

Rectifying the agricultural *faux pas*

Agriculture
15/07/01
Nation

DR. SARDAR RIAZ AHMAD KHAN contends the present government has its hands full trying to revive an agricultural sector long riddled with corruption, mismanagement and ineffective policies on all levels

Agriculture, the backbone of Pakistan since its inception, may suffer immensely due to the inept policies of successive governments. In 1947, it contributed 53 per cent of the Gross Domestic Product (GDP) and engaged 66 per cent of the total labour force. Its share in the GDP has gradually decreased to 26 per cent now, as other economic sectors such as manufacturing, construction and services, which were rudimentary at the time of the Independence, have since been developed on a priority basis.

Nevertheless, agriculture remains the single largest sector of the economy as it still provides employment to 44 per cent of the labour force as compared with 25 per cent provided by trade, manufacturing, mining etc. It also provides raw material to the major industries and agro-based products account for about 80 per cent of the country's total export earnings. Although the importance of agriculture has long been recognised, it has never been regarded as a leading sector despite the National

putting further pressure on our already weak economy. The situation is further compounded due to loss of nearly \$3.5 billion on account of the severe drought during the last three years.

A portion of foreign loans was spent on the construction of Mangla, Tarbela and Chashma reservoirs resulting in the increase of farm-gate availability of surface water from 52.5 MAF in 1960-61 to 105 MAF now. Similarly the pump-age of groundwater increased from 3.72 MAF in 1960 to 44 MAF in 2000. As a result the irrigated area increased from 10.4 Mha in 1960 to 17.9 Mha in 1999.

Consequently the production of crops also increased. However, the agricultural growth rate was inconsistent and moved into negative in 2000-2001. Again, though the yields per hectare of major crops increased during this period, they are still 50 to 70 per cent below their demonstrated achievable potential. As a result the country resorted to

MAF is available for crop production and over 84 MAF is lost due to conveyance losses between the canal heads and sanctioned outlets, poorly maintained water courses, inefficient field application practices, lack of precision land levelling etc. Persistent drought for the last three years has further reduced the flow of water in rivers and major dams causing a serious shortage of irrigation water in the provinces.

Between 32 to 40 MAF of water in the Indus river system is being wasted annually since the completion of Tarbela Dam in 1976. No new dam has been constructed during the last 25 years. Over \$100 million foreign loan spent on site investigations and soil tests of Kalabagh Dam seems to have been lost as this dam has not been constructed so far due to politicisation of the issue and the lack of an emerging consensus all at the nation's expense. The cost of Kalabagh Dam has already

dams may store less than one MAF of water as compared to the nearly six MAF capacity of Kalabagh Dam. Moreover these mini dams, mostly outside the Indus Basin, will have a much shorter life span due to early silting.

As in other systems, agricultural education, research and expansion is also suffering from mismanagement, inefficiency, nepotism and corruption at various levels resulting in its substandard performance.

Unlike India, we had disintegrated in 1961 our time tested unified agricultural education, research and extension system resulting in poor links and interactions between researchers and farmers. Thus, inspite of irrigating 80 per cent of our cultivated area, we are chronic importers of edible oil in particular, and wheat, pulses, sugar, spices, etc., in general. India, on the other hand, with 70 per cent of its cultivated area rain-fed, has switched from

resulted in sub-standard performance of these institutes. The correct approach would have been to plan within our own resource base instead of relying on the availability of foreign aid, the withdrawal of which has resulted in sudden financial pressure on the running of these institutes.

There is no dearth of talented scientific manpower in Pakistan, but a congenial research environment has to be furnished if its potential is to be realized.

Too much bureaucratic and political interference, corruption and mismanagement have adversely affected the discipline and morale of genuine agricultural scientists, perpetuating a sense of insecurity amongst them. Consequently, instead of concentrating on research in real sense they tend to adopt attitudes subservient to the bureaucracy, politicians and higher ups, because awards, rewards, promotions and recognition of work are not based on merit, but on personal likes and dislikes. Keeping this background in view the international consultants of

Agriculture Research Project-II put forth many recommenda-

those involved in the mismanagement of this project.

The tragedy, and absurdity, is that the expansion of agro-based industries was based on political parameters rather on sound economic policies. For instance, the indiscriminate installation of over 74 sugar mills in wheat, rice and cotton belts in the country adversely affected these crops due to their competition with the sugarcane crop which thrives on greater quantities of water. The area under sugarcane increased from 0.69 million acres in 1947 to over 2.85 million acres in 1998-99 and the production of cane increased from 8.98 to 55.19 million tonnes during the same period. Consequently, its water requirement at the root zone increased from 4 MAF in 1947 to 16.85 MAF in 1998-99. The gross water requirement was higher still, resulting in serious competition with other major crops. In spite of all this, we are still virtually importing sugar every year.

Policy makers fix support prices of major crops and make tall claims about achieving their fixed targets. Farmers generally receive lower prices than announced support prices for one reason or the other and targets for major crops are not generally achieved. Smuggling of agricultural commodities across our porous borders cause losses of billions of dollars besides creating acute internal shortages, while on the import of the same, billions of dollars are soaked up as commissions by corrupt bureaucrats and politicians, overburdening the economy to its breaking point. Our export potential is again not fully

...despite the National Commission's recommendation on Agriculture in 1988 that agriculture be granted a central role in the country's development strategy.

With the exception of the second Five Year Plan, none of the eight Five-Year Plans produced thus far could achieve their projected targets, with the 9th Five-Year Plan not implemented due to the dismissal of the Sharif government in October 1999. One of the major reasons for their failure was that they were mostly reliant on foreign loans. Tragically, most of the loans obtained for various agricultural development projects were subsequently

misappropriated due to corruption and mismanagement at various levels. As a result, the country is burdened with \$40 billion of external debt and over \$29 billion of internal loans which have contributed to the decline of the national economy. International funding agencies, like the IMF, are dictating terms and policy options like the former British East India Company resulting in continuous hikes of the inflation rate and suffering of the common man. Again, the bulk of reserved foreign aid has been sked due to the nuclear ed sions of May 1998, thus



importing wheat between two to four million tones annually with the exception of the 1999-2000 wheat year and the import bill of edible oil increased from Rs. 8 billion in 1991-92 to Rs. 40 billion now. In addition the country had to import other agricultural commodities worth Rs. 463,850 million in 1998-99 alone thus causing heavily draining our national exchequer.

* Again, the storage capacity of Mangla, Tarbela and Chashma reservoirs has already declined by 4.38 MAF due to sedimentation and will decline by 5.49 MAF by 2010. On the other hand, out of 149 MAF inflow including groundwater, only 65

increased six fold and may increase further as the present policy makers have dropped this project from the next ten years' development plans.

Feasibility studies of a new dam site like Bhasha may cost an additional loan of over \$1 billion and it may take five years for the completion of all investigations. In the meantime, irrigated agriculture will continue to suffer, placing a heavy burden on the national economy. The recently approved mini dam projects to be completed in next three to four years at the cost of about Rs. 75 million are no substitute for Kalabagh Dam as these mini

being a chronic importer of wheat and edible oil to a surplus exporter of these commodities. Its yield of crops is also significantly higher than ours.

* The process of rapid proliferation of agricultural education and research institutes, initially from 12 to nearly 200 now, was not based on sound economic policies and resulted in the thinning out of limited finances. Consequently, 80 to 90 per cent of the budget is now spent on salaries and maintenance and barely 10 to 20 per cent is left as operational budget against a 40 per cent minimum required for efficient operation according to international standards. This has

put forth many recommendations including giving greater autonomy to agricultural scientists. But no action has been taken so far as the powerful bureaucracy does not want to share its powers. ARP-II is one of the many projects for which foreign loans were obtained, but no steps were ever taken for the purposes which justified the loans, thereby overburdening the national economy with yet another derailed project.

* Similarly, loans worth millions of dollars were acquired for the control of water-logging and salinity in the country, but due to corruption, mismanagement and poor maintenance of drainage systems, the twin menace could not be effectively controlled. Consequently, there are still 5.25 million hectares of land with a water-table depth of 0-5 feet and 6.4 million hectares of salt-affected soil. The government has recently again taken a loan of \$785 million for the National Drainage Project to control *water-logging and salinity. The nation cannot afford the luxury of taking loan after loan for the control of this problem alone. The government should seriously monitor this on-going project and ensure that it is implemented in its real sense once and for all and take exemplary action against

* potential is again not fully exploited due to corruption and sub-standard performance. It needs serious overhauling, monitoring and evaluation to remove various constraints. The potential for exporting poultry products to the Middle-East should also be studied. If successful, it could gradually be extended to other potential export regions.

* Under the pressure of the IMF, the present regime is planning to introduce corporate farming by foreign investors to achieve a so-called 'green revolution'. This farming system has many pros and cons. For example, the foreign corporate farmers will sell their produce locally and remit the proceeds in dollars overseas, creating a pressure on our foreign reserves. Again, a large portion of government land is near our borders. It is not desirable from a security viewpoint to allow corporate farming on such land. However, since beggars are not choosers, we have no other option.

Keeping in mind the pervasive corruption in all walks of life and added international pressure, there are serious doubts whether the present regime will be able to revive the badly shattered economy and steer the nation towards self sufficiency. ■