

# From plenty to paucity

Shireen M Mazari

The more one becomes directly involved in the agriculture sector and farming in Pakistan, the more one realises how the natural potential of this sector has been destroyed by decades of bad policies. Anti-feudal drives - misdirected - did little damage to the feudal ethos but managed to successfully destroy agricultural production. Nor has this been simply the result of misguided policies - although ignorance of policy makers may have been a minor factor. The more one looks into the whole issue, one sees a pattern emerging. And that pattern tells a sorry tale of Pakistan's economic managers going along with the agendas of the international institutions and major powers - an agenda that has sought to undermine local agriculture so that the agricultural products of the developed world can find markets.

So from the start, in the fifties with the Harvard Advisory Group running economic policy and their *trickle-down theory*, which led them to advise the government into giving industry major concessions, agriculture was at best ignored. No incentives to this sector were forthcoming and instead the Pakistani farmer was forced to adopt cultivation of a foreign wheat strand as an experiment - Mexipak. This was the beginning of the process of destroying local wheat production. Over the decades, farmers have found little incentive to cultivate wheat so that instead of becoming the granary for this region as well as West Asia, Pakistan has become an importer of wheat - providing a market for the overproduction of wheat from developing states, especially the US. So powerful is the agricultural lobby in the US that it recently compelled the US government to give a waiver to the sanctions regime with regard to wheat sales!

When last year, the farmers got a good wheat crop the government was unprepared for it and procurement was slow and disorganised. Nevertheless, farmers were encouraged by the fair support price and so this year they aimed for a good wheat crop again. Unfortunately, undoubtedly because of external interventions, the government now has a strange policy whereby it has decided to procure only a limited amount of wheat even as it plans to import wheat from abroad. After all, how else will the farmers of the US be able to sell their wheat! So the wheat lies harvested and going to waste not only because of this absurd policy but also because one requires much pull and push to get the wheat bags from the government procurement offices. The poor farmer who has no leverage is presently witnessing his harvest being destroyed because of no access to storage and marketing facilities.

Ironically, while the international financial institutions press Pakistan to stop agri-

The News 24/5/01 . Agriculture  
cultural subsidies, European states and the US continue to subsidise and protect their agricultural sector. Yet our economic managers are only too eager to please the international institutions at the cost of the local farmer because this is the only sector where they feel they can forcefully enforce such measures. Also, the fact that our economic managers have no familiarity with the rural areas, and most are foreign reared and foreign-trained, makes it difficult for them to be sensitive to the needs of the agricultural sector.

There is no rationalisation of taxes either. For instance, once the *abiana* has been decided - on a purely arbitrary fashion - no one in the bureaucracy will budge to accept the realities on the ground. In other words, you may or may not get the water you are supposed to, the tax will not be affected - no

**The present government has finally begun to seek foreign investment in the agricultural sector but that is not enough. What is needed is to rationalise the sector - including the tax structure - and prioritise it in the economic agenda**

matter how much pilferage of water there is along the way or how ill-constructed the water head is. The same is the case with the tax on orchards - it is a flat rate, which has no relevance to actual production just as agricultural tax has no relevance to actual production. No wonder the quality and quantity of traditional fruits like mangoes and *kinnoos* has deteriorated and reduced in amount.

And no one is prepared to declare agriculture an industry so that the farmers can derive the benefits of loans, insurance and wage labour. The whole agricultural structure is presently totally irrational but no one seems interested in saving it.

Take the case of sugarcane. The sugar barons hold a monopoly and till the military takeover they were so closely allied with the PML that no farmer could get his payment from them. While the more influential farmers used to get some percentage of their money, the poorer farmers eventually landed up getting nothing more than some bags of sugar. Nor can the farmer do much since the ripened sugarcane has to be cut and sold within a certain time frame or the crop will

spoil. Also, the sugar barons hoarded the sugar and compelled the government to purchase sugar from India - again to the delight of external forces. After all, such a state of affairs would ensure despondency in the farmer who may choose to reduce his cultivation of sugar cane or perhaps even stop cultivating this crop altogether. One more blow to Pakistani agriculture.

Presently, while the provinces fight over water, Southern Punjab has been made to suffer with no water being available in time for cultivation. So right now a double blow has been dealt to this region - the heart of vital agricultural produce like wheat, cotton and sugarcane, and fruit. First, the wheat policy of the government along with shortage of bags, and, two, the lack of water. With no water and no money from wheat, no cotton can be sown - especially since the wheat money purchases the seeds, the fertilizers and all other inputs required for cotton production.

The tragedy is that a focus on agriculture would allow Pakistan to develop economically, especially since food security is a vital issue for the Arab world and Pakistan could be central to a coordinated food security programme for these countries. In other words, while the industrial sector keeps alive outdated, inefficient production as well as bringing in foreign investors who have different stakes, the potential of the agriculture sector is being deliberately undermined. In fact, this unholy alliance, over the decades, between the country's economic managers and external forces has led Pakistan from being a state with agricultural surplus to one where there is productive paucity. This is ideal for the market demands of the developed world, especially the EU and the US but for Pakistan this is a disaster, which is costing us tremendously - both in economic and socio-political strategic terms.

The present government has finally begun to seek foreign investment in the agricultural sector but that is not enough. What is needed is to rationalise the sector - including the tax structure - and prioritise it in the economic agenda. Also, it is time to treat agriculture as an industry and legislate accordingly. Nor should political considerations destroy production in one area to appease people in another region - especially regarding water. But, most important, if agriculture in the developed world remains subject to subsidies and protection then there is every reason for us to do the same. After all, agriculture is a strategic issue area and needs to be kept viable. Globalisation should not be accepted as simply an opening up of the markets of the developing world for the produce of the developed world.

The author is Director General of the Institute of Strategic Studies, Islamabad