

Farmland sale: a risky

By M. Altaf Hussain

THE head and tail of agriculture is land. I am agriculturist by progeny, education, profession and practice. Therefore, I love land.

My argument against sale of land to foreign nationals could be a personal bias devoid of economic wisdom. However, this bias is supported by historic happenings.

We argue that we should not sell land to foreigners (try not even to lease) because we are a land deficit country. First, our land resources in relation to population are limited and have declined over recent decades. In 1947, we had above one acre per head of cultivated land.

It is now less than one fifth of an acre. While world population has about quadrupled over the last century Pakistan's has grown twice that rate. Second, history does not favour such intrusions.

Something seems to be cooking for farmland sales to non-nationals. The stated reason for this project is: foreign capital and management will increase productivity, ensure food security and reduce poverty. The rationale carries conviction but, it overlooks the realities and history. There is something to learn from the following events.

East India Company came to Indian subcontinent to provide market, an equally sound rationale. Australians and Americans also undertook long journey to develop local resources.

They did. How much aborigines and Red Indians benefit from it? Nearly two centuries ago Ireland experienced a disastrous famine. In a gathering of commemoration, the city mayor of Cork remarked "how barbarian was the society then that 175 years ago, after the great Irish Potato famine, at a time of hunger and starvation, corn was being loaded in ships for export to neighboring Britain."

In the African continent, there are many countries lost to foreign land grabbers. The sour issue there is land.

Nations capable of looking ahead have always been engaged in grabbing land. The objective of many historic wars was the occupation of land (territory). With im-

proved civility and with passing of time the means of acquiring, possessing and using land have changed. But, there is no change in urge and sinister objectives.

The current trend of accessing land has a fashionable name of outsourcing. Several countries are hectorically engaged in outsourcing of food production, producing food in other countries.

While Japan and India do not permit outsiders to buy land in their countries and Egypt is fighting to legally get 40 acres back which a Japanese agri-business has acquired.

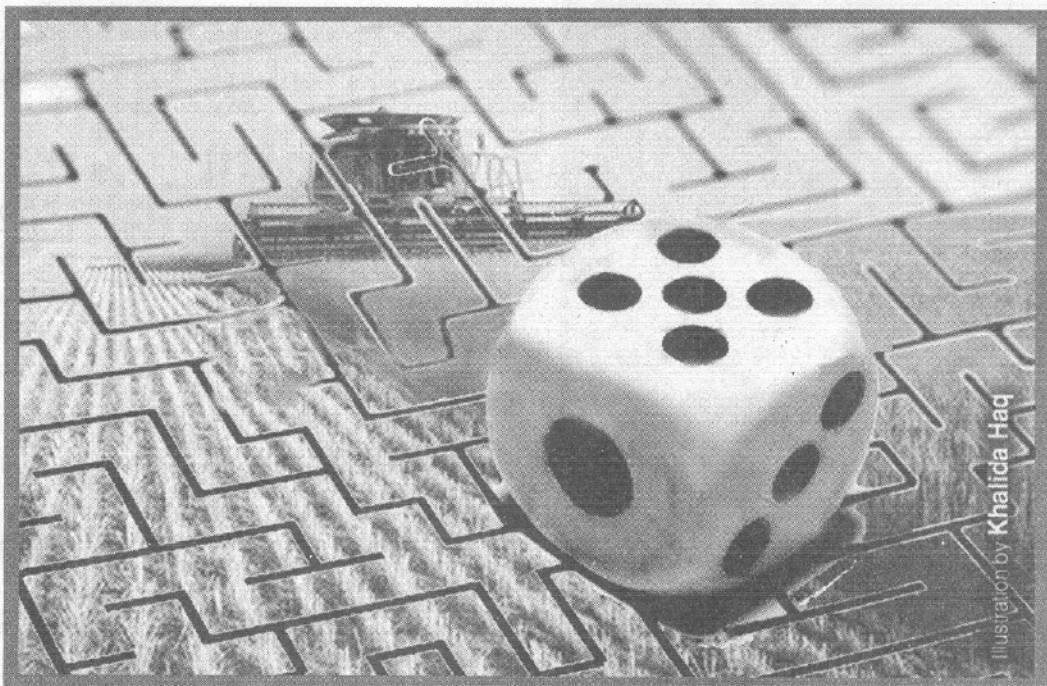
vestment will bring mechanisation. That will cause unemployment of the poor unskilled and untrained labour force. Social unrest, already abundant, will intensify.

But the question is how we overcome the problem of low productivity in the agriculture sector. We will come to it after a little distraction.

Agriculture is the pivotal sector for sustained growth. It accounts for about one fifth of the GDP, employs nearly 44 per cent of the population, fetches bulk of the foreign exchange, and feeds local industries. It nurtures other sectors by selling its produce at wholesale pri-

produce surplus of both sugar and wheat.

During Gen Musharraf era agriculture was casually treated. Soon after the take over, the general appointed an Economic Committee which formed sectoral groups. I served as a member of the group on agriculture sector. To gain productivity, we essentially repeated what has been recommended by half a dozen committees and commissions during the past quarter of a century. Nothing was new except what an agricultural nonentity-the chairman of our group advocated. He talked a lot of corporate farm-



Noteworthy aspect of land deals is that with minor exception, the land leases/sellers are land surplus countries. That is having high man-land ratio. And the investors are capital surplus countries: Oil surplus states, China, US, etc. and many of them food deficient even in normal harvest years.

Pakistan is a category of its own. Its man-land ratio is low and falling. It is true that the population depending on farming as relative to other sectors, decreased, but numerically it has increased. Therefore, leasing/ selling of land could be a misguided approach to inviting foreign capital. Foreign in-

vestment per maund of 40kg and buys from them at retail prices per maund 37.3 (or less) kgs. Imagine the quiet sucking in resource transfer! It is agriculture which respectably engages a large part of the burdensome liability of illiterate, work shy, untrained, ailing, and under nourished labour force in producing food, feed, fuel, fibre and forex.

The low productivity of the sector is essentially to be blamed on the government. The sector has historically responded to even minor gestures. During 1990's, the growth rate averaged around five per cent. It then demonstrated that it can

ing which other members heard. They did not listen. One of the forcefully made recommendations was agrarian reforms with accent on land reforms. We recommended implementation of existing laws which thus far have been thwarted by feudals; numbering less than seven per cent of landowners and holding more than half of the land.

The general ignored this recommendation in his famous address on economic revolution, a reneged promise. Not only that, he discovered Prime Minister Jamali, who in his maiden official utterance, stated that land reforms were not on his agenda. The general appointed

Illustration by Khalida Haq

risky idea

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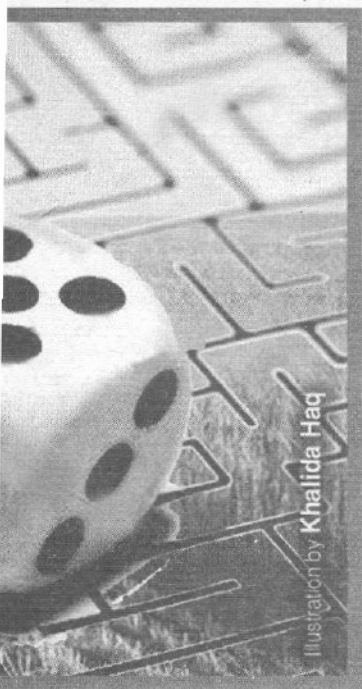
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another prime minister, got him elected from two constituencies; one in Sindh and the other in Punjab. He did little for agriculture. He could cause dollar rain; without sweating to produce commodities for export. It was bad luck that his rain evaporated with his disappearance.

Agriculture has suffered many jugglers. Consequently, its growth rate has been low and in recent years hardly equaled population growth. In the 1990s the growth rate was close to five per cent. During 1995-96, it exceeded 11 per cent. This was achieved with no foreign direct investment. Only improved input availability, credit, water distribution among provinces produced these results. Surplus sugar in mid-90's and a timely announcement of procurement price of wheat this year has produced a good wheat crop, despite high price and lower availability of inputs, water and credit. The weather, initially helpful to wheat became harsh in final days, washing part of benefits of sunshine and temperatures with winds storms and rains at harvest. Weather alone does not account for increased production of the current wheat crop.

The point being made is that improved productivity in agriculture can be achieved without selling land. It can be enhanced, as noted above, by ensuring production needs. Agrarian reforms will accelerate the process. Assistance in marketing (regulation and support price) yields immediate results. Hurdle to improve production is poor management. Many doable for reaching higher productivity are listed in the report of the National Commission on Agriculture; 1986.

Luckily some of its authors like chairman, Sartaj Aziz, secretary Javed Burki and Dr Abdus Sattar, and members Dr Zafar Altaf, Dr Amir Muhammed and M. Shafi Niaz, are currently actively struggling through media for economic development. People with name or stake in agriculture such as Roedad Khan, Syed Fakhar Imam, Javed Hashmi, Arshad Zaman, Shafi Niaz among many others are also around. They can provide advisory forum on improved management of the sector.



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