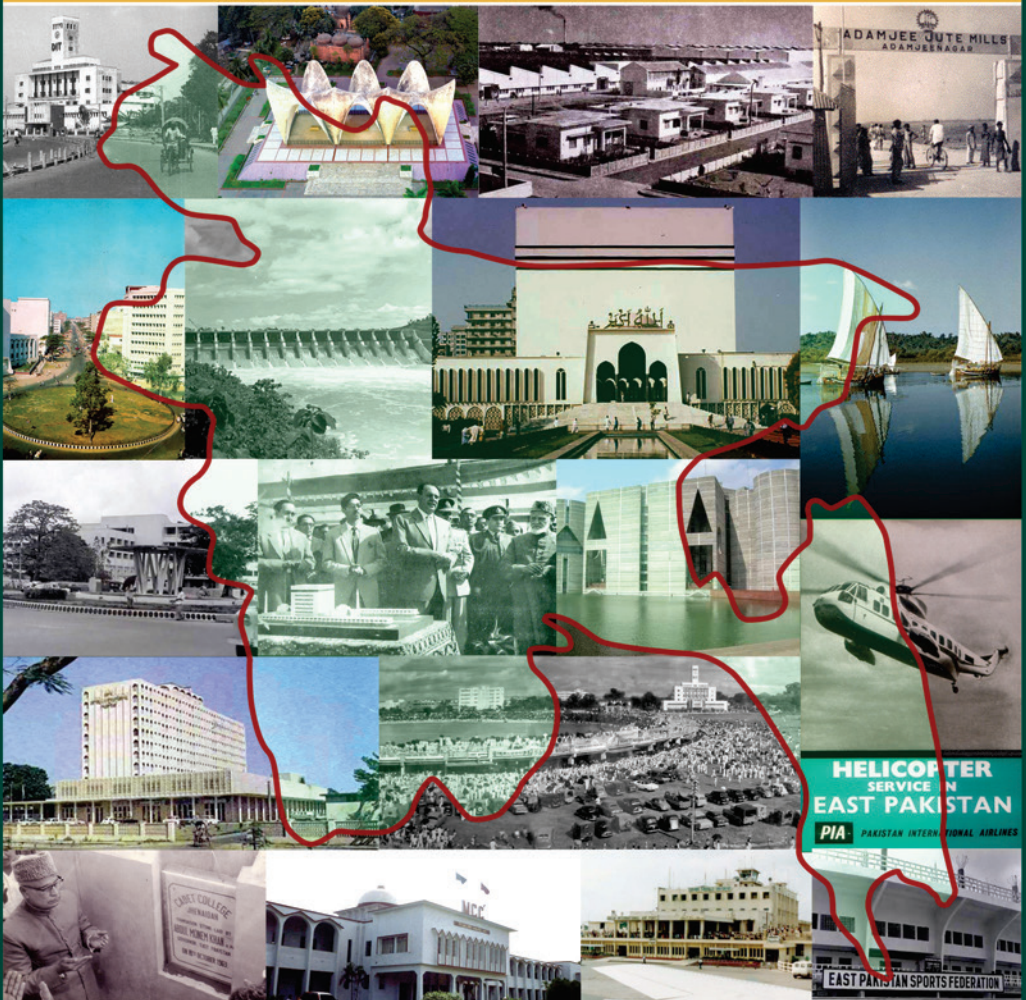


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Pakistan

East Pakistan 1947-1971

Did economic deprivation break the country?

By
Xenia Alam



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On the Cover: Photographs of infrastructural development in East Pakistan, 1947-1971 (outline map of East Pakistan is superimposed).

Cover design by Mr Sohaib Ali

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PREFACE

This research has been written with the unique angle of a temporal analysis of the economic indicators of united Bengal of British India and then East Pakistan (after 1947). This comprehensive research piece argues for a nuanced take on the event of the break up of Pakistan in 1971. The event is a national tragedy and occupies considerable space in our national conscience, and yet one that is not fully understood within its context. The break-up of Pakistan in 1971 did not take place over the course of a few months and it did not happen in a vacuum. The event took 24 years to materialize from 1947-1971 and the roots of these problems go far back to the colonization of India, and specially the Bengal in 1757.

The problem of economic deprivation has been cited by most authors as the most important issue that led to the division of Pakistan. However, during the course of this research it was recognized that majority of the work on economic differences of both wings of Pakistan focused on a comparative angle of analysis and concluded that there was in fact a huge economic difference between East and West Pakistan. Thus, this research takes time-based approach to looking into the progression of East Pakistan as compared to where it started from in 1947. To set up the context of this analysis, the colonial legacy of Bengal is looked into. It is understood after careful study of colonization in both Bengal and Punjab that both regions did not start their journey towards development in 1947 from the same point. Hence, the need for a temporal analysis in understanding how Bengal fared under united Pakistan. Data of major economic indicators, public spending, representation in armed forces and civil services, from 1947-71 is consulted to reach a conclusion about the development and potential for further development in East Pakistan. This research also deals with the problems in economic development of East Pakistan. An exhaustive study into the problems cater to understanding why the economy of East Pakistan was not performing up to mark as it was plagued by issues such as smuggling, historical dependence on West Bengal, the subsequent consequences of the break up of trade relations, and war spending taking up public expenditure funding.

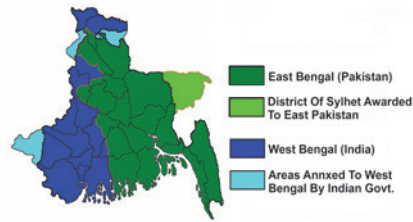
This leads to a pertinent and significant question; whether the economic deprivation existed between both wings and if so, was it the sole reason for the break-up? To this, it is concluded that economic deprivation was exaggerated to be the crucial issue in the conflict. In reality, the break-up of Pakistan was an amalgamation of a number of social, political, ethnic and economic issues combined with the interference of a neighbouring country.

Xenia Alam

Introduction

Bengal was one of the most industrialised regions of the Mughal Empire, with Dhaka being its economic centre and hub of the textile industry. When, before the colonisation of India, the Mughal Empire contributed 25% of the world's GDP, it is estimated that Bengal contributed 50% of this.¹ However, this wealthy state of Bengal was first plundered and forcibly deindustrialised, and then used as a cash cow to fund the further conquests of the British in India. In view of such a policy of severe colonial exploitation, it is important to understand Bengal, specially the Muslim majority East Bengal, within its colonial context. After 1947, Bengal stood divided, once again, with the industrial centre in West Bengal being given to India, and the raw material producing East Bengal to Pakistan.

Under united Pakistan, East Bengal (later named East Pakistan), had the opportunity to develop unhindered from colonial forces. However, the legacy of colonisation weighed heavy on it. As part of Pakistan, East Bengal was, at first, slowly but surely on the way to becoming an industrialised hub once again. Data of various economic indicators, development projects and industries indicate that economic development in East Pakistan was continuing, despite many obstacles. However, economic deprivation is cited as one of the foremost reasons



Map: Partition of Bengal-1947 (Source: johor.my.id)

for the 1971 break-up of Pakistan and the creation of Bangladesh. It is alleged that the state of Pakistan purposefully held back funding and devoted little attention to the eastern wing, due to which discontent grew until it led to open conflict and separation. Thus, it is to be understood whether the economic deprivation was only perceived, considering statistics and data, and starting from the colonial legacy of the region. This will allow for the conclusion of whether inequality and economic deprivation existed to the extent of justifying breaking up the country.

This research will look at the colonial legacy of Bengal in comparison with that of Punjab, as that will emphasise the differences in how both regions were treated under colonisation. This will establish the fact that at 1947, the regions did not start from the same level of infrastructural development and industrial foundations. Then, this research will investigate how East Pakistan progressed under the twenty-four years of united Pakistan. A comparison of economic indicators at

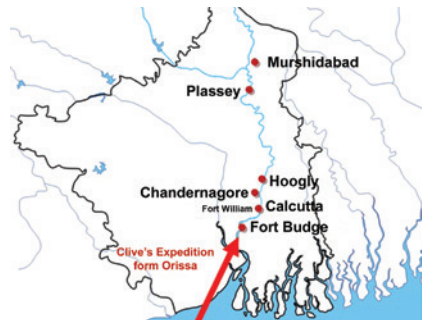
¹ Hissam Khandker, "Which India Is Claiming to Have Been Colonised?," *The Daily Star*, July 31, 2015, <https://www.thedailystar.net/op-ed/politics/which-india-claiming-have-been-colonised-119284>.

1971 will demonstrate how far East Pakistan had advanced, and then will answer the question of whether the economic deprivation was a fact, or only perceived.

Colonial Legacy of Bengal

“Dhaka in the 1700s was a city with a population of over a million, one of the wealthiest cities in the world, with an estimated 80,000 skilled textile weavers.”² Bengal was a thriving commercial centre before the British. Prasannan Parthasarathi in his book, *Why Europe Grew Rich and Asia Did Not*, goes into details about the living standards and economic activities of Asia and its different regions. Looking at historical evidence, including trade routes and the flow of silver (currency at that time), he argues that before colonisation, Asia, and specifically India, was a centre of trade and manufacturing. His work focuses on Bengal which he describes as a, “thriving maritime region with high levels of commercial activity and extensive local, regional and long-distance trade,”³ Bengal had a good manufacturing capacity, and in the eighteenth century had managed to have high living standards at par with those in Britain and Europe.

In 1757, the Battle of Plassey marks the beginning of British rule in India through the East India Company (EIC). Bengal became the first region to fall under the Company Raj, and



Map: EIC Bengal (Source: quora.com)

became the Bengal Presidency with its own army. From here begins the exploitation and deindustrialisation of Bengal. The colonisation of Bengal had far reaching effects in three broad areas: economy, landownership and tenant rights, and aggravating socio-religious cleavages.



Robert Clive & Mir Jaffar at Plassey (Source: thoughtco.com)

Immediately after the victory at Plassey in 1757, the British looted the defeated Nawab's treasury. An American historian, Brooks Adams, states that the looting of Bengal was so excessive that it singlehandedly launched the industrial revolution of Britain, and then the whole world. He points out that the start of the industrial revolution is said to be in

2 Khandker, “Which India Is Claiming to Have Been Colonised?”

3 Prasannan Parthasarathi, *Why Europe Grew Rich and Asia Did Not: Global Economic Divergence, 1600-1850* (Cambridge: Cambridge University Press, 2014).

1760, and its no coincidence that this is immediately after the Bengal's looted treasury had made its way to Britain. He also states that the mechanised textile industry of Bengal was the harbinger of the mechanisation of British textile manufacturing.⁴ This puts in perspective, exactly how affluent Bengal was, and how excessive was its exploitation.

As Britain's industrial revolution progressed, it was again Bengal that had to face the drawbacks of this. The company used its political power to force the weavers of Bengal to sell at a lower price, and even applied massive export taxes on Indian goods going to Britain, to protect its own industries. Moreover, Bengal was forced to absorb the products of Britain, so that it could sustain its own industries and the industrial revolution.⁵ Thus, as Britain became the manufacturing giant of the world, Bengal was being forcibly de-industrialised, and its economy was drained.

In landownership and tenant rights, the single most exploitive law that stands out is the Permanent Settlement Act of 1793. Lord Cornwallis, the Governor General, applied this law and settled intermediaries known as *zamindars* permanently, between the state and the tenant. In the process, the incentive structure for production

for the tenant—the main generator of wealth—was aborted; on the contrary, an incentive structure for exploitation by the zamindars was



Lord Cornwallis
(Source: wikiart.org)

institutionalised. The peasantry was denied any right in the land it worked on. This led to the zamindars becoming absentee landowners interested only in collecting revenue, and not investing in agricultural development or grassroot level governance of their lands. The zamindars would further allocate intermediaries to deal with the land and the tenant, who would squeeze the peasantry for rents, even more.⁶

1857 is the year which saw the first collective effort to end British rule in India. However, the 'mutiny' (First War of Independence) sparked from the Bengal Army, when members of the 3rd Bengal Light Cavalry mutinied, and initiated the revolt in May 1857. Almost the whole Bengal Army was involved in the struggle, whereas, the Bombay and Madras armies were unaffected, or even supported the British. This led to a strong bias against Bengalis for the British, as after the conflict, the Bengal Army began to be considered as disloyal. In the aftermath, the British made use of the theory of martial races to justify a large-scale

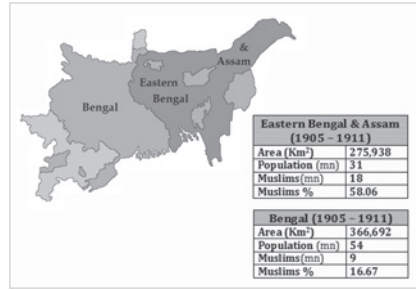
4 Brooks Adams, *The Law of Civilization and Decay: An Essay on History* (1897; repr., London: British Library, 2011).

5 Dipak Basu and Victoria Miroshnik, *Imperialism and Capitalism, Volume I: Historical Perspectives* (Springer Nature, 2020).

6 Shaibal Gupta, "Economic History of Bengal Presidency," IGC SOUTH ASIA GROWTH CONFERENCE, July 15, 2012, <https://www.theigc.org/wp-content/uploads/2014/08/Shail-Gupta-Economic-history-of-Bengal-presidency.pdf>.

restructuring of their armies. Bengalis were excluded from recruitment as they were considered unfit to be warriors, and their loyalty was in doubt. On the other hand, recruitment from Sikhs, Punjabis and Pashtuns, among others, was encouraged, as they had supported the British in the conflict.⁷ Hence, this led the trend of less representation of Bengalis in the military, which continued long after it became East Pakistan.

Religious and social consequences of colonisation in Bengal are evident from the divide and rule policies of the British, and in the aftermath of the uprising of 1857. With Muslims refusing to adapt to the changing socio-economic conditions of a colonised Bengal, there was a vacuum of indigenous representation in the colonial machinery, which was quickly filled by the Hindus. Thus, colonisation saw a rapid advance of the Hindu landlord, because of the Permanent Settlement Act 1793, and of the Hindu-owned and operated industry concentrated around Calcutta.⁸ These religious differences were further exacerbated when Bengal was partitioned in 1905 into west (Hindu majority) and east (Muslim majority). Although the partition was reversed in 1911, it was a major factor in aggravating religious divisions and a sense of relative deprivation within the Muslims, in comparison to Hindus.



Map: Partition of Bengal-1905
(Source: sritiochetona.org)

In contrast to the ruthlessness with which Bengal was colonised, plundered, and the Muslims of Bengal reduced to low socio-economic conditions, Punjab experienced colonisation differently. Punjab was annexed by the British from Sikh rulers in March 1849. Almost a century after the onslaught of the East India Company on Bengal, the British did not follow the same strategies and exploitative measures as they did in Bengal, and their earlier conquests. This is because Bengal, being the first seat of British colonialism in India, became the cash cow which funded all other conquests, and its surplus was even used to fund the Bombay and Madras armies. Moreover, by the time the British came to the Punjab, they had no incentive to destroy local industries, and land tenancy structures that already existed.⁹

The British came to the Punjab at a time of instability under the Sikh ruler, Ranjit Singh. Sargana

7 Peter Blood, "Pakistan - the BRITISH RAJ," [countrystudies.us](http://countrystudies.us/pakistan/8.htm) (Library of Congress, 1994), <http://countrystudies.us/pakistan/8.htm>.

8 James Heitzman and Robert L Worden, *Bangladesh: a Country Study*. (U.S. G.P.O, 1988).

9 Gupta, "Economic History of Bengal Presidency,"

in his book, *Punjab and the War of Independence 1857-1858*, describes the work of the early British administration undertaken in Punjab. Whereas the company would confiscate lands on a large scale while annexing other regions, it did not follow this strategy in the Punjab. This immediately was a popular approach, which won over the loyalties of the chiefs and feudals of Punjab. For the masses, there were huge tax cuts and a cut in import and export duties, so their trade flourished. Moreover, there were extensive infrastructural projects undertaken by the administration of John Lawrence, the first Chief Commissioner of the Punjab. In the first three years of company rule, 1,349 miles of road were constructed, and from 1849 to 1856, a total of Rs 32,453,600 were spent on public works.¹⁰

Therefore, at 1947, the two main regions that Pakistan inherited i.e. Punjab and Bengal, had opposite colonial legacies, and a trajectory of development which had a huge gap in between. The remnants of colonisation should be understood before moving onto the pace of development of East Pakistan after 1947. Thus, it would be erroneous to assume that both regions had the same starting point in 1947, and would be equal in their economic development. Progress under united



Map: Partition of India-1947 (Source: historyextra.com)

Pakistan should then be looked at in a temporal comparison, rather than regional.

Pakistan in 1947

On 14 August 1947, Pakistan was a state with no industrial capital or resources to kickstart a vibrant economy. It had inherited only 9.6% of the industrial units of British India, with the majority located in the west, and 6.5% of the industrial workers. 5.3% of electricity producing capacity came to Pakistan.¹¹ These meagre resources were to be the foundation of Pakistan's economy. In the west, Pakistan acquired a better transportation network, industry, irrigation networks and communication, owing to the colonial works undertaken in Punjab. However, in the east, communications, rail, roads and the economic infrastructure were organised around Calcutta and its industry, which had gone to West

10 Turab Ul Hassan Sargana, *Punjab and the War of Independence 1857-1858: From Collaboration to Resistance* (Karachi: Oxford University Press, 2020).

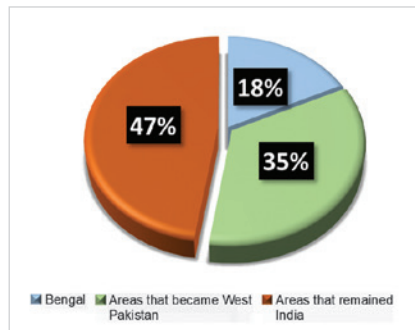
11 Mohammed Nuruzzaman, "Federalism and State Disintegration - United Pakistan, 1947-1971: Some Historical Lessons for Afghanistan and Iraq," *Journal of Asian and African Studies* 45, no. 5 (October 2010): 504–21, <https://doi.org/10.1177/0021909610373889>.

Bengal under India. The result was an agricultural and raw material producing economy in East Bengal, which would be eyeing the industrial centre and manufacturing of Calcutta, beyond the border, in India.

The industries in Punjab and other provinces were mainly under Muslims in Punjab, however, in East Pakistan, out of the 1414 industries in Bengal, only 314 came to East Bengal, which were entirely owned by Hindus.¹² The working class in these industries was almost entirely Muslim. Bengali Muslims owned almost no industrial capital in East Bengal. The book *Pakistan Divided*, states that in 1947, 80% of all cumulative wealth in East Bengal belonged to Hindus.¹³ Furthermore, for the economy that Pakistan did acquire, there was substantial dependency on the industry of West Bengal, which had gone to a hostile country. Processing the raw material, specially jute¹⁴, value adding and manufacturing, was all under West Bengal. East Bengal also faced a drain of technical manpower and human resources of skilled labour, as the majority being Hindu, had migrated to West Bengal. To alleviate this shortage, West Pakistanis and migrants from

other eastern provinces, mainly Bihar, were brought in. There was also a dependency for essential good like food grain and essential goods, on West Bengal.¹⁵

In terms of education, there was still a prevalence of colonial trends, in that the Muslims were not highly participative in western education. Even in the 1920s, 90% of private educational institutes were funded and organised by Hindus¹⁶ while Muslims were dependent on religious education institutes like madrassas, and thus their students would lose out on acquiring government and military jobs. In 1947, Hindus controlled 90% of the 1,290 high schools, and 47 colleges in East Bengal.¹⁷ This further led to a trend of low representation in government jobs.



Graph: Bengali representation in govt posts in 1947

(Source: Sisson, Richard, and Leo E. Rose. *War and Secession: Pakistan, India, and the Creation of Bangladesh*. Berkeley: University of California Press, 1990.)

- 12 Lt.Gen Kamal Matinuddin, *Tragedy of Errors: East Pakistan Crisis 1968-1971* (Islamabad: NUST Press, 1994), 80.
- 13 Safdar Mahmood, *Pakistan Divided* (Lahore: Ferozsons Ltd, 1984), 6.
- 14 Matinuddin, *Tragedy of Errors: East Pakistan Crisis 1968-1971*, 80.
- 15 Hasan Zaheer, *The Separation of East Pakistan: The Rise and Realization of Bengali Muslim Nationalism* (Karachi, Pakistan: Royal Book Company, 1994), 52.
- 16 Sufia Ahmed, "Muslim Community in Bengal 1884-1912," www.uplbooks.com (The University Press Limited, 1996), <http://www.uplbooks.com/book/muslim-community-bengal-1884-1912>.
- 17 Mahmood, *Pakistan Divided*, 7.

In 1947, 17.9% of Bengalis (Hindus and Muslims both), were in government jobs. The representation of Bengali Muslims would be even less.¹⁸ Similar trends, or even more alarming ones, can be seen in Bengali representation in the armed forces. This can be explained aptly by the legacy of martial races, and recruitment bias against the Bengalis, by the British. In 1945, 2% of the British Army were Bengalis while in 1947, only 1% of the total Pakistan Army was Bengali.¹⁹

United Pakistan 1947-71

• Representation in Armed Forces

To encourage participation of Bengalis in armed forces, in 1959, Ayub Khan implemented a relaxation of entry requirements for Bengalis in the armed forces.²⁰ This meant that requirements such as minimum height and weight,



Cap Badge of East Bengal Regiment (left) & East Pakistan Rifles (right) (Source: AIMH)



which were established since colonial times, were reduced to accommodate Bengalis. As a result, there was a 500% increase in the representation of East Pakistanis in the Army by April 1967. "In 1967, East Pakistan formed 30% of the total strength of the Air Force



Faujdarhat Cadet College-1958 (Source: wikiwand.com)

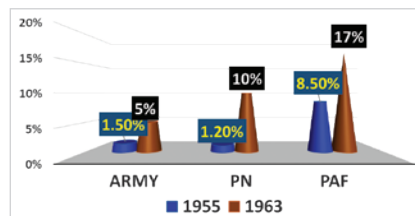
and Navy".²¹ Cadet colleges were also established, like the one in Faujdarhat in 1958, to enable recruitment in the armed forces. Measures like this were able to increase recruitment, and even by 1963, Bengalis in senior ranks in the Army, Navy and Air Force were 5%, 10% and 17%, respectively. This is a significant

increase, given the earlier statistics of only 1% of the army being Bengali. In other ranks,



14 August 1970-Dacca (Source: scroll.in)

the percentage of Bengalis in the Army, Navy and Air Force, in 1963 was 7%, 29% and 30% respectively.



Graph: Bengali representation - senior ranks in armed forces 1955-1963

(Source: Sisson, Richard, and Leo E. Rose. *War and Secession Pakistan, India, and the Creation of Bangladesh*. Berkeley: University of California Press, 1990)

18 Matinuddin, *Tragedy of Errors: East Pakistan Crisis 1968-1971*, 69.

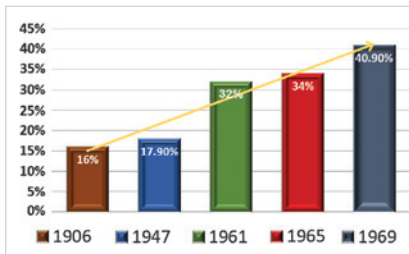
19 Matinuddin, *Tragedy of Errors: East Pakistan Crisis 1968-1971*, 76.

20 Safdar Mahmood, *Pakistan Divided* (Lahore: Ferozesons Ltd, 1984), 32.

21 Ibid.

• Representation in Government

Representation in government jobs had also risen steadily under united Pakistan. From less than 1% of Bengali Muslims in all government posts, their percentage had risen to 36% in 1968.²² This is not a small rate of improvement. In civil services, by 1969 the share of Bengali representation was 40.9%, while in 1947 there was only one civil service officer of Muslim Bengali origin. This is because of the federal government's measures to allot 40% seats to East Pakistanis in the civil service, this was in addition to the 20% seats on merit.²³ By 1966, 60% seats were reserved for East Pakistanis. In July 1971, the numbers of Punjabis and East Pakistanis in civil services stood at 199 and 196 respectively.



Graph: Bengali representation in civil service 1906-1969

(Source: Sisson, Richard, and Leo E. Rose. *War and Secession Pakistan, India, and the Creation of Bangladesh*. Berkeley: University of California Press, 1990)

• Economic Policies

While it is true that during the late 1940s and 1950s, there was significant disparity in the allocation of resources between East and

West Pakistan, it was Ayub Khan's government in the 1960s that did bring about some remedial measures. As a result, public sector development expenditure was increased from 36% in 1959/60 to 50% in 1963/64. East Pakistan was also allocated Rs. 250 million for its rural works program as against Rs.150 million for West Pakistan. This led to a rise in the annual compound rate of growth in East Pakistan of 5.4% as compared to 5% in West Pakistan, and 1.9% during the preceding decade.²⁴

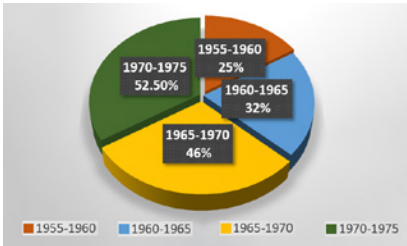
The constitution of 1962, in its Article 145, also underscored the need to remove economic disparity between the two wings. In 1962, the three governmental bodies responsible for industries, railways and water and power, were bifurcated and placed under provincial governments. This meant that provincial governments were handed over developmental projects that previously were accounted under the central government. These were Pakistan Industrial Development Corporation (PIDC), the Pakistan Railway Board, and Water and Power Development Authority (WAPDA).²⁵ The third five-year plan released in June 1965, increased East Pakistan's share to 52.5%, and had outlined that by 1984/85, parity in per capita income

22 Matinuddin, *Tragedy of Errors: East Pakistan Crisis 1968-1971*, 110.

23 Mahmood, *Pakistan Divided*, 31.

24 Zaheer, *The Separation of East Pakistan: The Rise and Realization of Bengali Muslim Nationalism*, (Karachi: Oxford University Press, 1994), 94.

25 Zaheer, *The Separation of East Pakistan: The Rise and Realization of Bengali Muslim Nationalism*, (Karachi: Oxford University Press, 1994), 90.



Graph: Share of East Pakistan in four five-year plans

(Source: Shehab, R. U. (1990). Fifty years of Pakistan. Maqbool Academy.)

of both wings would be achieved. As a result, in the third five-year plan (1965-1970), Rs.16 billion were allocated to East Pakistan and Rs.14 billion to West Pakistan. There was a 160% increase in the public sector expenditure for East Pakistan over the three five-year plans, whereas for West Pakistan it was 43%. The government, specially under Ayub Khan, implemented policies to attract investment. Enterprises in East Pakistan were given a tax break for six years. Customs duty on import of machinery was reduced for East Pakistan from 12.5% to 7.5%. Allocation of sales tax was also changed in which 30% of sales tax was allocated on the basis of collection and 70% on the basis of population to give East Pakistan a larger share.²⁶

Subsidies were applied on cement influx from West Pakistan, and even a finance commission was appointed so that it could re-examine

the allocation of sources between both wings. Zonal trade ratio went from 13:1 to 1.5:1, from 1948/49 to 1969/70.²⁷

• Industrial Development

In 1947, while East Pakistan produced 73% of all jute in the subcontinent, it did not have a single jute mill.²⁸ Due to partition, old trade networks of Bengal which were centred around Calcutta, were disrupted, and caused instability in the jute market, as India was the main consumer of raw jute. In the short term, East Pakistan suffered due to not being able to trade with India, and the lack of jute processing capabilities, however, by “1958 East Pakistan was producing 200,000 tons of jute goods, consuming a million bales”.²⁹

Surplus crop of jute and availability of labour for employment, made the development of a jute industry attractive for the government. The first jute mill, Bawa Jute Mills Ltd, began operation in 1951. By the end of the same year, Victory Jute Mills had started production as well. The third jute mill was set up by the assistance of PIDC, which was Adamjee Jute Mills. Hence, by 1960 East Pakistan had a jute industry based on 14 mills, which collectively employed 5700 people and

26 Rizwan Ullah Kokab, *Separatism in East Pakistan: A Study of Failed Leadership* (Karachi: Oxford University Press, 2018), 222.

27 Economic Advisor's Wing, Ministry of Finance, Government of Pakistan, “Pakistan Economic Survey 1969-1970,” July 20, 1970.

28 Hasan Zaheer, *The Separation of East Pakistan: The Rise and Realization of Bengali Muslim Nationalism*, 52.

29 Hasan Zaheer, *The Separation of East Pakistan: The Rise and Realization of Bengali Muslim Nationalism*, 53.

produced 2,60,393 metric tons of jute goods in 1959/60.³⁰ Development of the jute industry progressed rapidly, and by 1969/70 East Pakistan had 77 jute mills, which had the capacity to consume 3.4 million bales of raw jute.



Adamjee Jute Mill Naryanganj
(Source: theboyrefugee.com)

“In that year the number of employees in all the jute mills stood at 170,000 and 77 crores of rupees were earned through the export of jute goods to 120 countries of the world.”³¹

In the beginning, there was an over-representation of non-Bengali and West Pakistani industrialists who invested in this industry. This led to some resentment between the non-Bengali and Bengali community in East Pakistan, and was also causing political alienation. Thus, the government implemented relaxation of several measures to encourage Bengali entrepreneurship. The earlier lower limit of 500 looms for setting up, was

reduced to 250 looms, and the capital limit was set at Rs 2.5 million (or a bank guarantee of the same amount), for a mill to be set up with East Pakistan Industrial Development Corporation (EPIDC). Hence, by 1970, Bengali entrepreneurs had established 41 jute mills and owned about one third of the whole jute industry in East Pakistan.³²

Industrial development in other sectors of East Pakistan was taking a slow yet hopeful turn under the policies of Pakistan. In 1947, Bengalis owned almost zero percent of any industrial assets. By 1959, they owned 11% of all industrial assets in Pakistan.³³ Higher percentages went to either the public sector or the Sheikhs and Syeds, historically entrepreneurial groups. This progress is owed to the fact that by 1970, there were about 600 big and small factories that had been set up in East Pakistan.³⁴ Several industrial and infrastructural projects were completed by 1970. These included the Karnaphuli Paper Mills which started functioning from 1953, and which had the capacity of processing 33,000 tons of paper annually.³⁵ A newsprint factory in Khulna in 1959, fertilizer factory in Fenchuganj in 1960, seven steel mills in other areas, a petroleum refinery and a small arms factory in Faujdarhat, 30 match factories, 20

30 “Jute Industry - Banglapedia,” en.banglapedia.org, June 18, 2021, https://en.banglapedia.org/index.php/Jute_Industry.

31 Ibid.

32 “Jute Industry - Banglapedia,” en.banglapedia.org, June 18, 2021, https://en.banglapedia.org/index.php/Jute_Industry.

33 Khalid B Sayeed, *Politics in Pakistan: The Nature and Direction of Change* (New York: Praeger, 1980).

34 Matinuddin, *Tragedy of Errors: East Pakistan Crisis 1968-1971*, 99.

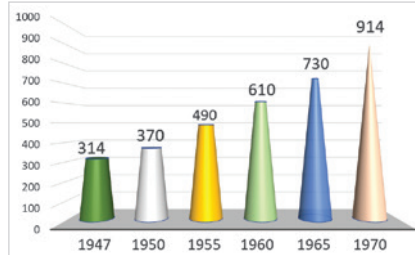
35 Matinuddin, *Tragedy of Errors: East Pakistan Crisis 1968-1971*, 98.



Clockwise from top left: Karnaphuli Paper Mills (1953), Khulna Shipyards (1957), Chittagong Port (1960), Pakistan Atomic Energy Centre Dacca (1964)

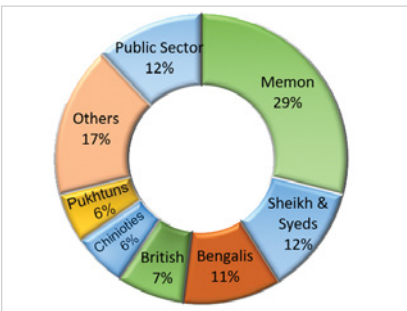
sugar mills and 52 cotton mills.³⁶ In terms of infrastructural development, the Khulna Shipyards was constructed in 1957, as well as the Chittagong Dry Dock. There was heavy investment in railways, road and inland water transportation networks. The irrigation water supply was increased by 400% in East Pakistan, and 20% in West Pakistan by 1970.³⁷ In 1962, Pakistan Atomic Energy Commission planned

to build a reactor of 200 MW in Rooppur, but it couldn't be completed due to the war in 1971.



Graph: Industrial units in East Pakistan 1947-1970

(Source: Syed. K.B. Politics in Pakistan: The nature and duration of change, 1980)



Graph: Industrial assets ownership by Bengalis 1959

(Source: Syed. K.B. Politics in Pakistan: The nature and duration of change, 1980)

Problems in Economic Development of East Pakistan

Despite such measures and the industrial development that followed, living standards of the common man of East Pakistan did not improve, and this led to alienation.³⁸ Safdar Mahmood cites reluctance

36 Ibid.

37 Matinuddin, *Tragedy of Errors: East Pakistan Crisis 1968-1971*, 99-100.

38 Mahmood, *Pakistan Divided*, 34-36.



Clockwise from top left: Baitul Mukarram Mosque Dacca (1968), Parliament Building Dacca (1960s), Central Dacca (1960), Kaptai Dam (1965)

from the side of private investors, and Hindu domination in East Pakistan, as the contributing factors to this sluggish progress. It is true that a problem of disparity, historically rooted in the region, was difficult to be solved immediately by a country already running low on resources. There was also the perceived sense that West Pakistan was being favoured due to the rapid industrialisation and development in Karachi, and other parts of West Pakistan, through private investment. However, Hassan Zaheer explains that this was a perceived notion with little proof. He explains that the Bengali middle classes had failed to take full advantage of the vacuum left behind by the Hindu industrial class. There was also a failure to create a suitable environment for industrial development. Violent incidents, such as killings of non-

Bengalis in Chandragona Paper Mills and ethnic riots in Adamjee Jute Mills in 1954, further contributed to the unfavourable environment for industrial development.

Regardless of governmental policies, inter-wing disparity had been increasing. The third five-year plan, although bold in its allocation, was heavily dependent on maintaining the same level of foreign assistance. Consequently, the Indo-Pak war in 1965 caused a 25% decline in foreign assistance, and defence expenditure took up an extra Rs 5,500 million, more than the plan had projected. The annual growth in East Pakistan was a mere 4%, which was lower than both the 7% growth rate target and growth rate in the second five-year plan. The east-west per capita income disparity had increased from 36.4% in 1964/65



Jute Mill in East Pakistan (Source: peoplepill.com)

to 45.60% in 1969/70.³⁹ There was also the factor of difference between the planned allocations as outlined in different plans and how much of it was spent in reality.⁴⁰

There was also the factor of historical dependence on West Bengal, and thus trade with India, which was vital for East Pakistan. Political and security issues with India, such as on Kashmir, were not considered important enough to forego the economic benefits of trade. Exports of jute, fish and rice were heavily reliant on Indian markets. Also, after the irreversible trade break up with India after the war of 1965, East Pakistan suffered from a three times increase in prices of commodities such as cement, which now had to be imported from China or Sweden.⁴¹

There was also the problem of smuggling that had been a persistent issue since 1947, due to the porous

borders of East Pakistan. “Food and jute were being smuggled out in the amount of Rs. 40 crores (400 million) per year. If account were taken of gold, chemicals, raw materials, medicines, fish and poultry, the figure could easily go up to Rs. 60 crores.”⁴² Smuggling was prevalent to the extent that, “according to the president of the Pakistan Jute Association, no less than seven to eight hundred thousand bales of the 1951-52 jute crop were smuggled across the border into India.”⁴³ Crops of rice, jute and fish were the common commodities smuggled. Countermeasures were put in effect to curb smuggling by joint action of civil authorities, East Pakistan Rifles (EPR) and the army. The first instance, *OPERATION JUTE*, went on from 12 September 1952 to 31 January 1953. The army sealed the borders and could take strict action against smuggling of any items outside the borders. However, the problem persisted, and again I.I. Chundrigar took strong measures and sealed the borders in the anti-smuggling campaign in 1957. *OPERATION CLOSED DOOR* started from 20 December 1957. “Chaudhri Mohamad Ali (then prime minister), speaking on an amendment to the customs laws in the Pakistan National Assembly,” reported that despite an increase of two million tons in food grain production in East

39 Zaheer, *The Separation of East Pakistan: The Rise and Realization of Bengali Muslim Nationalism*, (Karachi: Oxford University Press, 1994), 95.

40 Rizwan Ullah Kokab, *Separatism in East Pakistan: A Study of Failed Leadership* (Karachi: Oxford University Press, 2018), 223.

41 Richard D. Lambert, “Factors in Bengali Regionalism in Pakistan,” *Far Eastern Survey* 28, no. 4 (April 1959): 49–58, <https://doi.org/10.2307/3024111>

42 Ibid.

43 “PAKISTAN ARMY,” www.pakistanarmy.gov.pk, accessed August 24, 2022, <https://www.pakistanarmy.gov.pk/Misc-tasks.php>.

Pakistan during 1956-57, it became necessary to import five and a half million tons of foodstuffs, indicating heavy smuggling of grains out of the province".⁴⁴ In 1956/57 there was an estimated 800,000 bales of jute which were trafficked from East Bengal, due to which the economy incurred heavy losses, and had to deal with high prices. The result of the campaign was that in East Pakistan, the price of rice fell from Rs. 26 to 19 a maund, the price of fish from Rs. 75 to 45, and the price of jute rose from Rs. 22 to 26.⁴⁵ Nonetheless even this effective campaign had to be discontinued due to pressure on the government from the Hindu community.⁴⁶

Conclusion

Bengal experienced a much more brutal, exploitative and long-lasting colonisation than Punjab did. This translated into an underdeveloped and raw material producing region in 1947. On the contrary, Punjab was infrastructurally developed, and thus had the absorption capacity to be a feasible place for industrial investment. With this inherent difference, both regions became part of Pakistan. This legacy of colonisation followed Bengal under united Pakistan as well. Where Punjab continued its journey from a better situation, Bengal lagged. Therefore, when regionally compared, there was a sense of economic deprivation, and an underrepresentation of the Bengali



Stadium area Dacca-1960 (Source: pinterest.com)

population in the armed forces and the government. Yet, in a temporal analysis, comparison of Bengal in 1971 with that in 1947 proves that progress was made. It is true that progress in Bengal came with many obstacles. In the decade of the 1950s, instability in civilian governments led to fluctuations in economic policies, and meant that development was often interrupted and inconsistent.



Inter-Continental hotel Dacca-1966
(Source: fotonail.com)

From 1958, under Field Marshal (FM) Ayub Khan, Bengal saw progress in terms of representation in the armed forces, and economic policies that encouraged investment and industrialisation. Economic and political grievances in Bengal saw a rise under Ayub Khan. It is explained by Hasan Zaheer, that Ayub Khan

44 Lambert, "Factors in Bengali Regionalism in Pakistan".

45 Ibid.

46 Mahmood, *Pakistan Divided*, 22.



FM Ayub Khan laying foundation of Baitul Mukarram mosque in Dacca-1960

(Source: gulthariani.com)

was able to understand the economic plight of the Bengalis, and did more for the economy of East Pakistan than any other government, but it was political participation that would have



Shrine of three leaders (A.K. Fazlul Huq, Huseyn Shaheed Suhrawardy and Khawaja Nazimuddin) in Dacca

(Source: wordpress.com)

really addressed Bengali grievances, and brought the two wings together.⁴⁷ Furthermore, issues such as the 1965 War between Pakistan and India, inflicted unexpected economic shocks upon the economy, especially since it led to a complete break in trade relations with India. This eliminated a major export market for East Pakistan, and thus the envisaged levels of economic development were not achieved.

Therefore, it is true that inequality and deprivation existed in Bengal. Multiple factors such as colonial legacies, inefficient government policies, inability to meet economic targets, wars with India, and widespread smuggling, led to this deprivation. Nonetheless, looking at the facts and figures of progress under the twenty-four years as part of Pakistan, there was evident improvement in East Pakistan, and huge potential to bring the regions of Bengal and Punjab at par with each other, had more time been available for the young and economically poor country. Even Matiur Rahman, a Bengal journalist and author of *Bangladesh Today*, states that, “It is always possible by isolating a few facts from an integrated economy to demonstrate the existence of regional disparities, particularly if the facts are selected from the initial phases of life”.⁴⁸ The matter of economic disparity between the two wings had been hyperbolised in the time leading up to the general elections of 1970. The six-



PTV Dacca studio-1970 (Source: articlezand.com)

47 Zaheer, *The Separation of East Pakistan: The Rise and Realization of Bengali Muslim Nationalism*, (Karachi: Oxford University Press, 1994), 88.

48 Matiur Rahman, *Bangladesh Today: An Indictment and a Lament* (London: News and Media Ltd, 1978), 81.

point formula of Awami League had also underscored this problem.

However, it should also be understood that factors contributing to the separation of East Pakistan went beyond perceived economic disparity. The feeling of alienation had started from as far back as the language riots in 1950, and had grown due to lack of representation and participation of Bengalis in the political process. Political instability had heightened provincialism in the east, which was further exacerbated by demands along the lines of the six points. Furthermore, considerable influence of narratives propagated by neighbouring India and

its agency, RAW, contributed to the widening gulf between both wings of Pakistan. The immense geographical distance between the two wings doomed any attempts at uniting the country, to failure. The immediate cause of the conflict became the 1970 elections, which were won by the Awami League in East Pakistan. The delay in transfer of power, and violent outbreaks against the non-Bengali population of East Pakistan before 26th March, 1971, had all led to the war and separation of East Pakistan. Thus, the perceived level of economic disparity, and what it actually was, had huge discrepancies. It did not justify the breaking apart of Pakistan.

Economic indicators of East Pakistan 1947-1971

Indicators	1947	United Pakistan till 1971
Industrial units in Bengal	314	914 in 1971 (600 new)
Jute mills in Bengal	0	77 mills
Jute mills owned by Bengalis	0	41 mills
Representation in Army	1%	5% in senior ranks and 7% in others by 1963
Representation in Govt jobs	17.9% (all Bengalis)	36% by 1968
East Bengal Regiment (EBR)	1 st & 2 nd EBR in 1948	10 th EBR by 1971
East Pakistan Rifles (EPR)	Formed in 1947	16 wings of EPR (16,000 men)
Bengali ownership of industrial assets	Almost zero	11% of all industrial assets in Pakistan

Sources: Books (*Tragedy of Error: East Pakistan Crisis 1968-1971*), (*The Separation of East Pakistan: The Rise and Realization of Bengali Muslim Nationalism*), (*War and Secession Pakistan, India, and the Creation of Bangladesh*), (*The Bengal Borderland: Beyond State and nation in South Asia*), (*The Betrayal of East Pakistan, Politics in Pakistan: The Nature and Direction of Change*), en.banglapedia.org

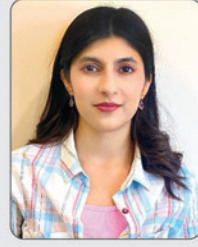
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