

Population and the Economic Development of Pakistan

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For over a hundred and fifty years economists have been keenly interested in the population problem, but, says Marshall, “in a more or less vague form it has occupied the attention of thoughtful men in all ages of the world.” The form taken by the problem has varied with the particular conditions of place and time. At one period the aim might be to keep up the number of males, to make good the ravages of war, at another time, may be, there was a fear lest the growth of population should outrun food supplies. Linked up with the food production, the population problem was one of the earliest of man’s economic problems.

If we study the history of population trends in this subcontinent we will find that it is over populated, dates from long ago. Abbe Dubo is a remarkable observer of India in the years round 1800, wrote as follows:—

“Of these causes (of the misery of the lower classes) the chief one is the rapid increase of the population. Judging by my own personal knowledge of the poorer Christian populations in Mysore and in the districts of Baramahl and Coimbatore, I should say, that they have increased by twenty five percent in the last twenty five years. During this period, southern India has been free from the war and other decimating calamities which had been dealing havoc almost uninterruptedly for centuries before.

“... I have every reason to feel convinced that a considerable increase in the population should be looked upon as a calamity rather than as blessing.”

More recently, Vera Anstey, expounded the over population view with emphasis and authority. She placed population at the head of the list of obstacles to economic progress.

“Fist and foremost,” she said, “it must be definitely recognized that general prosperity in India can never be rapidly or substantially increased so long as any increase in the income of individuals is absorbed not by a rise in the standard of life, but by an increase in the population. The population problem lies at the root of the whole question of India’s economic future, and it is useless to try to bilk the fact.”

To prove that population, *per se* is having an economic effect is extra ordinarily difficult; but to prove that it is having no effect at all is equally hard. Numerous writers have, pointed out that if economic production can advance faster than population grow, over population need not occur. This is absolutely true. But the conclusion that we can concentrate on economic development and

ignore population does not follow in the least. Since the two variables in question affect each other. Economic production cannot permanently be advanced in the face of an over increasing population. There must come a point when further population increase in a finite world will bring curtailment of per capita production. Quite apart, than from the feasibility and possibility of economic reforms in a given country, there is the additional consideration that any kind of economic system has its optimum population, beyond which numbers can not rise with out penalty.

In Pakistan bulk of the people (about 83%) depend upon agriculture for their living and with the growth of population more and more people have sought to find a living in farming, with the result that number of acres per person has diminished. In undivided India the average number of acres per person was 2.23 in 1891-92 as against 1.90 in 1939-40. This represents a 15% decline. The increasing ratio of agricultural population to farm land could have been compensated for if productivity per acre had grown proportionately. But, unfortunately, due to small capital investment in farming, poverty, density on the land and the way the land is handled, it is far below than that of most other agricultural countries.

Present crop yield in Pakistan as compared with other countries, are as follows:—

Country	(in lbs. per acre)		
	Sugar Cane	Rice	Wheat
Pakistan	30,640	1269	855
Java	106,900	1467	N.A.
China	N.A.	2160	945
Korea	N.A.	2754	963
Japan	N.A.	3492	1548
Egypt	51,662	3485	1541

We have seen that agricultural population in Pakistan is growing faster than either the supply or productivity of agricultural land, with the result that unemployment and under employment has increased in the country. The elimination of this surplus agricultural labour would increase the per capita product and would not seriously reduce the total agricultural product.

In the countries that have made the greatest economic advance, a shift in the occupational structure has taken place. A greater and greater proportion of the population have found their living in manufacturing, transportation, merchandising and professional and service occupations. This has meant that despite the growth of population, there has been little increase in the ratio of farm population to the supply of land. In Pakistan on the other hand no such considerable shift in the occupational structure has taken place. Because after the partition of this subcontinent all important and basic industries went to the Indian Union and only an insignificant number of some modern industries came to Pakistan. Though after the independence, industry has developed upto a great extent, yet not so much as to absorb the whole of the agricultural under-employed labour. Because with a low per capita income (that about Rs. 250) and a severe shortage of capital, rapid natural growth of population (about 1½%) tends to add to the difficulty of saving and thus to capital formation. In Pakistan a population increase of 1½% a year requires an annual investment of according to Colin Clark, 12.5 percent of its national income merely to provide the increased population with a constant per capita endowment of capital assets.

Beside the fact that rate of industrial development is very slow in the country, in general the consequence is to focus economic effort on consumption goods rather than heavy industry, and thus to discount heavily future advantage against present advantage. The swollen masses are so deprived of the immediate necessities that every thing is expended on sheer maintenance of life. As bare necessities are met, the population multiplies so fast that the supplies of immediate necessities must be constantly expended. This makes it hard to accumulate the surplus and invest the energies necessary to develop large scale basic industries even though in the end these industries would yield a greater volume of consumption goods.

As we have seen, the chief instrument of production — land is scarce and per cultivator has steadily declined and has tended to increase poverty, to limit investment in the soil and thus to hold down productivity.

The above discussion is sufficient to make us realize that the crowding on the land has led to underemployment in the agriculture to productive indebtedness and to functionless sub-infeudation. Caught in this vicious circle, the over numerous farm population is in no condition to furnish the economic surplus with which an industrial system can be built.

A high ratio of farm population to agricultural resources means that most of the land is devoted to food crops for sustenance, rather than to export crops for an investment surplus. The economy cannot compete successfully in world markets with other agricultural countries where the amount of land, equipment and technology is greater per worker. The situation reaches its ultimate

futility when the food requirements of the swollen population become so great that total value of agricultural imports exceeds the total value of agricultural exports — as it happened repeatedly during the last few years — that there have been serious food shortages in the country, which have to be met with by imports. In the current year also there is a serious food shortage in the country. Government has arranged to import the food grains from abroad to meet the current food crisis in East Pakistan, amounted to 888,000 tons Foreign exchange worth about £ 17,000,000 was involved in the arrangement. Besides this 600,000 tons of food grains are purchased for consumption in West Pakistan. The foreign exchange worth about £ 700,000 has been spent in this connection. A given warning has been sounded by Mr. Shiploy. N. Mc Intosh (U.S. agricultural adviser to Pakistan) that if food production is not immediately increased, Pakistan may have to import food grains worth rupees 225 crores in 1960. Obviously this huge expenditure on imports of good grains is beyond Pakistan capacity to pay. If the government did not expedite arrangement to increase food production, industrial development will be retarded and it would be difficult to carry out the Five year development plan.

An examination of the demographic characteristics of rapidly growing population shows the obstacles facing the industrialization. An extremely high fertility and a high but some what lower death rate, produces an unusual burden of young age dependency. Pakistan has approximately 47 per cent of her population in the productive ages (20-60) where as the united states have 55 percent in these categories.

The high mortality, but not high enough to cancel the birth rate is associated with a high morbidity, disease, undernourishment, malnutrition and injury lead to lethargy, absanteism and inefficiency. As a consequence the productivity per worker is low, independently of capital equipment.

With a high density of population, the marginal productivity of labour on land is not likely to be much above zero, with the result that averages per capita production is likely to be very low, which in turn means a low average income and a relatively much lower demand for manufactured products as well as a much small margin of savings that might be used as industrial capital. Rapid population growth in a low income country like Pakistan militates against industrialization not only by reducing the volume of capital available for this purpose but also by virtue of the fact that unless income rises more rapidly the demand pattern in such a situation is likely to be heavily weighted towards food and to present little inducement to manufacturers of other products. Hence in the absence of a substantial increase in agricultural productivity or other economic progress which will raise per capita income — or continued external

aid — high, birth rates and rapid population increase are likely to remain a handicap to the industrialization process in heavily populated, low income, under-developed Pakistan.

The ideal policy to maximize the real income includes at least three measures — firstly the whole economic structure should be changed — particularly the land should be redistributed in such a way that productivity per labourer as well as the total produce is increased. We can achieve this end, only, when number of acres per cultivator is increased and when he is able to cultivate it economically, and it is practicable, only, by the fresh and upto date knowledge about the methods of cultivation — and he can be imparted this knowledge by the village AID programme. Secondly, Cottage as well as the large scale industry should be developed so that the employment is created for the underemployed agricultural labour. And lastly, a sustained and vigorous birth control campaign — it can be diffused by different sort of propaganda and by cheap and simple methods of birth control.

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