Economic Ideas of the Quaid-i-Azam

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The present paper consists of four parts. First, it is argued why the Quaid-i-Azam, Mohammad Ali Jinnah (1876–1948), concentrated for the most part on political issues and political freedom, why he went in for Islam as the cultural metaphor in arguing the case for Pakistan, and why he opted for couching his marathon (1937–47) discourse in Islamic terms. Second, the legacy in terms of the primacy of economic factors in propelling a colonised people towards political emancipation Jinnah had received from the historic realm and his own background—in particular, the economic bias in his family background, in Bombay’s mercantile culture which was almost at the centre of the most formative influences in his early life, and in the pronouncements of, and proposals mooted by, Muslim leaders from Sir Syed Ahmad Khan (1817–1898) down to Iqbal (1877–1938) on the one hand, and by the Mohammedan Educational Conference (f.1836) to the All India Muslim League (1906–47), on the other. These proposals were essentially aimed at exhorting the intelligentsia to work for the social, economic and political uplift of the masses. Third, the stress on economic emancipation and the rise of Muslim economic nationalism in the 1940s, in the wake of the Lahore Resolution (1940), has been discussed and delineated briefly.

Fourth, an attempt has been made to set forth, as systematically as is possible for a student of another discipline, Jinnah’s economic ideas, extracted from his multitudinous pronouncements, which could serve as guidelines for the economic reconstruction of Pakistan, wherever feasible. Since the avalanche of political developments kept Jinnah so preoccupied during (1940–47), consuming all his waking hours, he had little time to give thought to the economic policies of the state he had demanded.1 Nor did he have the expertise to give an “eco-vision” or a

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1cf “... I can not apply my mind to the work of the Planning Committee. It is only after I am free from the present negotiations that are going on in connection with the British Cabinet Mission’s Proposals, that I may be able to have a talk with you”, wrote Jinnah to A.B.A. Haleem, Secretary Planning Committee, on 22 June 1946. Shamsul Hasan Collection, Karachi; and Khalid Shamsul Hasan (ed.), Quaid-i-Azam Unrevised Dream (Karachi: Shamsul Hasan Foundation for Historical Studies and Research, 1991), p. 42.
structured and systematically worked out economic “system”. Hence, except for some general remarks here and there, he had said precious little about the economic system that would be enforced in Pakistan. But some idea can be had in the speeches of Z. H. Lari (1915–73), Tamizuddin Khan (d. 1963), and Hamid Nizami (d.1962) who moved or supported the resolution on the Planning Committee at the Karachi (1943) League, and in the Punjab Provincial League Manifesto (1944). For one thing, Jinnah was presiding at Karachi, for another, he did not contradict them in his concluding remarks. The manifesto, drawn up by the Left-oriented Danial Latifi, was, of course, an official document, but it is improbable that Jinnah’s concurrence should have been sought before its issuance. Yet, it would not have been drawn up the way it was, without its core principles being generally reflective of Jinnah’s thinking in the matter. Even so, it needs to be pointed out that Lari, Tamizuddin and Latifi were rather heavily influenced by the leftist discourse and rhetoric prevalent since Jawaharlal Nehru (1889–1919)’s and Subhas Chandra Bose (1897–1945)’s ascendancy in Congress’s politics, but Jinnah, an early believer in the *laissez faire* credo, in competition and survival of the fittest, was obviously not. Yet he didn’t disown or contradict Lari, Tamizuddin and Latifi for the simple reason that he knew, more than any one else, that as leader of a nationalist coalition his supreme job at the moment was to solidity the consensus all the more, by further cementing, rather than disrupting, the coalition. Till the arrival of Pakistan and a fair weather, settlement of the doctrinaire question could as well be put on the back burner, and the controversial and divisive issues postponed. Even so, the general principles set forth in the Lari *et al.* speeches and the manifesto, which may be taken as tentative guidelines to the Muslim League’s, if not Jinnah’s, thinking on the economic reconstruction of Pakistan, merit a mention in any discussion on Jinnah’s economic ideas.

Jinnah was essentially a student and practitioner of politics. He had a panchant for only two things in life: law and politics. Law was meant to provide him with a comfortable living, so that he didn’t have to make a profession of politics, so that he didn’t have to live off politics. And in the late 1930s, when the daunting pressure of political developments and his own developing role as Muslim India’s sole spokesman claimed his undivided attention, he almost said quit to his profession, except for a critical or prestigious case or two. It is seldom realised how he came to politics. He had developed a panchant for it while listening to the great British nineteenth century liberal stalwarts in the House of Commons during the early months of his stay (1892–96) in London. And it was this newly developed panchant that had led him to abandon his initial “business-training” plans and opt for law. And that panchant stayed with him till the end.
Jinnah’s legal background and constitutional expertise coupled with his “sagacity, shrewdness and political flair” would catapult him, in good time, as a “political animal” of the rarest caliber on the Indian scene. It would as well exalt him as a statesman to a point that the Aga Khan (1877–1957), himself a statesman, considered him as “the most remarkable of all the great statesmen that I have known”. Given Jinnah’s overriding commitment to politics and political action and his belief in their efficacy in resolving problems of all sorts, it is not too surprising that, a la Ghana’s Nkrumah, he believed, “seek ye the political kingdom and all things shall be added unto you”.

In demanding Pakistan, therefore, Jinnah was seeking the political kingdom, hoping, if not secure in the knowledge, that everything else would fall into place, sooner or later, once that kingdom was secured. His priority and urgency for getting a territorial base and sovereign powers over it were underlined in, among others, his public meeting address at Bombay on 12 August 1945, at the outset of his marathon campaign for a clear Muslim verdict in the critical (1945–46) elections:

... We shall have time to quarrel among ourselves and we shall have time when these differences have to be settled, when wrongs and injustices will have to be remedied. We shall have time for domestic programme and policies, but first get the Government. This is a nation without any territory or any Government.

The Pakistan demand was raised on the premise that Hindus and Muslims were two separate nations or, more specifically, that Muslim by themselves were a nation in their own right in the subcontinental context, and hence, were entitled to the right of self-determination. Raised in ideological and political terms for the most part, the demand was argued at the macro level, with Islam as the cultural metaphor. For Muslims in pre-partition India, with their deep horizontal, vertical, regional and linguistic cleavages, Islam alone could serve as a monolithic framework, gathering all the Muslims under the all-embracing Pakistan canopy. Moreover, it was a comprehensive framework, a broad-based platform transcending their intra-communal cleavages, and representing a cluster of shared beliefs, ideals and concepts that had become deeply ingrained in the social consciousness of Muslims over time, that had become enmeshed with the subterranean vagaries of their ancestral heritage and ethos, and that moreover, was charged and saturated with emotions. Hence the choice of Islam as the rallying cry. But the point and force for the demand and the astonishing response it elicited was provided by the ground reality—social apartheid, cultural sufferance and economic deprivation, and all that

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5For detailed discussion, see, Sharif al Mujahid, Ideology of Pakistan (Islamabad: Islamic Research Institute, 2001), Chapters 2 & 3.
on the basis of religion. Even so, inherent in the call for exorcising the colonial political bondage or scuttling the looming specter of a nascent Hindu raj was a call for an end to economic bondage and for basing the economic system on an equitable basis. “We wish”, said Jinnah, arguing the case for Pakistan on 22 March 1940, “our people to develop to the fullest our spiritual, cultural, economic, social and political life in a way that we think best, and in consonance with our own ideals and according to the genius of our people”. Thus, in perspective, the three major goals of the Pakistan movement were: (i) political independence; (ii) ideological resurgence; and (iii) economic emancipation.

II

Despite his deep involvement in politics and political problems of the day, despite the overriding, daunting and time-consuming task of crafting a viable political destiny for the nation, despite his day-to-day political rhetoric, despite his discourse being couched in Islamic terms—despite all this, Jinnah was still not too oblivious of the propelling force of economic factors in generating, fomenting and spawning great movements in history. For one thing metropolitan Bombay’s mercantile culture with its *laissez faire* credo sanctifying competition and survival of the fittest, along with his own Khoja, business background, was among the core formative influences in Jinnah’s early life when he struggling to carve out for himself a place at the bar. And this culture underscored the primacy of economic interests. For another, as indicated in his State Bank address (see below), he had witnessed how divergent and competing economic interests among European powers had spawned two global wars. At another level, Jinnah had received influences from the historic realm in respect of Muslim India’s most pressing and dire problems. Muslim economic backwardness since the loss of political power had been endemic, warranting proposals to redeem them economically since the time of Sir Syed Ahmad Khan. Along with Muslim educational and social underdevelopment, they figure routinely in the resolutions of the Mohammedan Educational Conference and of the All India Muslim League, year after year. In his penultimate letter to Jinnah dated 28 May 1937, Iqbal had warned that

... a political organisation which gives no promise of improving the lot of the average Muslim cannot attract our masses ... our political institutions have never thought of improving the lot of Muslims generally ... The problem of bread is becoming more and more acute. The Muslim has begun to feel that he has been going down and down during the last 200 years.... The question therefore is: how is it possible to solve the problem of Muslim poverty? And
the whole future of the [Muslim] League depends on the League’s activity to solve this question”.8

And to Iqbal, “the only way to solve the problem of bread for Muslims as well as to secure a peaceful India” lay, he felt, in setting up “a free Muslim state or states”.9 The Indian National Congress (f.1885) had as well acknowledged Muslims’ economic backwardness as a core problem, as indicated by its Muslim mass contact campaign during 1937–38, when it tried to reach the Muslim masses over the head of their accredited leaders, in the name of bread and freedom.

Jinnah himself was acutely aware of this chronic problem of Muslim economic, social and educational backwardness, which had precluded Muslims from competing with others on level ground for scarce resources. At the Lucknow (1937) League, on October 1937, he gave a call for “a constructive and ameliorative programme of work for the people’s welfare, and... for the social, economic and political uplift of the Musalmans”; at the Calcutta (1938) League, on 17 April 1938, he called for formulating plans which would give Muslims “immediate relief from the poverty and wretchedness from which they are suffering more than any other section of the people of India”; at the Lahore (1940) League, on 22 March 1940, he exhorted the Muslim intelligentsia to “organise the people economically, socially, educationally and politically”; and at the Madras (1941) League, on 14 April 1941, he called for a five-year plan for the educational, economic and political upliftment.10

III

With the adoption of the Lahore resolution, the Muslims had shed their minority complex, which had hitherto made them hostage to political problems and political issues, and to resolving the communal question. No wonder, the tackling of their deleterious socioeconomic issues, which were eating into the vitals of their national life, was made contingent to the arrival of a fair political weather. Now that the Muslims had finally resolved upon a ultimate political destiny, economic emancipation of Muslims as a whole, and, more particularly, of the Muslim majority provinces (which had housed barely 9.6 percent of the total industrial establishments in India in 194511 claimed their focus. Indeed, inherent in the Pakistan demand was the aspiration to undertake and accomplish the economic reconstruction of the Pakistan areas. Thus, it was an undeclared, but implicitly acknowledged, core objective of the Pakistan movement. After all, what use Pakistan without being economically viable? What use political independence without economic independence? What use a territorial base and sovereignty without ensuring decent

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9Ibid.
living standards to the teeming millions inhabiting it? “No nation and no people can ever do anything very much without making themselves economically powerful in commerce, trade and industry”, emphasised Jinnah. The Hindu (and Congress’s) opposition to Pakistan was perceived to have stemmed, in part, from their desire to exploit the Muslims both politically and economically and, apart from deprivation of political power, their, economic neglect and backwardness constituted the justification for our demand for Pakistan.

The new stress on economic emancipation spawned the rise of economic nationalism among Muslims, and propelled the Muslim League to the adoption of a strong economic platform by, climaxing in the establishment of a Planning Committee at the Karachi (1943). League, where Jinnah stressed the dire need for “educational planning, economic planning, [and] social planning”. The Committee was charged with, among others, preparing (i) “a practical programme ... for the economic and industrial advancement of the Muslims in India”, and (ii) “A five-year plan for economic reconstruction and industrial development of the Pakistan Provinces.” Lack of expertise in these fields delayed the formation of the Committee till 23 August 1944. However, it was able to finalise Part I of the report at Bombay on 30 June – 2 July 1945. Part I dealt with the “general principles and broad lines of policy” which were aimed at improving the living standards of the Muslim masses in the subcontinent as a whole. Part II, dealing with the economic resources of the Pakistan areas and the preparation of a blue-print of economic development for them, could, however, not be finalised before the emergence of Pakistan. Interestingly though, this was in stark contrast to the homework done by the Congress; which had set up a National Planning Committee (NPC) under Pandit Jawaharlal Nehru. Its 29 sub-committees had worked strenuously for two years, making India plan-conscious and inspiring industrial tycoons and others to build upon their work and produce two comprehensive plans during the war year—the Bombay Plan (1944), chiefly sponsored by Tata and Birla, and the leftist-oriented M. N. Roy’s People’s Plan (1944). Upon independence, a modified version of these plans was adopted as India’s Industrial Resolution Policy (IRP) on 6 April 1948.

Although Jinnah’s plan to have a viable blue-print for the economic reconstruction ready before Pakistan’s emergence got delayed, he had yet launched upon a series of steps since 1942 to set up institutions, providing a skeletal infrastructure for economic reconstruction. With the assistance of Muslim industrialists, business magnates and entrepreneurs he was able to set up a chain of financial and industrial institutions and commercial enterprises which would provide

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12Cited in Pervez Tahir, *Economic and Social Thinking of the Quaid-i-Azam* (Lahore: Research Society of Pakistan), p. 33.
the basic economic infrastructure for the new state—institutions and enterprises such as All India Muslim Chambers of Commerce and Industry (f.1945), banks, newspapers, an airline and a steamship company, which would enable Pakistan to offer economic opportunities to Muslims when it came into being. Thus, in a sense, by 1947, Muslim economic nationalism had come of age.16

IV

As indicated earlier, the proposal to set up a Planning Committee “to prepare a comprehensive scheme for a five-year programme for economic and social uplift” at the Karachi (1943) League, on 25 December 1943, was a landmark decision in all the annals of the Muslim League. The resolution embodying the proposal spoke of state industrialisation in the Pakistan areas, introduction of free primary education, reform of the land system, stabilisation of rent, security of tenure to farmers, improvement in the condition of labour and agriculture, and control of money lending. The speeches by Z. H. Lari, MLA (U.P.) who moved the resolution, and Moulvi Tamizuddin Khan MLA (Bengal) and Hamid Nazami, Editor, Nawa-i-Waqt (Lahore) who seconded and supported it, provide some guidelines to Muslim league’s and probably Jinnah’s, thinking on the subject. Lari stressed the need for the uplift of “the social, educational, and economic condition of the proletariat”, for making primary education “free and compulsory” and revamping the curriculum to meet Islamic and modern compulsory and revamping the curriculum to meet Islamic and modern requirements; for establishing “state industries” so as to give “labourers ... a fairdeal”; for lowering land taxes and protecting the rights of the tiller—all this to “benefit ... the proletariat”. Tamizuddin Khan emphasised that no economic progress was possible without terminating political subjugation, and that “the liquidation of illiteracy was of prime importance”, that “complete industrialisation of the country”, with “the essential industries... run by the state”, should be their goal. Hamid Nizami pointed out that “Musaleman’s are a nation of poor people” and that their needs be attended to urgently.17

The Punjab Muslim League manifesto, penned by Daniyal Latifi, sought to build upon these and other general principles aired by Jinnah over time, to write a somewhat detailed blue-print. It committed the League to, among others, communal harmony, civil liberties, and equitable gradation of salaries in the public services, free compulsory primary education, the individual’s right to work, the nationalisation of key industries and banks, and the subjection of private industry to state planning. It opposed “monopolies and vested interests detrimental to the general prosperity of the people”. It promised “strict enforcement of international conventions and

17Pirzada, Foundation of Pakistan, II: 467–70.
agreements for the welfare of the workers”, reduced working hours and a reasonable minimum wage for labour, and “recognition of the principle of collective bargaining—and the right to go on strike”. It called for “a state plan for agricultural development based on the welfare of the small zamindar, the peasant and the landless agriculturist who form the vast majority of the producers”; for “a progressive wiping out of past agricultural debts”; and the “elimination of the very causes of indebtedness”. It also called for the “humanising of the conditions of agricultural labour—by legislation following the principles of legislation for the protection of factory and industrial labour”. It recommended that the “Crown lands” be “employed to remedy and not to aggravate social evils, to mitigate and not to accentuate the polarisation of wealth”.

The Bengal Provincial Muslim League, under the inspiration of its pro-left General Secretary, Abul Hashim (1943–47), also brought out a radical manifesto before the critical 1945-46 elections. Likewise, the budget proposals presented by Liaquat Ali Khan (1895–1951) as Finance Minister in the Interim government (1946–47) was anti-capitalistic. It was hailed as a ‘poor man’s budget’ and caused an uproar in the (Hindu) capitalist circles, and among the Mahajan, Bania, big business and mercantile classes, which had long provided a financial clout to the congress.

These economic ideas are those, which were aired in Jinnah’s presence, or in official documents, which he was not directly associated with, but which he did not feel necessary to approve or contradict at the time. There are, however, some ideas, which he himself had mooted on various occasions, and these are among the primary sources in respect of his economic ideas.

These ideas indicate that his principal aim was the amelioration of the poor and the upliftment of the masses on various counts and in all respects. In politics he had sought and strived for the ‘political kingdom’ in the firm hope that it would help solve their problems. While feverishly engaged in building up a nationalist coalition and a consensus, he could not possibly shun the landlords and the capitalists and shut out the Muslim League’s door in their face. Even so, he repeatedly administered timely warning against their exploiting the masses for their selfish ends.

As in politics so in economics, he was flexible and pragmatic. In neither of them he doctrinaire, opting out all the time for the “art of the possible”. Despite his initial commitment to laissez faire, he did not favour the adoption of the Western economic system the whole way nor did he countenance collectivist and centrally controlled communist patterns. He told the State Bank of Pakistan inaugural gathering on 1 July 1948.

The economic system of the West has created almost insoluble problems for humanity... It has failed to do justice between man and man and to eradicate friction

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from the international field. On the contrary, it was largely responsible for the two World Wars... The Western world, in spite of its advantages of mechanisation and industrial efficiency, is today in a worse mess than ever before in history. The adoption of western economic theory and practice will not help us in achieving our goal of creating a happy and contented people.  

He considered the capitalist system “vicious” and “wicked” which exploits the masses and denies them even “one meal a day”, “If that is the idea of Pakistan, I would not have it”, he told the Delhi (1943) League on 24 April 1943. His supreme guideline to the Planning Committee was epitomised in one sentence; ‘Our ideal should not be capitalistic but Islamic, and the interests and welfare of the people as a whole should be kept constantly in mind’ (5 November 1944). Sixteen months later, on 27 February 1946, he told the Muslim League workers at Calcutta.

I am an old man. God has given me enough to live comfortably at this age. Why would I turn my blood into water, run about and take so much trouble. Not for the capitalists surely, but for you, the poor people ... in Pakistan, we will do all in our power to see that everybody can get a decent living.

In the post-Pakistan period, Jinnah had often talked of “Islamic social justice”. For instance, he told the mammoth crowd at a public reception at Chittagong on 26 March 1948: “...Pakistan should be based on social justice and Islamic socialism which emphasises equality and brotherhood of man”. His socialism, however, did not envisage collectivist and coercive communist patterns, since he stood all the way for encouraging trade and commerce, and individual initiative and private enterprise in undertaking industrialisation.

Thus, Jinnah was not committed to any particular ideological mode of economy. Actually, he stood for a mixed economy, with emphasis on trade, industrialisation and full employment opportunities for one and all. Indeed, an egalitarian economic system, which ensures social justice and economic equity and becomes instrumental in establishing an egalitarian social structure. Hence, his repeated emphasis on Islamic social justice. This means that he stood for an economic system, which should be conducive to the development of a Muslim persona, and the growth of human personality in the best traditions of Islam. An Islamic economic system is, however, not merely confined to, and should not be confused with, the controversial riba question, as is generally done, but a system based on Islamic values. Under this

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21Jinnah’s address to the Planning Committee, 5 November 1944, cited in Hasan, Quaid-i-Azam’s Unrealised Dream, p. 33.
22Yusufi, Speeches, Statements and Messages, IV: 2211–12.
system, to quote Professor Fazlur Rahman.24 “Any large-scale violation of these [four fundamental rights for the individual—(i) Life; (ii) religion; (iii) acquisition of wealth and ownership of property; and (iv) personal honour or dignity (‘ird)—including, of course, demeaning man through sheer poverty would constitute ‘corruption on earth’”.

No wonder, to quote him again.

Emphatic statements concerning amelioration of the poor were made from the beginning of Islam (indeed, this coupled with the unity of God was the motive force for the genesis of the Islamic movement). The basic élan of the Qur’an—the stress on socio-economic justice and essential human egalitarianism—is quite clear from its very early passages. Now all that follows by way of Qur’anic legislation in the field of private and public life, even the “five pillars” of Islam that are held to be religion par excellence, has social justice and the building of an egalitarian community as its end.25

Since Islam represents a middle way between exploitative capitalism and coercive communism, it promotes an egalitarian economic and social structure, ensuring human resource development and socio-economic justice, Jinnah had a clear perception of the incompatibility of Western economic philosophies and practices—i.e., both the capitalist and the communist approaches—for the emerging new-Islamic countries. Hence his call to the State Bank to evolve “banking practices compatible with Islamic ideals of social and economic life”, and to Pakistan to “present to the world and [Islamic] economic system” which would “secure the welfare, happiness and prosperity of mankind”.26 In making this call Jinnah presented himself as a seer, a man with a wider vision and deeper insight, looking far ahead of his times. After all, Islamic economics has put forth its claims as a sub-unit in the discipline barely twenty-five years ago.

The delineation of the basic details of Jinnah’s “economic philosophy” may be summarised briefly. Jinnah stood for the development of the industrial potential along with agriculture. He wished to give the economy an industrial bias. Industrialisation itself was conceived as the key to self-reliance and economic independence, in order to reach out to the goals of economic freedom and self-sufficiency. He seemed to favour labour intensive industrialisation, which would provide for optimal employment opportunities to the masses. He stood for associating individual initiative and private enterprise at every stage of industrialisation, and except for certain key industries (mostly relating to defence and communications) all other industrial enterprises should be open to private enterprise. While he stressed the importance of commerce and trade as “the very life-blood of


the nation”, he cautioned traders and merchants that “in building up their fortunes”, they should not “forget their social responsibility for a fair and square deal to one and all, big and small”. Not only in the afore-mentioned address to the Karachi Chamber of Commerce and Industry on 27 April 1948, but also on other occasions, Jinnah had pled for a contented labour and, by implication, for human resource development at all levels. Likewise, he pled the cause of the agriculturists and the producers, arguing, “... if you want to control [the prices of] food grains, you must equally control the prices of all other essential articles ... it is no use oppressing only the agriculturist and the producer and giving undue advantages to other interests at the cost of farmers”. This means that he was in favour of extending subsidies to the farmers.

To sum up, then. In essence, Jinnah stood for structural changes in the economy. He stood for a balanced and mixed economy with a pragmatic blend of the agricultural and industrial sectors, resulting in a more equitable distribution of wealth. He stood for full employment opportunities for one and all, for a contented labour, for a fair deal to the farmer, and for human resource development at all levels. His Islamic economic system is, thus, a system, which ensures economic equity and social justice to one and all, without any discrimination whatsoever.

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27 Ibid., p. 255.
28 Ibid., p. 71.
29 Pirzada, Foundations of Pakistan, II : 454.