Military take over by General Ayub Khan in October 1958 brought about a new era for development in Pakistan. The deterioration in the economic situation and political instability had made them wary of politicians.

Economic and social reforms were high on Ayub’s agenda. These reforms included economic planning and providing basic needs such as food to the overall public of Pakistan.

A number of commissions, including land reforms and education were set up to review policies and make recommendations. Though, in the end, only limited progress was achieved on issues like education and land reform, economic policy-making was at the centre stage in Ayub’s period.

Role of The Planning Commission: Even though the Planning Commission was identified in the public mind mainly with the preparation and monitoring of the Five Year Plans, under Ayub it had much broader role in the economic policy coordination. The Planning Commission’s basic task was however the approving of the five year plans.


Gross fixed investment over the ten years under Ayub Khan’s rule increased nearly three folds in real term rising from 8.5% of GDP in 1958-59 to 14% in 1968-1969.

Private Investment was encouraged through loosening of direct economic controls on trade, investment, prices and earmarking of foreign credit resources for the private sector through long term credit agencies. As a consequence of these developments and the investments made more than double from 2.5% ove annum in the 1950s to 5.6 % in the 1960s; the growth rate of GDP in West Pakistan rose to 6.7% from 3.1 % and accelerated in East Pakistan from 1.7% to 4 %.

However, notwithstanding rapid economic growth, economic and political tensions in the society and between the two wings grew, especially after the war with India in September 1965 which led to a squeeze on resources reflecting both a levelling off foreign assistance and increased allocation to defence. Indeed, the 1965 war was a watershed in Pakistan’s history. It seriously interrupted the development momentum of the first half of the 1960s.

**Broad Contours of Development**

**Growth and Investment:**

- Measured by GDP growth, economic performance in Pakistan in the 1960s clearly exceeded initial expectations.
- The Second Five Year Plan (1960-1965) had originally set a target of GDP growth of 20% over five years compared with the modest goal of 15% in the First Five Year Plan.
- The Third Plan (1965-1970) formulation was undertaken in a mood of great optimism and the annual growth target was set at 6.5% per annum.
- The sharp acceleration growth in West Pakistan during the 60’s meant that even though the growth rate in East Pakistan also increased significantly, the regional disparity in incomes widened. In 1970, West Pakistan’s per capita GDP was at least 60 % higher than that of East Pakistan.
- GDP growth in Pakistan of nearly 7% per annum during the 1960’s was exceeded among large countries only by Korea, Thailand and Mexico.
- The transformation in economic performance compared to the previous decade was the result of both massive increases in investment, technological breakthroughs in agriculture, and better and more coordinate economic policies.
Table 3.1: Regional Growth Rates
(Percent per annum)

<table>
<thead>
<tr>
<th></th>
<th>1950’s</th>
<th>1960’s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>East Pakistan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>1.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Non-agriculture</td>
<td>2.9</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>West Pakistan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>3.1</td>
<td>6.7</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Non-agriculture</td>
<td>5.0</td>
<td>7.9</td>
</tr>
</tbody>
</table>


**Investment:**
- Private investment growth in West Pakistan during 1960-1965 was explosive as it increased over three folds in short period of just five years.
- It declined over by 20% in next five years but still during the 1960’s, real private fixed investment more than doubled, grew faster than public investment, and accounted for nearly half of the total fixed investment by 1969-1970.
- Political stability, liberalization of investment controls and ample availability of foreign exchange were key factors influencing a pronounced acceleration in the pace of private investment. The policies were made less strict for private investment.
- The increase in investment contributed to an increase in economic growth naturally.
- Growth momentum in West Pakistan continued during 1965-1970 in the face of a sharp reduction in the rate of investment mainly due to remarkable improvement in agricultural growth under the Green Revolution, large scale manufacturing growth dropped rather sharply reflecting investment stagnation.
- Agricultural growth rate in Pakistan rose to a peak of 6.3% annual rate during 1965-1970 as record increases were registered in the production of wheat and rice.

<table>
<thead>
<tr>
<th></th>
<th>East Pakistan</th>
<th>West Pakistan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Private</td>
<td>Public</td>
</tr>
<tr>
<td>1959-1960</td>
<td>2.0</td>
<td>4.0</td>
</tr>
<tr>
<td>1964-1965</td>
<td>4.5</td>
<td>8.1</td>
</tr>
<tr>
<td>1969-1970</td>
<td>4.0</td>
<td>8.4</td>
</tr>
</tbody>
</table>

The figures in this table are in current prices and exclude stock changes. They are author’s estimates based on a number of sources cited in Table 1.5.

**Defence vs. Development:**
- At he end of 1960s, the investment rate in West Pakistan was considerably higher than it was a decade earlier but substantially below the peak in 1964-1965.
• The squeeze on West Pakistan’s investment came from two resources: sharp increase in defence spending and the conscious effort to increase development outlays and foreign aid allocations for East Pakistan.

• Real defence spending had raised little over 3% annum in the five years before the 1965 war with India, substantially less than the rate of growth of the economy.

• Following the war with India in 1965, defence allocations were given high priority and phasing out of US military assistance after 1965 put additional burden on domestic resources. It became hard for Pakistan to use the scarce domestic resources efficiently.

• Real defence expenditure almost doubled between 1960-1965 and 1965-1970.

• Development spending remained at 7.1% of GDP while defence expenditure rose from 2.8% of GDP in 1960-1965 to 4% in 1965-1970.

• The rapid build up of public sector development spending in East Pakistan also greatly constrained West Pakistan’s investment in the second half of the 1960’s, especially in the public sector.

• By 1969-1970, public sector investment in East Pakistan was approaching that of West Pakistan if special expenditures for Indus Basin Replacement Works are not counted.

Table 3.3: Defence vs. Development
(Rs. Billion)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>13.95</td>
<td>30.00</td>
<td>21.75</td>
</tr>
<tr>
<td>Defence Spending</td>
<td>5.50</td>
<td>6.89</td>
<td>12.38</td>
</tr>
</tbody>
</table>

Note: The figures in parenthesis are in percent of GDP.
Source: Fourth Five Year Plan pp 45-47.

Price Stability:

• While growth was higher in the 1960s, inflation remained in check; the average annual rate of growth of prices was only 3.3% moreover.

• The first impulse of the Ayub regime had been to impose and strictly enforce sweeping price controls.

• As a part of the package of measures to fight inflation, government borrowing from the banking system for financing fiscal deficits was reduced sharply.

• The 1960’s were the only period in Pakistan’s fiscal history when significant public savings i.e. the excess of government revenues receipt over revenue expenditures materialized.

• Efforts to broaden the direct taxation system kept the indirect taxation to minimum and hence prices of goods remained stable.

• Needs of additional defence spending were met by additional taxation. Substantial additional taxation, undertaken especially during the Third Plan, helped to increase the ratio of taxes from 6.1 % of GDP in 1959-60 to 7.6% in 1969-70.

Problems:

• ↑ Foreign aid ⇔ ↓ domestic saving effort: Excessive concentration on foreign aid mobilization led to relative neglect of the domestic saving effort. The need for saving the country’s income for future
use was ignored as there was a lot of foreign aid available. This led to the problems of foreign debt which we’re still facing today.

- **Negligence of Social sector:** Pre occupation with increasing long term investment in water and power and raising food grain production after 1966 led to major neglect of Social sector investments. The government got busy in providing food for all but it ignored the basic needs such as education and health without which it is not possible to live a successful life. Tensions continued to develop within the people of East and West Pakistan.

- **Exchange and trade policies:** The exchange and trade policies caused significant distortion in prices which adversely affected the efficiency of the use of national resources. Like many developing countries, Pakistan did not give special importance to its exports during initial period. As a result the national resources were not utilized according to the capacity they had.

In the first half of the 1960’s, ample availability of foreign exchange meant that the private sector was not constrained by plan allocations, but after 1965, with resource shortages emerging, the plan allocations became more binding. It was because of war with India which led to some sanctions on Pakistan.

**Water and Power Investments:**

Massive investments were made in water and power in West Pakistan, including the Indus Basin Replacement Works spending. Total water and power investments in West Pakistan during the 1960’s exceeded US $2.5 Billion and accounted for more than 50% of total public sector spending. The most explosive of Indo-Pakistan disputes was the question of sharing the waters of the Indus basin.

On April 1, 1948, India cut off the supply of water from the two head works under her control. Fortunately, Eugene Black, President of the International Bank for Reconstruction and Development offered the offices of the Bank for the solution of the water problem in 1952. A solution acceptable to both governments was agreed upon in 1960 at the Indus Basin Development Fund Agreement at Karachi. This treaty is commonly known as the "Indus Water Treaty".

The treaty allowed for a transitional period of 10 to 13 years, after which the three eastern rivers would fall exclusively to India's share and the three western rivers to Pakistan. During the transitional period, Pakistan would construct a system of replacement works consisting of two dams, five barrages and seven link canals financed by the Indus Development Fund.

The waters of river Jehlum, Chenab and Indus were given to Pakistan under the Indus Basin Treaty while Ravi, Beas and Sutlej were taken up by India.

- **The Indus Basin Replacement Works:** The Indus Basin Replacement Works represented about half of the total spending in water and power sector and was of a special nature.

- **† Investments:** it was Ayub’s political decision to go ahead with the Indus Basin Treaty in 1960 which accelerated the pace of investments in water and power.

- **Role of Ghulam Ishaq Khan:** Large water investments were also driven in part by the forceful Ghulam Ishaq Khan, Chairman of Water and Power Development Authority (WAPDA) created in 1958. He convinced the donors especially the World Bank that water was the most important constraint in agricultural development. Without the readily available of water the economy of Pakistan cannot progress any further.
• **Tarbela Dam**: Ghulam Ishaq Khan along with S.S. Kirmani (Head of Indus Basin Works) persuaded the reluctant donors to include Tarbela dam in Indus Works. Investment in the multi-purpose Tarbela Dam, which was completer in 1971, despite major technical difficulties turned out to be extremely economic because the rise in international oil prices after 1973 sharply increased the cost of thermal power, the alternative to hydroelectric power. The 1973 oil crisis began in earnest on October 17, 1973, when Arab members of the Organization of Petroleum Exporting Countries (OPEC), during the Yom Kippur War, announced that they would no longer ship petroleum to nations that had supported Israel in its conflict with Egypt—that is, to the United States and its allies in Western Europe. At around the same time, OPEC members agreed to use their leverage over the world price-setting mechanism for oil in order to quadruple world oil prices.

**Costs:** But there were costs of preoccupation with investment in water resources.

1. **Negligence in fertilization production:** Fertilizer production, for instance, was relatively neglected and West Pakistan found itself heavily dependent on imported fertilizer as the use of fertilizer for dwarf varieties of wheat and rice spread. Only one large fertilizer factory came into production in West Pakistan during 1965-1970.

2. **Social Sector Investments:** similarly, the social sector investments in education and health sectors were squeezed.

3. **Waste Of Water Resources:** ample availability of water from public sources accompanied by unwillingness or inability of the government to enforce reasonable water charges led to a waste of water resources.

4. **On-Farm Irrigation Development:** On-Farm Irrigation Development, including levelling of land which can be very helpful in increasing the effectiveness of water use, has been negligible in Pakistan because incentives for such investment do not exist. As a result, irrigated yields have remained low.

**Foreign Aid: The consequences of Growing Dependence:**

- **↑ Net foreign inflows:** Pakistan was already receiving large net foreign inflows in 1959-60 and by 1964-5 the net foreign flows had more than trebled to about 7% of GDP for the country as a whole. In the second half of 1960’s the net foreign inflows tended to stabilize but were still higher in relative terms in 1969-70 than a decade earlier. This was leading Pakistan to high dependence on foreign developed countries. We were getting reliant on the developed countries for every sector of our economy.

- **Two Key factors making expansion possible:**
  1. **Indus Basin Treaty:** The signing of Indus Basin Treaty in 1960 marked an agreement under the auspices of the World Bank, between India and Pakistan on sharing water from common rivers. It helped Pakistan a lot since it provided water to our agricultural lands.
  2. **US Aid:** the availability of over US $800 million of non-project assistance during 1960-5 nearly 90% from the US was second major factor in expanding foreign flows. Unfortunately
the assurance of long term aid financed supplies created dependence on food grains and edible oil imports which has proven difficult to eliminate.

**Exchange rate and Trade Policies:**

- **Low Priority:** Like many developing counties, Pakistan did not give high priority to export development in the 1950s and the 60’s. It was busy in developing basic institutions.
- **Pessimism:** The pessimism about exports was probably linked to low expectations about agriculture and the wide spread view at the time that there were serious international demand limitations on manufactured goods exports. Pakistan was facing major problems with water therefore it did not expect high yields in agricultural products.
- **Performance > Expectations:** but actual performance exceeded expectations. Between 1960 and 1970, West Pakistan exports in constant US dollars increased by around 7 % annually, more or less in line with the growth of output.
- **Turnaround in 1960’s:** The turnaround in the West Pakistan’s export performance was primarily due to expansion in the export of manufactured goods which registered real annual growth of over 20% in the 1960’s. However, exports were narrowly focused on cotton textiles and required large export subsidies through Export Bonus Scheme and there was no significant improvement in the structure of exports over the period.
- **Adverse consequences of Export Bonus Scheme:** Reliance on Export Bonus Scheme as the main instrument of export expansion for well over a decade had adverse consequences for efficiency of growth, income distribution and sustainability of export performance which will be discussed in detail in the following topic on Export Bonus Scheme.

**Export Bonus Scheme:**

- The essence of Export Bonus Scheme, which was introduced in January 1959, was to provide incentives for exporters of manufactured goods financed from the excess profits which could be made on imports due to the overvaluation of exchange rate.
- Exporters of commodities rather than the main agriculture exports were entitled to purchase foreign exchange equal to 20-40% of their foreign exchange earnings.
- Since foreign exchange was scarce and imports heavily regulated by import licences, there was a high premium on bonus vouchers which were basically free import licences.
- In the first year of scheme the premium on bonus vouchers was in the range of 150-200 because the general import policy was very restrictive.
- During the years 1959-61, bonus vouchers imports accounted for only 10 to 15% of private sector imports, so the bonus voucher premium can not be considered a good proxy of the average profitability of import licences.
- The main purpose of the scheme was to increase non traditional exports but, in the process, it imparted a greater degree of market determination to imports and at the margin transferred excess import profits to exporters of manufactured goods.
- Manufactured exports from West Pakistan had risen to 2.2% of GDP in 1968-7 as compare to 0.5% of GDP in 1955. The increase in manufactured exports did not automatically translate into growth in total exports.
- Export Bonus Scheme was a system of multiple exchange rates which
  1. sustained a high degree of overvaluation of the official exchange rate
  2. seriously distorted incentives between agriculture and industry and within industry
3. and led to a lack of transparency and stability in export incentives.

- Export Bonus Scheme reflected the general bias favour of industry which was inherited from 1950s. The original idea of supporting the growth sector, i.e., industry was laudable. However, along the way there was no real monitoring of the cost of this support.

**GREEN REVOLUTION & FOOD GRAIN SELF SUFFICIENCY**

The flexible and speedy response to the opportunities offered by the Green Revolution for expanding food and grain production. Green revolution is the introduction of pesticides and high-yield grains and better management which greatly increased agricultural productivity. This led to better agricultural activities and more availability of food.

**Policies for Food Grain Self- Sufficiency:**

- The quick flexible and effective government responses to the opportunities offered by the availability of improved varieties of wheat and rice after 1967 was a high point of the Ayub era.
- The agriculture revolution was already underway in the first half of 60’s and during the second half of 60’s dramatic increase in output were achieved.
- During the period from 1965-1970, wheat and rice output in West Pakistan increased by nearly 75% fertilizer increased nearly five folds, number of private tube wells doubled, new seeds covered nearly 75% of the irrigated areas under wheat and rice.

**Government’s Role in Green Revolution:**

- The policy motivation for food grain self sufficiency was provided at the end of the expanded PL 480 agreement with the US in 1966. By then the attitude of the US government towards supplying wheat to Pakistan had changed, partly due to political factors and partly due to reduced surpluses.
- In 1967, the government of Pakistan had to commit substantial cash foreign exchange for food grain imports. This ended the relatively relaxed attitude of Pakistani planners toward domestic food grain production.
- The formulation and quite successful implementation of West Pakistan Food Self-sufficiency Programme also demonstrated the strengths of the planning and economic policy coordination mechanism that had been developed in the 60’s.
- Major policy adjustment related to irrigation water and tube well development, fertilizer supply and distribution, price support and procurement management were made and carried out.

**Reorientation of Water Development Priorities:**

- In the wake of emphasis on food self sufficiency Programme there was a major reorientation of public expenditure priorities in water and power in West Pakistan.

- A deliberate effort was made to limit new public tube well projects in areas of private tube well concentration and development which led to a remarkable growth in the number of private tube wells.

**Fertilizer Distribution:**

- Fertilizer was expanded at an annual rate of 35 to 40% during 1960-1970.
• As domestic production lagged, most of the additional supply had to be imported and fertilizers
• The timely purchase and delivery of much larger imports was the responsibility of public sector.
• By late 1967, private sector was associated with fertilizer distribution and results were remarkable.

**Wheat Support Prices:**

• The wheat price was raised by over 25% to Rs 17 per maund (82lbs) for the 1968 crops. The increase
was not totally warranted because returns to the new technology were very high.
• The basic idea of a relatively high guaranteed support price for wheat, was quite sound and stabilized
the grain supply position at a critical time.
• With the bumper crop of 1968, the marketable surplus of wheat, which had averaged about 400,000
tons annually in previous year trebled to 1.2 mill tons.
• The credit needs were large and special accommodation had to be provided by the State Bank of
Pakistan.
• West Pakistan traditionally had a surplus in rice.
• Production of superior varieties of rice also increased sharply between 1967-1969, but the Trading
Corporation of Pakistan was not able to handle the growing volume and large stock piled up.

**Social Policies:**

The biggest policy failure in the Ayub era was in the social area. The weak economic policies, overvalued
exchange rate, inefficient taxation and overgenerous credit and incentive polices were main causes of the
social issues. The social policies in the Ayub regime included:

a) **Distribution of Growth Benefits:**

• Ayub khan saw land reforms as a major economic and political issue. But because of political and
administrative constraints, the reforms that he was eventually able to introduce resulted in only
modest amounts of land being transferred to small farmers and landless labour.
• Ceilings of landholdings at 500 acres of irrigated land and 1000 acres of non irrigated land were kept
too high and the bureaucracy and the landlords joined forces to make maximum use of the loopholes
and exemptions.
• There was an exemption of 150 acres for orchards and an exemption for stud and livestock farms.
• The distribution of land benefited mainly about 200,000 tenants who received an average of 3.85
acres. About 8% of 2.5 m subsistence farm households benefited from land reforms.
• The number of agricultural labour households showed an increase of around 20% over 1961-1972
while the number of farm house holds actually fell to 4 million indicating an increase in the landless
labour.
• Agricultural revolution in 1960’s was led by middle class farmers. They made extensive use of water
and quickly adopted the technology if HYV seeds. In agricultural there were sharp regional
disparities with gains in production in the irrigated areas and declines in the rain-fed areas.
• Significant improvement in the income during Ayub period was closely linked to the spread of the
Green Revolution. Wages began to rise after 1966 as there was an increase in the demand for labour
following the introduction of new technology. The incidence of poverty in rural areas dropped in
1960s and urban poverty also declined significantly.
• But there was an increasing inequality in urban incomes as confirmed by a study of relative income shares in Pakistan’s largest scale manufacturing. The share of wages and salaries in net output fell suggesting an increase in the share of profits. As the reported profits were underestimated so actual share of wages and salaries was much lower.

• Wages did not increase despite improvement in labour productivity which was due to serious limits on the powers of labour union. The fact that profits remained high were a result of trade and exchange rate policies and high barriers to entry.

**Human Resource Development:**

• The neglect of education sector is a major criticism of the Ayub era.

• The Commission on National Education, appointed by the Government in 1985, recommended compulsory schooling for children between six and eleven within a period of ten.

• The Second Plan set target of increasing primary school enrolment ratio in West Pakistan to 56% in 1965 but the ratio improved only to 36% because the population growth rate had been seriously underestimated.

• The Third Plan again set a target of raising enrolment to 70% but the actual expenditures on education were much lower because of lower resources. This cut in educational expenditures decreased the share of primary education by a disproportionate amount.

• A major problem was girl’s education as female education was given low priority in West Pakistan by the governing elite and social attitudes who did not favour educating women.

• Secondary school enrolment grew at a rate same as primary education with more growth in higher education and this was concentrated mostly in private sector institutions. The urban bias in education was intensified.

• The neglect of basic education in 60’s has remained a drag on the modernization of the economy because it has meant an increase in the number of illiterate persons. The policy failure was compounded by rapid and unforeseen population growth. This major problem was recognized by President Ayub and in 1960 a Family Planning Programme was developed. It had limited impact on birth rate because the health workers themselves were illiterate and the programme became prone to corruption.

**Concentration of Economic Power:**

• Public frustration within the perception of unequal sharing of growth benefits began to merge after 1965 as investment and industrial growth slowed down in West Pakistan.

• The concentration of wealth and economic power was transformed into a major political issue in 1968 as a result of Mahbub ul Haq’s now famous speech of 22 families. His speech was not aimed against the business community but was intended as a symbolic criticism of the entire system of distribution and social justice developed during the Ayub regime.

• The speech had an electrifying effect on public attitude as it said that the economy of Pakistan had become dominated by 22 families who controlled 66% of total industrial assets, 70% of insurance and 80% of banking.

• The top four families were Dawoods, Saigols, Adamjees and Amins. In the public mind the distinction between control and ownership of asset was not clear.

• A myth was thus created that 22 families had acquired most of the national wealth and has been a major beneficiaries of the Ayub regime. This was harmful for the private sector development in Pakistan and resulted in large scale nationalization of industry, banks and insurance companies in early 1970s. It had 2 unintended effects: firstly, it hardened the East Pakistanis who were arguing for
greater resource transfers to the East because development in West Pakistan was not benefiting a few only. Secondly it added to the difficulties of reducing big tax exemptions and subsidies received by big landlords.

Failed Regional Strategy?

- There was demand for full economic autonomy from East Pakistan.
- Mujib Ur Rahman’s 6 point programme called for severely curtailing the powers of the central government and limited them to defence, foreign affairs and currency. Taxation and revenue collection was to be vested solely in the federating units along with their full control over foreign exchange reserves.
- An important clause was added to the 1962 constitution which provided that the total resources of West Pakistan would be used to reduce regional disparities between East & West Pakistan. There was much higher investment in West Pakistan at the end of 1950s than in East Pakistan. Green revolution also contributed to the persistence of this gap between the two wings.
- Planning and development efforts geared to a sharp rise in public investment rate in East Pakistan. These efforts succeeded and public sector investment rate in East Pakistan went up than that of West Pakistan but private investment continued to lag behind substantially.
- Public sector and foreign aid allocations for investment were brought to near parity between the two wings of Pakistan, the regional disparities in incomes continued to grow. The goal of reduction in regional disparity between East and West Pakistan was unrealistic in a short time span of 15-20 years. East Pakistan did not receive its fair share of resources.

Ayub Khan’s Policies – An Assessment

- For Pakistan the period of 1960-5 was of quickening the tempo for growth. There was a dramatic turnaround in investment and growth in both East and West Pakistan. This was a result of Ayub’s strong commitment to development.
- This development momentum was seriously disrupted by the 1965 war with India. Reduction in foreign aid availability and increased defence spending squeezed investment.
- Rural areas benefited from high agricultural growth while urban areas suffered from the consequence of slow down in manufacturing and construction and cuts in social spending. Growth of GDP remained high both in East and West Pakistan in the second half of 1960s but this was concentrated mostly in agriculture in West Pakistan.
- The non-economic consequences of 1965 war were more disastrous for Ayub. East Pakistan was left without adequate defence spending during the war with India, there was growing economic disparity and lack of sufficient political participation.
- In economic policy terms, major failures were the perpetuation of the industrial and trade policies of 1950s and an excessive reliance on external assistance.

Despite these economic policy failures Ayub era was an exceptionally successful period of economic management