

REORGANIZATION OF AGRICULTURE

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The most striking feature of the economic life in Pakistan is the relatively greater importance enjoyed by agriculture. About 80 per cent of the total population of Pakistan is directly or indirectly dependent upon this industry while it provides food for our teeming millions, foreign exchange through the export of raw materials, business to the trading classes and revenues to the Government.

For the future although we are planning to industrialize our country rapidly we should never forget that an agricultural revolution must accompany even if it does not precede an industrial revolution. Moreover it is quite clear that for the coming ten or fifteen years (after which our industrial plans may be expected to materialize in a substantial change) agriculture in all probability would be the main support of Pakistan. On its development would depend the prosperity of the country. This can only be explained with reference to certain practical facts.

Firstly Pakistan is faced with the problem of increasing population. Even the present population which is estimated at 80 millions is not justified under a primitive economy as is ours. Though for the time being Pakistan is said to be enjoying a surplus regarding foodstuffs it is only for Pakistan as a whole, in a normal year, for the present population and at the existing level of consumption and prices. If we look at the two zones separately in the light of their requirements of foodstuffs, the surplus of wheat in West Pakistan cannot easily be taken to cancel the deficit of rice in East Pakistan. Then the margin of this surplus is so meagre that recurring floods, rain-failures, attacks of locusts etc., have made this normal surplus year as quite an abnormal one. Most important, however, in this respect is the alarmingly high rate of increase in population. This increase in population is soon expected, to wipe off the whole surplus in cereals, provided no positive steps are taken to increase agricultural production in the country. So it is only through an agricultural development that true self sufficiency with a considerable margin of surplus in foodstuffs can be obtained and retained.

Pakistan's present strength in her balance of payments position depends on her cash crops like jute and cotton. In future also the foreign exchange required for the import of capital goods — quite essential for any development — will have to be earned by them. So ultimately all development hinges on agriculture. Even in the long run when our industries are established on a sound footing, we would need the services of agriculture, to provide raw material to our industries. Moreover the ability of the Government to undertake developmental projects, and to launch upon programmes of social uplift, will be considerably circumscribed by agricultural development. This is because the Government is relying on agriculture for a large part of its revenues. The Central Govt. relies on customs duties for more than a half of its total revenue receipts, while the Provincial Governments obtain a large part of their income from land revenue receipts. In Punjab alone receipts under land revenue and irrigation heads amount to 8.7 per cent and 21.5 per cent, respectively. The Korean-War boom of 1950-51 has provided another illustration of how agricultural prosperity in our country can have an all-round improving influence in the economy.

Any step, therefore which aims at raising the standard of living of agriculturists in fact aims at the general prosperity and industrial, commercial and administrative efficiency of the country as a whole. To plan the reorganization of agriculture, however, on efficient lines, a digression on the present drawbacks and limitations of agriculture in Pakistan seems advisable.

Agriculturists in all countries are handicapped in certain respects. The seasonal and scattered character of their operations, the great role that nature plays in making it a success, the inelasticity of demand for agricultural products, raise many difficulties of organization and make adjustments between demand and supply relatively more difficult. In addition the Pakistan peasant is handicapped by his illiteracy, ignorance, conservatism, small unit of cultivation, lack of proper financial aid, defective means of transport and communication and a host of other individual and social disabilities.

The first characteristic feature of the Pakistan agriculture is the excessive pressure on land. Our country has about 80 workers per 100 acres of cultivated area who remain underemployed and have practically little or no work from four to six months in the year. This period of enforced idleness is, however, intermittent. It is mainly due to this pressure on land that farming depends mostly upon on manual labour and there is little application of capital. This over crowding of agriculture has also resulted in excessive sub-division and fragmentation of holdings. The unit both of cultivation and ownership is very small.

This small size of holdings is the major cause of the low yield per acre. With this small unit of cultivation is associated also the phenomenon of subsistence farming in a more or less causal relationship. Agriculture in most parts of Pakistan is based upon subsistence farming; in the case of food grains the cultivator mostly produces only what is sufficient for his personal use and payment of land revenue.

Even where the agriculturist markets any part of his produce, he is unable to fetch a fair price for his marketed surplus due to his weak staying power, lack of proper storage and credit facilities, absence of standardization of produce, his illiteracy and ignorance combined with the lack of combination and organization on his part, and the undeveloped nature of markets in the country.

Added to these troubles is the instability of the prices of agricultural commodities. Agriculturist is not certain about the price that his produce will fetch. This results in an unbalanced economy for him and has in the past accounted for large rural indebtedness. The extent of this instability can be gauged from the last year's experience of wheat prices. These prices had shown a very strong tendency to fall in the months of May and June and had touched the level of Rs. 5 per maund forcing the Government to fix the flour prices at Rs. 6-8-0 and to buy it at that rate. But by the end of the crop year the prices had shown equally strong reverse trend so much so that in February 1952, the price of wheat was Rs. 16 per maund when Government had to fix the ceilings.

What is, however, basically wrong with our agriculture is the relationship between the land and the tiller of the soil. The majority of the farmers do not enjoy any fixity of rent or tenure and are economically little more than serfs.

It is here that the need for revolutionary measures and a radical change is most apparent. No temporary relief measures and half hearted policy can succeed. The experience of the land reforms during the last half century has amply elucidated this fact. So long as the fundamental economic relationships on the land remains unaltered no amount of protective legislation can secure the rights of the tenant. Yet the resistance to any change is so strong and organized that the Government has in the past been unable (with the exception of East Pakistan) to get even the proposed relief measures passed by the legislature without being so modified and amended that the very spirit is taken out of them.

Role of the State

It is only in the light of this gravity of situation that the insignificance of measures so far adopted relatively to the magnitude of the task becomes apparent.

The history of the role played by state in the improvement and re-organization of agriculture which dates back from the establishment of Agricultural Department in 1871 on the recommendation of the Famine Commission of 1861 brings out one important fact: while the importance of state measures such as the supply of improved seeds, better manure, research work, agricultural education, efficient implements and adequate irrigation can not be gainsaid, they can only yield best results under conditions to bring about which fundamental changes are required in the relationships on land, method of cultivation and organization of agriculture.

Unfortunately the policy of the Government of Pakistan towards agriculture has not shown a marked change in this direction. The activities of the Provincial Agricultural Departments are being conducted on more or less the same lines as in pre-partition days. There is a great emphasis in research work conducted in the Punjab Agricultural College, while other institutions like the Institute of Joint Technology and Sugar cane Research Institute at Peshawar, are being established for this purpose besides the crop improvement task is being carried by the provincial agricultural departments.

On the Central level too the emphasis on this work is apparent from the establishment of Food and Agricultural Committee “to carry out development research in all agricultural commodities excepting cotton and jute”¹ for which separate committees viz., Pakistan Central Cotton Committee and Central Jute Committee have been established and further by proposals to establish Central Institute of Agricultural Engineering Research and Traction technology and a Central Institute of Agricultural Research. Other things undertaken at the Central level are the organization of a plant Protection Service to protect agricultural plants against pests and diseases, participation in Anti Locust Campaign carried on international level in co-operation with neighbouring nations, and the establishment of Animal Husbandry and Research Institute at Peshawar and Comilla.

Moreover some international assistance is being obtained for the solution of kindred agrarian problems like water logging, agricultural extension service, improved facilities for storage of food grains, agricultural machinery. The food and Agricultural Organization of United Nations is showing considerable interest in these problems. The experts from this organization have already undertaken rapid survey of our agrarian problems on an invitation from Pakistan and more experts would be available on loan under the United States expanded programme of Technical Assistance.

1. Dr. Akhtar, *Economics of Pakistan*, p. 204. Refer for this whole portion regarding “Post Partition Government Role in Agriculture”.

Finally a mention must be made of the Six Year National Development Plan of Pakistan in which agriculture has been given the highest priority. Rs. 82 crore out of a total planned expenditure of Rs. 260 crores is earmarked for agriculture. It is in this plan that the Government attitude towards agriculture and its various problems is revealed in quite unambiguous terms. The allocation of this sum under various heads is as follows:—

	Rs. Crores
Irrigation (including multipurpose projects like Warsak)	23.5
Land Settlement	16.0
Subsidisation of fertilizers and manures	9.2
Improved varieties of seeds	10.0
Mechanisation	8.0
Anti-water logging measures	12.4
Development of Animal Husbandry	2.0
Development of fisheries	1.0
Miscellaneous	0.3

The coordinated agricultural plan including various forms of irrigation, manuring, improving the quality of seeds and checking water logging etc., though quite justified in view of the part these draw backs play in keeping the productivity per acre and per head low, touches only the fringe of the basic problem. This can be amply elucidated by the fact that the greater part of the 33% increase in production brought about by these measures is due to an increase in acreage and not due to an increase in the yield. The latter accounts only for 9.4 per cent increase in total agricultural production of which 9.7 per cent will be under food crops and only 4.7 per cent in non-food cash crops like jute tobacco and cotton. How meagre is this increase in productivity per acre can be judged from a comparison of productivity standards in different countries with Pakistan.

The productivity per acre in Japan where conditions are quite similar to those prevailing in Pakistan with her small unit of cultivation and little use of modern farming technique is thrice than that in Pakistan for rice and twice in wheat. On the other hand the productivity per acre even in America which represents an extreme case of extensive farming is double that of Pakistan for rice and cotton.

It is quite evident from this analysis that the continuance of the work of Improving agriculture on traditional lines can help only so far as it goes and evidently it does not go very far. The problem agriculture presents is not

only that of improvement but of reorganization. So the only encouraging factor in the whole series of actions taken by Government for the improvement of agriculture is the establishment of the Agricultural Enquiry Committee under the Chairmanship of Lord Boyd Orr with quite wide terms of reference.

Reorganization

In the final analysis there are two objectives of any attempt towards the reorganization of agriculture.

- (a) Abolition of the poverty of the soil
- (b) Abolition of the poverty of the cultivator.

The two objectives though interdependent are not quite identical and any one of them can be achieved without the other. The poverty of the soil can be removed by the use of better seeds, manures, irrigation facilities and implements and by avoiding waste of all sort but it will not necessarily lead to the abolition of the poverty of workers so long as the excessive pressure on population remains as it is or as is more likely it goes on increasing. This is the case in Japan where high productivity per acre coexists with low productivity per worker. The factors lying behind these two, however, are so, intermingled that it is quite difficult to treat them separately under quite different heads:—

The achievement of the above two objectives hinges upon two major problems (i) enlargement of unit of cultivation (ii) elimination of all parasite classes existing today on the soil between the tiller of the soil and the state.

The latter being the more fundamental must precede the former; yet it is here that the greatest difficulty lies. The elimination of these classes is a desperate remedy. It has become essential as these classes which were given a free hand for centuries have failed to perform any great service to agriculture in this country, while the positive evils of their existence continue to hamper the development of agriculture in spite of quite a number of legislative measures that have been passed to circumscribe their encroachments on the rights of the tiller.

But the difficulties involved are so great as to baffle any practical man. They are partly social and political and partly financial. Dr. Akhtar in his work on Economics of Pakistan has calculated the total cost of any such attempts at the rate of 6 times the annual yield (annual yield being taken as Rs. 200 per acre) to be Rs. 1560 crores. East Bengal has given, however, a lead in this connection by passing the East Bengal State Acquisition and Tenancy Bill 1948 which aims at transferring all rights in land to the state, after which the tenant will hold as the tenant of the Government. The payment of compensation would be spread over 49 years. This compensation

is to be made in the form of non-negotiable bonds and only partly in cash. With the passing of this act the problem seems to be more or less solved in that province.

In West Pakistan so far only the M. L. Agrarian Reform Committee has suggested the abolition of zamindari with compensation at the rate beginning from six times the annual yield for properties upto 1500 acres upto 3 times the annual yield for properties above 4500 acres with a maximum of Rs. 15 lakhs rupees. This is however regarded as too much both in view of a comparison with other countries and in view of the paying capacity of the tiller and the state. The suggestion, therefore, has been made to reduce the compensation to an average of 4 times the annual yield to be paid over a period of 16 years on the same plan as in East Bengal. If some such steps are taken we would be free of the age long chains which have impeded the progress of our agriculture so far.

The task, however, docs not end here. It, rather, begins at this point. No technological improvements are possible without at least collective action by aggregation of units. This requires firstly a provision to consolidate the holdings, and stop further subdivision and fragmentation and secondly the collectivisation of the units in cooperative farms. These cooperative forms should not be enforced on the farmers; they should rather be persuaded to take up this method. This can be done by organizing model cooperative farms in various important villages, by introducing cooperative farming in newly opened up areas and by providing some concession to cooperative farms in the supply of finance, seeds etc. etc.

Once this reorganization is complete the research work of the agricultural departments and the various institutions established under them should be accelerated in order to run the agriculture on the most efficient lines.

In the end a word of caution for any agricultural planning is necessary. As Sir Nanavati has pleaded, economic planning in India, particularly agricultural planning should be based on a sociological basis covering the whole, man and every aspect of his life, neither economic alone, nor technical alone". Government is interested in planning primarily for production. Its outlook is primarily an administrative one to ensure employment for people, regular food supply in this country and enough exports to earn foreign exchange. But man is not merely a unit of production. He is at the same time consumer as well. Here any planning should be as much for distribution as for production. It should aim at self sufficiency in terms of national requirements and at the same time guarantee a reasonable standard of living to each.