

The agricultural relief package announced by President Musharraf mostly benefits the upper crust, of the agriculturist community. There is little in it, for the small landholders and virtually nothing for the landless section of the rural population. The package has thus little potential to bring down the level of poverty in rural areas while it is bound to further widen the yawning gap between the rich and the poor.

The reduction in the rate of agricultural credit is an outstanding example. Big landlords who are politically influential happen to be the principal recipients of the credit extended by the Zarai Taraqati Bank, which they acquire directly in their own name as well as of small farmers under their influence. After that, come the middle class landlords, quite a few of them ex-servicemen and bureaucrats, whom no banker dares to refuse.

The credit acquired by the high and mighty is only partly spent on increasing production while most of it is wasted on unproductive activities like holding lavish marriage parties or purchase of latest models of limousines. These recipients of cheap credit often default on payments. It is on the pressure of this powerful lobby that the powers of the ZTBL to get defaulters



Agricultural package

Agriculture 17/6/04

BY AZIZ-UD-DIN AHMAD

The Nation

arrested have been withdrawn on the excuse that this amounts to subjecting a highly respectable section of society to humiliation. Interestingly this never occurred to Gen. Musharraf when politicians belonging to the opposition were arrested, humiliated and kept in police lockups for months for being defaulters.

The small peasant who is denied credit by the ZTBL has to seek it from the moneylenders, the *arhtis* or the middlemen in the town market who exact usurious charges. Deprived of any support from the banking system, the small peasant continues to decline economically till he joins the ranks of those living below the poverty line. The lot of the landless population is even worse. As it possesses no collateral, it is not in a position to approach to the ZTBL for credit.

The agricultural sector reforms totally ignore these two sections of the rural population, which comprise the largest number of the unemployed and underemployed, and are major contributors to the residue of those living below the poverty line. While effects of good harvests take time to trickle down to them, the ill effects of

The agricultural relief packages however altogether bypass the small peasant and the landless.

natural calamities affecting agricultural production overtake them more quickly.

Easy access to micro credit from the ZTBL could help the small peasants and the landless to be engaged in self-employment. They could, for instance, acquire donkey carts to carry goods to the markets, establish puncture-cum-repair shops or do petty trading. Lacking patronage or political clout, they are the least likely to default on small loans extended to them. The agricultural relief packages however altogether bypass the small peasant and the landless. Obviously the thinking behind the package is to strengthen the rich and hope that by making them richer the whole community would one day be better off.

The import of tractors and agricultural implements without duty

meant to benefit the rich farmers and, in the case of tractors above 100 horsepower, the super rich. The middle level agriculturists using tractors between 50 to 85 horsepower will have to buy the machinery at the old rate. By providing an edge to the rich farmers at the state's expense, through cheap loans and import of tractors and machinery without duties, it would be increasingly difficult for the small farmers to remain competitive. In the long run they would have no option but to sell their holdings and join the ranks of the unemployed.

The reduction in the price of DAP would be hailed by many but, by leaving the price of Urea untouched, (used for improvement of land by the cotton farmers 50% of whom happen to be small growers), the relief package leaves out a large section of the rural lower middle class.

No agricultural reform package can help eliminate rural poverty unless it deals with the phenomenon of landlessness, which is at the core of rural poverty. Millions of landless peasants and small farmers with less than economic holdings suffer from abysmal poverty because they have

little or no opportunity for full time work. The big landlords on the other hand do not care to put their entire land under the plough while absentee landlords fail to realize the full potential of land productivity by failing to personally supervise their farms. The same is the case with most of the ex-servicemen or bureaucrats who to start with have no moral right to be allotted squares of land when thousands of hard working landless peasants well trained in the job are yearning to have a few acres.

Land reforms alone can improve the livelihood of the large section of rural population, currently groaning under poverty. Once these people have been given proprietary rights, they would work overtime to improve their lot, thus giving a big boost to agricultural production. Prosperity in the rural areas translated into purchasing power would in turn expand domestic market.

Unlike the big landlords and land grantees who expend the incomes derived from agricultural lands abroad, by purchasing property, importing luxury items and getting their dependants educated and provided medical treatment outside the country, those given land would spend whatever they have on local purchases thus helping in the development of the country's industry and the uplift of the rural areas.

E-mail queries and comments to:
azizuddin@nation.com.pk