

Book Reviews

Mahmood Hasan Khan. *Underdevelopment and Agrarian Structure in Pakistan*. Boulder, Colorado: Westview Press. 1981. Pp. xviii + 307.

Students of the land ownership patterns in Pakistan have always been hampered by extreme lack of data, neither the 1960 census nor the 1972 census reveal anything about the actual ownership structure of land.

Khan's book goes some distance in providing numbers on land ownership (for 1971 and 1976), and also documents methods and failures of land reform efforts over the past century in Pakistan, disaggregated to show efforts in this regard in both the provinces of Sind and Punjab. The book actually provides an overwhelming amount of data — some 87 pages of charts and tables document a book of under 200 pages of text.

The author sets himself about two tasks, the first being to document the oscillating government efforts in land reform in Pakistan. The second task is to convince the reader that archaic land ownership patterns are responsible for the slow-down in agriculture during the 1970s. In this effort he is less successful as conflicting evidence emerges on growth versus land ownership concentration and little specific evidence on current tenancy contracts is provided by the author. Early on, he describes the "strikingly limited" access the average farmer has to "knowledge and education, to credit, to markets . . ." and the "almost limitless" demands of land-owners on tenants. Yet, in this work dominated by data, there is curiously little information on the nature of contracts as they now exist for tenancy.

The work is divided into three parts. First, there is a discussion of agricultural growth at the district level for the provinces of Punjab and Sind. The second part is a history of the structure of land holdings and land reform efforts (Chapters 4 and 5). Part three, the remainder of the book, includes hypothesis testing about the relative efficiency of employment structures (tenancy, wage labour), proposals for reformulating land reform policies and a final additional chapter on land taxation which does not seem to fit in anywhere else.

Chapter 2 shows agricultural growth rates at the district level for the two provinces and leads to no firm conclusions as to the source of differences in these rates. Undoubtedly growth has occurred, as Sind virtually doubled its output

between 1960 and 1977. The hypothesis is tested that high concentration of land ownership (and concomitant sharecropping) is positively related to growth performance in agriculture. In a regression of the growth rate of major crops on the ratio of large farms to total area, the coefficient is significant at 95 percent level. This relationship is demonstrated in the growth rates of these highly concentrated areas – 28 percent in Southern Sind (Nawabshah, Sanghar, Hyderabad) and 33 percent for Western Punjab (Mianwali, D. G. Khan, Muzaffargarh). On the other hand, districts of low concentration have the highest yield levels. This mixture of evidence calls into question the basic premise that smaller owner operated farms are the most efficient for the economy.

Chapter 3 contains Khan's new findings on land ownership structure changes between 1971 and 1976. The results show that ownership structure was generally more concentrated in Sind than in Punjab, though in both the provinces there has been a marginal reduction in concentration at the top level. Changes in ownership structure during the seventies have increased the number of marginal owners and their area, especially in Punjab. Land shares of all other classes of owners (except small owners in Sind) have declined. Access to land has been less restricted in Sind than in Punjab, because of extensive use of tenants by owners of large and very large farms in Sind. Land use in Punjab appears to be polarizing – with an expansion of marginal holders on the one hand, and an increased concentration of land use towards larger farm sizes on the other.

Chapters 4 and 5 step back from analysis to the description of the path of land reform efforts in Pakistan. The author takes pains to assemble information on the complex set of regulations set in motion in Sind and Punjab under the Sind Tenancy Act of 1950 and the Punjab Protection and Restoration of Tenancy Rights Act of 1950.

Basic elements of failure in these acts are uncovered—primarily the inability to confront the regional power bases of the country and the hold of landlords on political power. For instance, 80 to 90 percent of assembly seats in the 1953 and 1951 elections in the Punjab and Sind respectively were occupied by landlords, and the state functionaries designated to implement reforms at the tehsil and taluka levels could scarcely survive without their blessing.

The several cycles of political birth and decay are elaborated on revealing the extent of both physical upheaval and political oscillation in which the authority of central government and the civil servant never challenge landed interests.

Initial recommendations for land ownership changes were made by the Agrarian Committee of the Pakistan Muslim League in 1979, but these were never implemented. The First Plan reiterated the urgency of land rights changes, but under the Ayub Khan government, "the political system created no new pressures which the landed elite could not successfully resist" (p. 150).

The most serious attempt at some measure of land reform occurred after 1972 under Bhutto government. But with the surge of populist appeal of Mr. Bhutto, many landlords had joined the ruling Pakistan Peoples Party and were in a position, once again, to thwart new efforts. The machinery of redress in this case put the burden of blame on the tenant or labourer to go to the Land Court system, but the State provided him with no means to bear the financial burden of doing so: for the peasant to prove the official wrong in a revenue court involved not only a substantial financial burden but more trouble with the landlord as well (p. 181).

The actual amount of surrendered land resulting from the 1959 land reform was 1.9 million acres which was 25 percent of the total land held by owners holding over 500 acres. 43 percent of the land was classified as actually cultivated, the rest was culturable waste. Of this total almost 1 million acres of resumed land was still in government hands at the end of 1967.

The 1972 land reforms managed to transfer 12½ percent of the reported area owned by holders of 150 acres or more; some 50,500 people actually benefitted in Punjab and Sind obtaining about 6 acres each.

Each of the attempts contains the same elements: (1) to set a ceiling on family land; (2) to resume excess land and redistribute it to tenants and landless labourers; (3) to establish the security rights of tenants; and (4) to restrict the division of a holding below some "economic" level. Each administration follows similar mistakes in leading to an eventual failure. For instance, in 1959, the Land Commission which was to oversee the enactment of the reforms measure was appointed from personnel from the existing revenue services. There was no provision for any other representation on the commission, and reliance was placed on traditional civil service members who again had more to lose by aiding tenants' claims than by maintaining links with landlords.

Chapter 6 moves back to an analysis of farm production and uses regression analysis to make the case that small, owner-operated farms are more efficient in resource usage than large farmers and, secondly, that tenants have a lower value added per acre than owner-operators. However, only two of the six hypotheses concerning tenants are validated by the regressions: use of human labour per acre is higher on owner than on tenant farms, and cropping intensity appears to be higher on owner farms than on tenant farms. On the other hand, value added per man-day, use of farm power and use of fertilizer are not significantly lower on tenant farms than on owner farms when all statistical tests are evaluated at 95 percent significance levels.

Chapter 7 contains suggestions for a package of an effecting land reform with the most glaring deficiencies of the previous attempts corrected: drawing the land reform officials from outside the land revenue system and establishing watchdog committees at the village level with proportionate representation of different interest groups. Making the traditional support system redundant is crucial to removing the

John Cody, Helen Hughes and David Wall (eds.). *Policies for Industrial Progress in Developing Countries* — A Study jointly Sponsored by UNIDO and the World Bank. New York: Oxford University Press (for the World Bank). 1980. Paper Back Edition. ix + 316 pp.

The book under review is a compendium of articles by eminent economists including W. M. Corden, Amartya Sen, Ronald McKinnon, Deepak Lal and others. These economists who have had much experience with policy-making in developing countries evaluate the different policies undertaken by governments to facilitate industrial progress in the less developed countries. Of particular importance among these policies are those that deal with the balance of payments, exchange control, licensing, tariffs, quotas, etc. As noted by the editors the manufacturing sector has been largely responsible for industrial development; as such the subject matter of all the articles is related to this sector only.

The first article by Helen Hughes is a brief historical survey of industrialization with the initial emphasis on growth "at all costs". However, this policy objective soon came to be criticized and the emphasis shifted to growth with equity, both objectives being given their due share of importance. The latter half of the article discusses the different levels of industrialization attained by the developing countries and cites possible reasons for the unevenness in their development.

The second article on Trade Policies by W. M. Corden lists various measures, for example, devaluation, tariffs and quotas, to maintain the balance-of-payments equilibrium. The relative merits of these policy instruments are also discussed. The emphasis is on measures that make for a more efficient functioning of the industrial economy, namely, that the government follow consistent policies which consequently affect the manufacturing sector which, in turn, encourages further industrialization.

In the third chapter on Financial Policies, Ronald McKinnon discusses the role of financial intermediaries in promoting economic development. In particular, the role of the banking system is discussed in providing the necessary financial capital for development. Singapore and South Korea are successful examples of countries that have implemented financial policies which have encouraged and accelerated economic growth. Consequently incomes have been raised which in turn have generated further savings and the cycle is repeated. However, the situation differs in some Asian and Latin American countries which have pursued policies encouraging financial repression, that is, by limiting interest rates payable to depositors to pre-determined levels, by limiting reserve requirements and by allowing preferential interest rates. Such policies have resulted in a misallocation of resources which have affected savings rates which in turn have affected growth rates and the process of industrialization.