



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

B O O K R E V I E W

A Sweeping View of Agriculture in Pakistan

Muhammad Ali Jan*

Spielman, David J., Malik, Sohail J., Dorosh, Paul A., and Ahmad, Nuzhat (eds.) (2017), *Agriculture and the Rural Economy in Pakistan: Issues, Outlooks, and Policy Priorities*, University of Pennsylvania Press, Philadelphia, pp. 560, USD 79.95.

The different phases in the development of agriculture in Pakistan reflect the changing role of agriculture in the development of the country and the structure of the economy. From being an overwhelmingly agrarian society at Independence to an economy in which agriculture has ceased to be the dominant sector in terms of contribution to GDP, Pakistan has undergone immense changes. Yet, very few studies present a comprehensive view of this history, or of the role that agriculture may continue to play despite no longer being the primary driver of national development, food security, and poverty reduction in the country. *Agriculture and the Rural Economy in Pakistan* is a book that aims to fill this gap in the literature on agriculture in Pakistan.

The book provides a very important overview of agriculture in Pakistan and of its changing role in the economic development of the country. The breadth of topics it covers, from water and seed markets to rural aspirations and gender dimensions of agricultural growth, and its clear policy focus, make the book an indispensable guide for researchers and policymakers. It serves as a comprehensive bibliography of the existing literature on development economics, and the rich data sources used in it are valuable for future research.

However, it is important to note that agricultural transformation in the book is seen from the perspective of technocratic policy, which views policy as a set of neutral prescriptions that are exogenous to social relations of domination, cooperation, and power between different groups and individuals. In other words, very little attention is paid to the political economy of agrarian change in Pakistan, where the state, interest groups, informal and formal institutions, and the conflicts between them are key elements in the process of agricultural development. Policies cannot be made in

* Junior Research Fellow, Wolfson College, University of Oxford, muhammad.jan@wolfson.ox.ac.uk

a vacuum but must inextricably be tied to contradictory and often contentious processes. As a result, the book is unable to give any real insights into why certain policies continue to exist despite being wasteful and largely unhelpful to those they purport to serve.

The second major criticism is that the approach of the book is primarily macroeconomic. The chapters draw from very few micro-level field studies even though the bibliography contains references to some village studies. This is particularly problematic in the chapters on agricultural policies for procurement, seed, and fertilizers, as the lack of a micro-level view means that the ways in which actors at this level actively interpret, navigate, and translate (sometimes beyond recognition) policies formulated at the national and provincial levels are entirely missing. The weakness of this approach, however, should open up the way for greater collaboration between economists and other social scientists in the study of agriculture in Pakistan.

The book is a collection of 11 original papers (and a conclusion), organised around four sections, each dealing with a different theme. Section one introduces the topics of agricultural growth and rural poverty, and places them within the context of Pakistan's history. Chapter 1 is a comprehensive overview of the trends in growth and productivity in agriculture, and is arguably the strongest chapter in the book. One of its main contributions is a recognition that aggregate growth figures often mask the high variability in agriculture in Pakistan, because of factors that range from "agroclimatic conditions and landholding sizes to input and output market development" (p. 42). It recommends disaggregating growth figures in order to arrive at a better understanding of overall trends in agriculture, and highlight regions of stagnation and pockets of dynamism.

The chapter further demonstrates the dramatic change in sources of agricultural growth in recent decades, with livestock contributing more in terms of value than traditional crops. The authors point out that there is considerable scope to develop non-traditional crops such as high-value fruit and vegetables for the domestic and export markets. Moreover, data show that the cultivation of these crops has been driven by increases in total factor productivity as compared to traditional crops, where growth is largely led by increased input use, a process that has caused resource degradation. Finally, the chapter recognises that growth has been biased towards larger farmers who have been able to protect the size of their holdings even as the holdings of medium and small farmers further fragment, with many such farms becoming difficult to sustain, let alone being able to increase productivity.

However, without an analysis of political economy, the authors are unable to explain why growth in Pakistan is biased towards large farmers. To explain this phenomenon would require examining how the local dominance enjoyed by large landowners has historically translated into access to the state apparatus, and, in turn, resulted in

preferential treatment with respect to new varieties of seed, credit facilities, and access to markets (Jones 2003; Nulty 1972). Unfortunately, the chapter does not include this analysis and therefore ignores a key component of the explanation for landlord bias in agricultural policy.

The sensitivity to regional differences continues in Chapter 3, in which the authors argue that analyses of poverty reduction need to pay greater attention to its spatial dimensions. This would reveal how poverty and malnutrition continue to be greater in rural areas than in urban areas. The most remarkable feature of this chapter is its rich and diverse database, which ranges from the Pakistan Household Income and Expenditure Surveys to a series of official health and nutrition surveys carried out by the government between 1977 and 2011. More importantly, the chapter utilises the Pakistan Rural Household Panel Survey (RHPS), a unique longitudinal dataset generated by the International Food Policy Research Institute (IFPRI) through surveys in 2012 and 2013, on a range of variables of rural poverty and well-being.

Chapter 3 of the volume highlights the sensitivity of poverty estimates to methodology. The chapter casts doubt on official estimates that show a rapid decline in poverty between 2001 and 2011, even as the incidence of malnutrition registered an increase during this period. It points out how the most rapid reduction in poverty took place in the rain-fed agricultural zones of Punjab State, which have high literacy rates, low dependency ratios, as well as strong linkages with prosperous urban centres, thus underscoring the importance of the rural–urban interface, a consistent theme in the volume.

Here, too, the relationship between social relations of power and poverty at the local level is not explored. For example, why do areas under the dominance of large landlords, e.g., southern Punjab and rural Sindh, continue to be poorer than those that display a more egalitarian pattern of landownership? Or, why are the landless, who suffer from a lack of assets as well as the social marginalisation that comes with it, worse off than those with access to land, however limited? Indeed, there is no mention of caste relations in worsening deprivation, though this is not surprising given the macro-perspective of the volume. The relationship between caste and poverty is one that has been examined primarily in village-level studies in Pakistan (Hirashima 1978).

Section two studies the role of markets and major agricultural inputs in agricultural production. Irrigation, seed, fertilizer, and crop markets are the focus of the four chapters in this section. Chapter 4 presents a detailed but somewhat technocratic study of the Indus Basin Irrigation System (IBIS) and its challenges, which range from diminishing water supply in many regions to increased competition for water use between different sectors. It discusses contradictions in the allocation of water resources between provinces, communities, and farms, and presents a brief history of the Indus water dispute between India and Pakistan, and the benefits that both

countries, especially Pakistan, have derived from the IBIS. However, the analysis is mostly based on prior studies and does not add much to the already large body of work on the subject. Further, it does not shed light on how factional conflicts at the village level have played a role in worsening the problem of water shortage (Merrey 1992).

Chapters 5 and 6 on seed and fertilizer markets in Pakistan are useful additions to topics that have not adequately been researched, but which are of crucial importance to agriculture in Pakistan. In particular, chapter 5 highlights the important link between increase in productivity and high-quality and pest-resistant seed, and identifies the demand, supply, and institutional factors that have constrained the adoption of new and better-quality seeds. The chapter analyses the role played by the Seed Act, 1976, in the governance of the seed system in Pakistan. It questions the silence on the production of unregistered seeds, which have overtaken registered varieties regulated under the Act (p. 180), and argues for a major revision of the Act in order to bring it in line with changes on the ground.

Chapter 6 presents an illuminating picture of the fertilizer system in Pakistan. It traces the origins and growth of this industry, its concentration as a result of government policy, and indications of oligopolistic behaviour in recent years. It shows how government policies have not encouraged a pattern of use of fertilizers that is efficient and environmentally sustainable. The chapter strongly recommends the removal of lopsided subsidies to the sector, particularly for urea. Urea subsidies have led to an increase in its use, whereas di-ammonium phosphate (DAP) and micronutrients that promote sustainability have been neglected and continue to be imported. It also stresses the need to strengthen and enforce anti-trust laws that can check the oligopolistic behaviour of fertilizer companies and encourage greater use of fertilizer, especially by small farmers.

The theme of subsidy removal continues in chapter 7, which deals with markets and trade policies. The chapter discusses the subsidy given by the government to wheat farmers. A valuable addition would have been to point out the collusion between powerful local groups of large farmers, traders, and government officials from the provincial Food Departments. A related issue is the chronic overcapacity in the milling sector as a result of the government policy, which started in the 1980s, of giving quotas to mill owners. Both problems have resulted in the government extending subsidies to large farmers and traders, as well as powerful but inefficient millers.

Section three examines how governance and empowerment affect outcomes. Chapter 8 in this section looks at the provision of rural public services and discusses the factors that have resulted in their subpar performance, particularly low public investment in health, education, electricity, water, and sanitation. It argues how improvements in these sectors can have demonstrable positive impacts on labour productivity, which, in turn, can increase the incomes of rural people. It also suggests how public provisioning of services will radically change under the impact of the Constitution

(18th Amendment) Act, 2010, which is a landmark piece of legislation, and of the devolution of substantial powers to the provinces.

Chapter 9 interrogates the promise and problems of provincial autonomy and devolution. Provincial autonomy has been a longstanding demand of the smaller provinces in Pakistan, and has received widespread public support. Yet, without proper sequencing and adequate capacity-building, including the ability to raise revenue through taxes, there is a high chance that “big bang” reforms will not translate into better provision of services, especially in rural areas that require them the most. There is also a real danger that political parties will not devolve power to the districts and union councils, and instead centralise power in the provincial ministries. This will be particularly detrimental to the governance of rural areas, which urgently need access to services at the local level. The authors thus view the lack of political will as a bigger challenge than that of building institutional capacity.

Chapter 10 deals with the gender dimensions of rural development. It argues that women, and rural women in particular, perform worse than men on social indicators such as health and education. An interesting aspect of the chapter is its use of RHPS data to estimate the level of empowerment of rural women in different domains, and the range of variables that affect empowerment. An especially stark indicator of the gap between men and women is the almost complete exclusion of women from ownership of land, with less than 4 per cent of the sample reporting that they owned land separately from their husbands, and 80 per cent of these owners claiming that decision-making in farming was done by male members of the family.

Moreover, women were primarily engaged in unpaid livestock maintenance and paid farm-work, while men were engaged in a wide variety of activities such as livestock maintenance, work on their own farms, and paid non-farm work. These factors further exacerbate the already wide gap between men and women and prevent the empowerment of women. The authors found that higher education among women in the sample was negatively correlated with mobility. Higher education among women was associated with increased decision-making power within the household (p. 410). The authors suggest that social protection measures by themselves may not be enough to address the gender gap unless these specifically target women.

Chapter 11 deals with an interesting and often overlooked aspect of development: the role of individual aspirations in economic change. Given the large proportion of youth in Pakistan’s population, this is an extremely important factor that requires urgent study. As the measurement of aspiration was fraught with various difficulties, the authors collected data on the respondents’ desired levels of achievement across several dimensions to develop an aspiration index that could be normalised against district average responses for each dimension (p. 435). Somewhat predictably, they found that aspirations vary considerably across regions and gender, with the level of income that women aspire to being one-fifth that of men, and “educational

aspirations” being significantly lower. Women nonetheless aspire to a social status equal to that of men.

Chapter 12 looks at the important linkages between agricultural growth, poverty, and the rural non-farm economy (RNFE). This is perhaps the most important chapter in the collection in terms of policy implications, and represents a major intervention in the debates on the future of agriculture in Pakistan. One of the main findings of the chapter is that economic growth in the country between the 1980s and early 2000s was associated with positive structural change, i.e., the movement of labour from low to high productivity sectors. This has not been the case in the past decade. The chapter argues that strong growth of the RNFE in the previous period and its weak development in the recent decade may be reasons for this outcome. The crux of the argument is that despite the decrease in the contribution of agriculture to GDP, agriculture continues to be the main instrument of poverty alleviation for areas that are far from urban centres. However, it is in the RNFE, and the agro-processing industry in particular, where the real impact of agriculture on rural and peri-urban growth and poverty alleviation can be seen. This is especially true of peri-urban areas, where poor households gain more from productivity growth in the RNFE than they do from agriculture on account of the various linkages with and spillover effects from the RNFE. The authors call for a closer study of the dynamic linkages between agriculture and the RNFE, and for the creation of policies that can enable the RNFE to play a central role in the growth trajectory of the country.

This volume is a comprehensive and illuminating study of Pakistan’s agricultural economy, coming at a time when most scholars have been emphasising only the inexorable trend towards urbanisation, and overly pessimistic views about the secular decline of agriculture are commonplace. The volume acts as an important corrective to such views and indicates how agriculture continues to play an important role in the economy of Pakistan, both directly and through linkages with other sectors. It could, of course, have benefited from a wider perspective on agriculture by including insights from political economy and rural sociology; nonetheless, it is an important work that deserves to be read widely.

REFERENCES

- Hirashima, S. (1978), *The Structure of Disparity in Developing Agriculture: A Case Study of the Pakistan Punjab*, Institute of Developing Economies, Tokyo.
- Jones, P. E. (2003), *The Pakistan People’s Party: Rise to Power*, Oxford University Press, Karachi.
- Merrey, D. (1992), “Irrigation and Honour: Cultural Impediments to the Improvement of Local Level Water Management in Punjab, Pakistan,” in M. Dove and C. Carpenter (eds.), *Sociology of Natural Resources in Pakistan and Adjoining Countries*, Vanguard Books, Lahore.
- Nulty, L. (1972), *The Green Revolution in West Pakistan: Implications of Technological Change*, Praeger Publishers, New York.