

THE ECONOMIC FACETS OF LEGISLATION DURING THE FIRST ERA OF NAWAZ'S GOVERNMENT (1990-93) AND ITS IMPACTS ON THE ECONOMIC ISSUES OF PAKISTAN

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ABSTRACT

This paper is an effort to highlight the economic aspects of the laws enacted during the first era of Mian Muhammad Nawaz Sharif (1990-1993). The focus is mainly on the legislation related to economic issues. The present paper is divided in to two parts. The first part of the paper deals with the legislation relating to the economic issues while the second part of the paper is emphasizing on a brief analysis and its impacts on the economic system of Pakistan followed by a conclusion. The issues are described and analyzed in the pretext of the two main theories i.e., the Demand Theory and The Economic Theory.

Keywords: Nawaz Sharif, Government, Economic Legislation, Impacts.

INTRODUCTION

In order to administer the governmental affairs and deal with day-to-day routine issues, Muhammad Nawaz Sharif's government devoted equal attention to the constitutional legislation and ordinary law making process. To deal with the prevailing situation, Nawaz Sharif's government introduced a number of parliamentary Acts that influenced the entire scenario of the Pakistani society's economy as well as social conditions. Essentially, legislation enacted during Nawaz's first administration as Prime Minister (1991-93) had long term consequences on the cultural, social, political, economic and religious facets of life of Pakistani citizens. The current research article discusses economic laws that have been addressed in the form of Acts of Parliament. These Acts of Parliament were implemented have been during the Nawaz Sharif's first ever era of government that prevailed from 1990 to 1993.

The economic issues that got addressed through the Acts of Parliament are analyzed in the pretext of the two main theories i.e., the Demand Theory and The Economic Theory. According to 'Demand Theory', constitutions are frequently subjected to amendments. It is for this reason that sometimes the existing ruling junta is eager to exert control future governments through introduction of some essential constitutional modifications and alterations. Likewise, occasionally constitutions and subsidiary laws are amended because of the national wants or desires of the central government to control local majorities. The said theory further states that sometime central governments modify the constitution and other subsidiary laws in response to the judicial decisions (Noronha, 2015). The concerned theory also espouses those principles that consider the constitutions as instruments of mediation, enforcement and sustainability of federalism (Lijphart, 2003).

Under this dimension the theory propounds that constitutional modifications and alterations may possibly be provoked by sub-national governments to execute limitations on national government or by the national governments to confine and restrict the powers of sub-national governments' in various issues (Noronha, 2015). According to the theory, the constitutional revisions and amendment have been a primary motivator in the majority of the world countries. Supporters of this argument or thesis also claim that

gaining control of majorities or future administrations has always been a primary/major source and purpose for most of constitutional amendments around the world. The theory recalls examples from the developed democracies around the world to try to apply the demand theory of constitutional amendment in perspectives, nature and the dynamics of constitutional amendments (Roznai, May, 2017).

Similarly, Economic Theory' states that interest groups prefer and chalk out constitutional modification and amendments through legislature, executive or judiciary, in order to influence the political process or obtain economic rewards or advantage. The interest groups, according to this theory, invest in political processes and activities in order to maximize their investment returns (Boudreaux, 1993). The theory/argument further goes on to say that constitutional modification has always been a feasible method of securing the ruling class's economic interests in order to shape a legal system that favours and supports their economic interests. As a result, constitutions and ordinary laws are occasionally modified to protect the commercial interests of those in power (Jellinex, 2002). Thus, this idea has linked politics to the pursuit of economic interests, particularly those of elected official.

Other theories, such as Public Choice Theory and Economic Theory of Constitutional Reforms have been supplemented to the aforementioned theory. In this regard, the contributions of James Buchanan and Tullock's intellect to Public Choice theory were enormous. These thinkers integrated politics and economics in this theory and viewed politics as market-oriented type field in which different factions compete to achieve their own interests (Ginsburg, 2009). Thus, interest groups, which can be any groups between individuals and the state that tries to influence public policy for personal gain, are the central ones according to this theory. Thus, interest groups, which may be any group between individuals and state that struggle to manipulate public policy for its private advantages, are fundamental in this theory.

Economic Aspects

Social development of a society in its real sense is measured by its economic development. It is because of the fact that a society attains its social advancement when the society fulfills the most important pre-requisites required for a sustainable economic development. However, it was mostly disregarded by the successive military, pro-military cum civil and civil Governments of Pakistan. Burki has rightly described this phenomenon as "missed opportunities (Burki, 1991). The economy of a country directly suffers when there is menace and hazard to its political, constitutional, racial, regional and geographical conditions.

In the same way the development of agricultural and boost up of the industrial sector also remain the leading objectives of the government to materialize its promises. Likely, the fiscal deficit, hike of inflation, energy shortage, decrease of investment, unemployment and high debt are also believed some of the big challenges and hurdles in the way of economic uplift of every sensible, welfare, democratic and gradually developing state of the world like that of Pakistan. In this respect, the government of IJI, under the premiership of Nawaz, introduced a number of legislative bills in the parliament and got it passed as Acts of Parliament which were further implemented in the country to boost up the economic condition of the Pakistani citizens. These Acts of Parliaments included National Finance Act1991-1992 National Finance Act1992-1993, Bank Nationalization Amendment Act 1974, The Bank Nationalization (Second Amendment) Act, Banking Tribunals (Amendment) Act, 1992, Protection of Economic Reforms Act in July 1992 and Bank Nationalization Third (Amendment) Act 1991 which are worth mentioning .A brief description of the same are presented in the following few paragraphs.

National Finance Act1991-1992(Budget Act 1991-92)

The IJI government was doing everything possible to bring about betterment in the economic conditions/situation of its the citizens and the state as a whole. It presented a massive budget of Rs. 258 billions, for the financial year 1991-92. There was budgetary imbalance of nearly Rs.18.5 billion which ultimately was to be filled through tax mobilizing efforts and opting for other similar necessary measures. The said government and administration had hoped that the budget would provide some sort of financial respite/relief to the average person. The approval of the finance bill through the parliament was hailed as a major victory for the IJI government and a significant achievement (The Nation, 1991). The government was on the verge of resolving /had almost resolved the issue of revenues distribution/dispersion between

the center and the respective provincial governments (Rais). The opposition on the other hand, slammed the FY 1991-92 budget/ budget passed for the FY 1991-92, for a variety of reasons. The then opposition leader Ms. Benazir Bhutto was of the opinion that the IJI government's budget was a budget for the rich strata just meant for the rich and was serving the interests of the upper class of the society which would ultimately squeeze and terminate the state's economy.

The government was intensely inclined towards denationalization. Therefore, the investors were hesitant to build new factories. They were searching for the old factories so that to purchase them on cheaper rates. It put a serious halt to the industrialization. The Pakistan Democratic Alliance (PDA) was greatly concerned about a 17 percent budgetary reduction in education sector. In addition, the budget for health care and expenditures for women's development were both cut by 70% and 13% respectively. Similarly, the funds allocated to the population welfare and sports, culture and tourism were also welfare and sports, culture and tourism were also reduced up-to 8%.

Furthermore, there were numerous cuts in the budget which did not allow the social sectors to create any explicit motivation to incentivise industrialization (opposition, 1991). Benazir stated her resolve to renationalize all those institutions that had been denationalized or that the IJI administration otherwise planned to get the same denationalized in near future. It was however, the fact that her own previous government (1988-1990), prior to that of the current IJI government, had planned the same sort of measures. The process of denationalization was carried out in the name and disguise of privatization. It was all a ruse to annoy those business families who backed the Islami Jamhoori Ittehad (IJI) during the very elections. Amongst these industrial and business gentry were included especially those ones who were close to the Prime Minister Nawaz and his family (Nation, 2 June, 1991). Hence, it seemed that the government's policy, in other words, was to enrich the wealthy people while impoverishing the poorer (Frontier Post, 4 June, 1991).

Bank Nationalization Amendment Act 1974

Besides the above discussed legislation, the government of IJI under the leadership of Nawaz took a bold step towards encouraging the participation, privatization and liberalization of the state's economy. The government amended the "Bank Nationalization Act 1974" in Pakistan. At this moment, it is important to mention that since the nationalization of banking sector during Bhutto era, the banking sector was still dominated by the government owned or its sponsored institutions which were themselves opened to a number of inadequacies. Furthermore, most of the banking assets were owned by Nationalized Commercial Banks (NCB) which were endangered by high bureaucratic leanings, overstaffing and poor customary services (Ahmad, 2011).

The Bank Nationalization (Second Amendment) Act 1991

Another Act in the same respect was introduced, passed from the parliament and was implemented in Pakistan on April 2, 1991 under the title with the name of "The Bank Nationalization (Second Amendment) Act" which went into effect immediately (The Bank Nationalization (2nd Amendment) Act, April 6, 1991). The introduction of Act facilitated the private sector to operate the banking companies and firms. Subsequently, the government instantly permitted eleven private banks to operate in the country. In addition to this, the government set out very flexible conditions for issuing licenses to the private banks operation in the country (Malik, 2010). After the passage of this Act, the government started selling 26% shares of Muslim Commercial Banks to private sector in April 1991. Consequently, the process of privatization of the different banks was gradually followed by the then government of Muhammad Nawaz (Ahmad, 2011).

Bank Nationalization Third (Amendment) Act 1991

Similarly, the Nawaz Sharif's government amended Pakistan's 'Bank Nationalization Act 1974' in order to pursue and implement the state's privatization policy in the banking sector. The ownership, administration, management and control of all banks in Pakistan were declared and transferred to the federal government of Pakistan under the 'Bank Nationalization Act of 1974, as a part of the nationalization programme and policy (Bank Nationalization Act, January 1, 1974). The revised Act added new sections

5A and 5B to the 1974 Act, allowing the federal government to sell bank shares, in order to pursue Pakistan's privatization policy (Bank Nationalization (Third Amendment) Act, November 23, 1991). As a result, the government took yet another step by enacting legislation that effectively nationalized the respective bank. The same Act was followed by another similar type Act which further led towards privatization of different companies in Pakistan. It was definitely the introduction of these Acts which opened new avenues in the government policy of privatization which helped in establishing the confidence of the business community on the government for successive investments in the industrial sector and establishment of new factories, mills and other business firms.

Banking Tribunals (Amendment) Act, 1992

As mentioned in the above paragraph, the government in power continued the policy of strengthening and expansion of the state's economy. Hence the previous Acts were followed by another Act that dealt with the country's banking system. The government passed the "Banking Tribunals (Amendment) Act, 1992" which received the President's signature on April 12, 1992. (The Gazette of Pakistan, April 16, 1992) By bringing amendments in the Banking Act of 1984, the present Act included provisions relating to the establishment of tribunals which were to resolve issues involving banks in the country. Furthermore, as a result of the said Act, a banking tribunal was also established, consisting of a person who is, or has been qualified for the appointment as a "judge of High Court, a District Judge or an Additional District Judge" who was supposed to dispense and administer prompt justice in the event of a dispute a deadlock between the two banks or a person and a bank (The Banking Tribunals (Amendment) Act, April 16, 1992). Thus, a significant step was taken in form of the above said Act towards execution of the speedy trial and prompt justice in respect of the issues related to banking system in Pakistan.

Pakistan Banking and Finance Services Commission Act, 1992

To accomplish the needs of economic development and some other key necessities for the up lift of the economic system of Pakistan, the IJI government introduced a very significant bill in the parliament. Following its enactment and assent by the President of Pakistan on 23rd July, 1992, the Act titled "Pakistan Banking Finance Services Commission Act, 1992 went into operation with immediate effect throughout the country (The Banking Tribunals (Amendment) Act, April 16, 1992)."

The aim/purpose of this Act was to promote merit and transparency in the recruitment process of bank officers through competitive examinations, interviews and other necessary tests conducted/performed for their promotion, on the advice of Federal Government as well as other applicable pre-requisites and requisites such as the qualifications etc., as per prescribed in the rules and procedures. The Act also provided/established guidelines with prescribed methods for the recruitment/appointment of officer grade-2 (OG-2) and that of higher grades in the financial institutions that were either working or were expected to be under the control of the Federal Government of Pakistan. The Act also required the commission to submit an annual report to the President of Pakistan.

The said Act mainly consisted of fourteen (14) sections as well as a Schedule. The process, procedure and purpose of the commission's establishment were described in these parts of the Act which were enacted under section 3, of the Act. The salary, allowances and privileges were mentioned and described in section 4. Similarly, the terms of office were given in (section 5 while section 6 details the resignation and filling of vacancies as well as and dismissal procedures. Likewise, section 7, dealt with the function of the commission while details regarding recruitment to posts in financial institutions were stated in section 8. Furthermore, section 9 details the procedure, rules and regulations governing the funds, monetary matters of the commission. The process of selection as well as appointment of officers and personnel etc., was dealt with in section 10 of the Act. Section 11 was dealing with the submission of report of the Commission while section 12 dealt with the power to amend schedule. Section 13 of the Act was concerning the act to override other laws and section 14 dealt with the details concerning powers to make rules, respectively. Similarly a Schedule was also given at the end of the Act to provide numerous explanations etc.

The Commission was supposed to have its Chairman and four members according to the relevant Act. They were required to be appointed by the Pakistan's Federal Government. They were entitled to receive all such salaries/wages, allowances and privileges as the government determined or were supposed to determine by from time to time. The stated Act also included the mechanism for determining the terms and conditions of their respective offices, as well as rules and regulation concerning their resignation and filling of the same available or probably vacated vacancies (Pakistan Banking and Finance Services Commission Act, July 28, 1992).

As long as the function and duties of commission were concerned it was provided in the Act that the commission was supposed to conduct open competitive examinations, hold interviews and arrange tests for the recruitment of Grade III and other higher posts in the respective financial institutions that were liable to work under the supervision of the Federal Government of Pakistan, except those ones where the commission was restricted or exempted to interfere or to intervene in their respective matters. In case of recruitment and or promotion of the existing employees from the lower cadres to the higher one i.e., Grade III or above, the same were compulsorily required to be equipped with requisites and required qualifications as and when they were required by the financial institutions.

The commission's duties included conducting open competitive examinations, interviews, and tests for the recruitment of the officers Grade III and other higher positions in the financial institutions under the supervisions of the Federal Government of Pakistan, with the exception of those where the commission was exempted. Employees were required to be equipped with required qualifications as and when they were required or promoted from the lower cader to the higher one, i.e., Grade III or above. In all these circumstances, the concerned financial institutions were supposed to use their own appropriately approved recruitment strategy and devised as well as advised patterns when requesting the Federal Government to perform the same function (Pakistan Banking and Finance Services Commission Act, July 28, 1992).

The Act also included provisions for obtaining funding for the Commission. It was agreed that monies and funds would be raised or collected in order to credit all sums of the constituent or relevant financial institutions. With the approval of the Federal Government of Pakistan, these institutions were declared obligated to make payments to the Commission to cover its expenses and make such payments as the Commission demanded. The funds/money were expected to be obtained by the Commission for all types of remunerations and payments owed to the Chairman, members and officials, workers and consultants or other experts of the Commission. The Commission was given the authority to appoint its officers, officials, workers, experts, and consultants in accordance with its established terms and conditions in order to carry out its tasks efficiently and help the financial sector achieve its goals and grow the country's economy (Pakistan Banking and Finance Services Commission Act, July 28, 1992).

The Chairman of the Commission was also tasked with submitting and presenting the President of Pakistan, with an annual/yearly report. The Act stated that the annual report would include all pertinent information and details concerning the Commission's operations and performance (Pakistan Banking and Finance Services Commission Act, July 28, 1992). The Commission's powers were outlined in the Act. The Act stated that the Commission would have the authority to amend the schedule to add or remove any entry, as well as omit or modify any of the entries, based on orders and directions from the Pakistani government. Furthermore, the provisions of the aforementioned Act would have the effect of superseding of all other laws, with the exception of those contained in other set of laws, instruments and deeds, or other documents relating to financial institutions. Similarly, the Act gave the Commission the authority to make and create rules and regulations to carry out the Act's purpose with special consent of the Federal Government. The Act also established rules for the recruitment/selection and appointment of the officers, employees, experts, and consultants among other things. Similarly, powers relating to the payment of travel allowances and daily allowances that the Chairman, officers, experts, and consultants were entitled to receive or draw as a result of their journeys in connection with the performance of their duties and other relevant activities (Pakistan Banking and Finance Services Commission Act, July 28, 1992).

In the schedule, there included those banks which had been having entries in the Act. These were:
 1. "State Bank of Pakistan. 2. National Bank of Pakistan. 3. Habib Bank Limited. 4. United Bank Limited. 5. Muslim Commercial Bank. 6. Allied Bank Limited 7. Investment Corporation of Pakistan. 8. Industrial

Development Bank of Pakistan 9. National Development finance corporation. 10. Pak-Libya holding company limited. 11. National Investment Trust. 12. Pakistan-Kuwait Investment company, Limited 13. Saudi-Pak. Industrial and Agricultural Investment Company Limited. 14. Pakistan Industrial Credit and Investment Corporation. 15. Bankers equity Limited. 16. Equity Participation Fund. 17. Small Business finance Corporation. 18. House building Finance Corporation, 19. Federal Bank for Cooperatives & 20. Agricultural Development Bank of Pakistan”.

The Act was a huge step forward in terms of the Commission's establishment in terms of providing banking and financial services. Since the circumstances and the banking sector have gone through a series of transformations, alterations and changes, the government control shifted to the privatized sector to a large extent. This occurred as a result of poor and ill-advised decisions made by successive governments in the past. As a result, with the passage of time, the designing, developing, creating, enforcing and executing bank recruitment policies became solely the responsibility of the different banks. Even then the Government of IJI, led by Muhammad Nawaz did its level best for the uplift, elevation and boost of Pakistan's economic sector. This is all evident from the efforts of the government that it has made in terms of taking steps towards the establishment of Pakistan Banking and Finance Services Commission of Pakistan.

“Protection of Economic Reforms Act in July 1992”

When the government passed the “shariah bill” and the “12th amendment” to the Constitution of Pakistan, the “Federal Shariah Court” was permitted to take into account the shariah petitions which were frequently challenging the financial laws. It was pointed out by the “Shariah Court” on 21st November 1991, that about 22 different fiscal or monetary laws were seemingly repugnant to the injunctions of Islam. The court issued instructions to the government to immediately take necessary steps regarding revision of the mentioned laws not later by June 1992. This sort of orders issued by the Federal Shariah Court (FSC) put the IJI government into a woeful distress. Had the government taken the initiative as per declared directives of the court, it would have badly disturbed the government policy of liberalization. This led to internal as well as external deadlock of the state's fiscal affairs/matters. The IJI government was in search of direction-finding to deal with the extensive process of clearing the miasma regarding the issue of riba. This had put the government in a fix. On one hand it had to keep its promise of Islamization with the nation. On the other hand the government was trying to work on/discover different options to recapture the confidence of the foreign investors. Although, the government's efforts in respect of Islamizing the economy of the state had been appreciated on National and global level, it however, caused wide spread confusion in the country. It was actually because of the directions of the FSC relating to implementation of those insupportable and objectionable laws which were needed to be declared as void. Likewise, the banking system based on interest was also believed to be usury (riba). Consequently, it looked very difficult for the government to implement the court's orders in all sorts of economic dealings and business activities of the state (Khan).

Keeping in to consideration all such difficulties, the government took a very bold step towards economic reformation in the terms of passing a bill from the parliament having the title, “Protection of Economic Reforms Act” in July 1992. The Act after its passage, got recognition of the President on July 23, 1992 (Protection of Economic Reform Act, 28th July, 1992). The Act contained a series of reforms. Firstly the Act declared that all citizens of Pakistan whether they were the existing residing in or living outside the country would have the right either to sell or hold (cash in hand) and transfer or even take out the foreign exchange from one area to another area within the country or out of the boundary of Pakistan. In other words, the Act fully ensured security of all types of foreign exchange (Khan H. , 2012). Secondly, it was also provided by the Act that all citizens of Pakistan living in or in other foreign country who were holding foreign currency would be given exemption from all sorts of inquiries from Income Tax Department of Pakistan. Furthermore, the banks were issued due instruction to ensure a wide-ranging and complete secrecy of the transactions that were either done or were to be made in foreign currency accounts (Khan H. , 2012). Thirdly, the Act provided for inviting the attention of the investors. In this connection, it was provided that fiscal and monetary incentives which were either provided by the government or were to be provided from time to time to the investors would not be changed or altered merely to the disadvantage of investors. Fourthly, the Act also maintained that the ownership, management and control of any banking

entity, a commercial enterprise, a manufacturing factory or any other company or even an enterprise which had been transferred by the government to any individual under any law would be completely guaranteed and safeguarded and it would not be taken over or picked up by the government. In the same way, any type of company, factory or firm which had been or was to be owned by foreign or Pakistani investor would not be taken over any way by the government of Pakistan as an initiative or a move that may lead towards nationalization (Protection of Economic Reform Act, 28th July, 1992). In a nutshell, the government tried its level best to invite the shift of foreign capital (foreign investment) to Pakistan. It also made it dead sure to win over the confidence of the Pakistani business gentry and investors as well as that of the promising foreign investors through the above said "Protection of Economic Reform Act, 1992".

Socio-Economic Impacts of the Legislation

To analyze the social and economic impacts of the legislation being introduced during the IJI government under the premiership of Nawaz Sharif, we have to take into account that the political situation in the country was quite vulnerable. As far as the analysis of the economic impacts is concerned, the constitutional and parliamentary legislation which had been introduced during 1990-93 under the premiership of Mian Muhammad Nawaz Sharif, it left vital impacts on the State economy. The appraisal of those economic impacts is very essential because economy has always been very important for a country's internal set up as well as international affairs. The economy of a country sets the parameters of its internal political system and global or international relations. Nevertheless, the stability of an economic system is generally based upon numerous factors. For instance, on one hand, legislation relating to national economy affects the economic performance of a country while on the other hand, legislation concerning political stability affects economic morals and standards of a nation. Similarly, international agreements and the nature and direction of a country's foreign policy also have negative or positive bearings upon economic profile of a country. Moreover, sometime institutional persistence in a country also ensures better economic scenarios. Apart from the above factors, a consensus based political system is generally believed to have been established on strong footings provided there is prevailing a stable national economic system in the country. Hence, it is worthy to mention that while analyzing economic impacts of IJI government of that time, all the above factors have to be taken into consideration so as to comprehensively examine the economic impacts of the parliamentary legislation that are introduced during IJI government.

To bring about economic stability, the government of Islami Jamhoori Ittehad (IJI), under the inspiring premiership of Mian Muhammad Nawaz Sharif, took its first step in form of amending the Bank Nationalization Act 1974 in Pakistan. Actually, since the nationalization of banking sector during Bhutto era in 1974, the banking sector was commandingly controlled by the government owned or its sponsored institutions which were exposed to incompetence and various inadequacies. The banking assets were mostly owned by the Nationalized Commercial Banks (NCB). The said banks were frankly exposed to highly official predilections, overstaffing and pitiable customary services. To remove this discrepancy the government decided to introduce an Act with the name of The Bank Nationalization (Second Amendment) Act. It was immediately implemented in Pakistan on April 2, 1991. Through this Act, the private sector was given a chance to operate banking companies and firms. On the basis of this legislation the government instantly allowed eleven private banks to launch banking operational activities in the country. Furthermore, the sitting government decided to set out a number of flexible conditions regarding issuance of license to the private banks to undertake their banking operational measures in the country (Malik, 2010). As a result of this Act the government for the first time, sold out 26% shares of the Muslim Commercial Banks to the private sector in April 1991. Soon after that the sitting government of IJI gradually followed the process of banks' privatization under the premiership of Mian Muhammad Nawaz Sharif (Ahmad, 2011). Such a step of Nawaz government was believed a positive move towards renovating of the state's economy by many intellectuals and banking tycoons. It was because of said move of the government in terms of the privatization of the banks that it enhanced the economic and administrative performance of the banking sector in Pakistan.

Besides, the IJI government under the premiership of Nawaz Sharif introduced another Act under which it amended the "State Bank of Pakistan Act, 1956". Under this Act, different sections of the previous

State Bank of Pakistan Act 1956 were amended. As per the new Act, it was made obligatory for the State Bank of Pakistan to submit a quarterly report to the parliament regarding its monetary performance and economic condition of the country. It was provided by the Act that the said report would mainly focus upon economic growth, money supply credits, balance of payments and price developments (State Bank of Pakistan (Amendment) Act, June 2, 1997). The provision relating to the submission of quarterly report by the State Bank to the parliament was a very positive step. It was expected that such sort of coordination would enhance efficiency of the government to handle economic uneven texture and irregularity in the country (Tribune, June 5, 1997).

It was also provided by the said Act that the Bank would promptly review consistency of the macro-economic policies of the government on quarterly basis. Furthermore, it would also look at the latest developments in the economy, limitations and targets that had been set out by the government at the time of making national budget (State Bank of Pakistan (Amendment) Act, June 2, 1997).

The above legislation had positive economic impacts upon the national economy. Submission of report by the State Bank to the parliament was also a positive step as it resulted in the identification of flaws in the economic policies. The report was also open to parliamentary discussion which usually opened up new avenues for correction of different issues related to banking sector and to the national economic policies. However, it does not mean that State Bank was brought under the negative influence of government. Here, it is important to mention that looking to the importance of the independence of the State Bank from the influence of the government; the government inserted another new section in the State Bank of Pakistan Act, 1956. Section 46 (B) was inserted in the act which was related to issuance of inconsistent directives to the Bank. It was provided that the government or any other quasi-government body or any other agency or institution shall not issue directives or orders to any banking company or any other financial institution which have been inconsistent with the policies and regulations of the State Bank of Pakistan. It was also provided that stern action, according to law, shall be taken against those who violate the rules (State Bank of Pakistan (Amendment) Act, June 2, 1997). It was a positive step on the part of government. The fact cannot be denied that for the smooth running of economic system, independence of the central bank from the influence of the government is very much necessary. So far as this step was concerned, it was a positive move towards ensuring independence of the central bank from negative tendencies of government and other economic institutions (Dawn, June 7, 1997). Thus, the legislation introduced many measures necessary for the economic revival of the country.

CONCLUSION

As a matter of fact, all types of rural, urban, developing and developed societies have some specific challenges and problems. The contentment of every member of the society depends upon the patterns and norms. That is why the democratic societies assume certain well-defined patterns for which their governments make rules and regulations through specific policies and procedures. A healthy economy of a society is tenable and sound where there is stable government in the state. That is why the enhancement of its economy has always been remained and become the chief concern of every administration or that of the government. In this connection, every democratic government of Pakistan has remained conscious about the prosperity, wellbeing and comfort of its citizens. It not only tries to accelerate the national economy through the growth and expansion of its exports rather the government also strives to maximize the agricultural products and makes the profitable use of industrial and agricultural produces. This aim can only be achieved through turning the raw materials into refined items. In this way a handsome amount of foreign exchange can be saved which ultimately helps to boost and uplift the economic conditions of the country. Further to say, every government in power, tries to take every potential step to explore and exploit the natural resources of the country.

Being one of the bold and sound minded industrialists and a young energetic Chief Executive of Pakistan, Muhammad Nawaz kept all the above pointed out challenges in mind and decided to explore and exploit all possible opportunities to bring Pakistan at par with other seedily developing countries of the world. He had also been finance minister during the Zia-ul Haq regime and the Chief Minister of the largest province (Punjab) of Pakistan from 1988 to 1990. He was equipped with an experience of how to tackle the

social and economic issues of the people. Therefore, the government of IJI, under such an experienced and thorough gentleman, candidly decided to invest all of its energies in the economic uplift of Pakistan.

The above discussion clearly shows that after assuming powers, Nawaz introduced a very a comprehensive series of legislation. The legislation introduced by his government was related to different fields and walks of life. However, his priority was towards introducing legislation related to the privatization of industrial sector and enforcing Islamic principles as it was one of the major components and slogans in his election campaign and elections manifesto. In this regard, he introduced “Bonded Labour System (Abolition) Act, 1992, Employment of Children Act, 1991”. In this connection, the present research paper is going to evaluate two major types of legislations i.e. legislation addressing and impacting social issues i.e., eradicating criminal activities, protecting the rights of children in society, rights of labour community and rights of religious minorities in social structure of Pakistan, legislation having impacts upon the growth and evolvement of economic structure and stature of the state and society, privatization, and legislation impacting rights of business community in society play their due role in the development of economy of the country.

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