

A Charter for Change

The Inevitable Land Reforms (Mahbub ul Haq)

Comprehensive land reforms are indispensable for any basic change in Pakistan's political and economic system. Without such reforms, the nation may remain locked in a virtual political and economic paralysis. Periodic elections will bring little change, as many of the same people will be recycled through the legislatures, whatever their party labels or affiliations. Major economic reforms will keep waiting, as the feudal system generally believes in economic patronage rather than in good governance. Any enlightened social changes will be held hostage to the inherent conservatism of a feudal society.

This does not mean that no change is possible without land reforms. Historic evolutions do not wait for particular events. But there is no question that land reforms can greatly advance the prospects for a constructive change in society - and at a much faster pace.

The recent experience of many other countries is fairly illuminating. Let's just focus on Asia. South Korea's spectacular economic advance in the last three decades was based on land reforms and mass education. Indian Punjab has beaten Pakistan's Punjab by a wide margin in raising agricultural yields in the last five decades, principally because of meaningful land reforms, widespread education and agricultural research at Ludhiana University. China dismantled its agricultural commune system in 1979 -- even though the communes did not exploit the cultivators the way our landlord system does -- and the emergence of owner-cultivation and private incentives has increased economic growth in China in the last 16 years at a pace which is the envy of the world. In most other countries

as well, land reforms have been vital for economic and political change. In Pakistan, land reforms are needed not only to increase incentives for higher production by owner cultivators but also to change the political system.

Pakistan has already made two failed attempts at land reforms. In 1959, President Ayub fixed a land ownership ceiling of 500 acres of irrigated land and 1000 acres of unirrigated land. But a large number of exemptions were provided for orchards as well as for transfer of land to heirs. In actual practice, less than 2.5 million acres were acquired for distribution which benefited roughly 8% of subsistence farmers. These land reforms failed to loosen the stranglehold of the landlords on the political and economic system of Pakistan.

Another attempt was made by Zulfikar Ali Bhutto in 1972, when the land ownership ceiling was reduced to 150 acres irrigated and 300 acres unirrigated. There were few exemptions allowed and the reforms looked very strong on paper. But their impact was totally diluted in actual implementation. Much of their land was retained by the landlords in the name of many family members and sometimes in fictitious names. Less than 0.9 million acres of land was acquired for distribution -- about one-third of the land acquired in the Ayub reforms. Despite high expectations, the actual results were meagre.

What went wrong in each case was not the original intention but the subsequent implementation. The fatal flaw in both cases was the same : the ruling class that was supposed to implement land reforms was also the class that was going to be adversely affected by them. It was triumph of optimism over experience to think that the ruling landlord class will commit a collective suicide. This dilemma still haunts us. It is easier to

articulate what needs to be done. It is almost impossible to identify a realistic way of doing it.

It is necessary today to prepare yet another blue print for comprehensive land reforms in Pakistan, learning from the experience of other countries. The heart of any such reforms must be the principle that the tiller of the soil must become the real owner of the soil. And the tiller must be supported by a liberal supply of agricultural credit, suitable fertilizer and seeds, correct price incentives, appropriate technology and adequate marketing facilities so that he can raise his agricultural yields to international levels.

If all cultivators are to acquire some land, the ceiling for ownership must be kept fairly low, considering the existing pressure of population on land. An upper ceiling of around 12.5 acres for irrigated land will be quite appropriate in this context. In fact, much lower ceilings have been adopted in several countries. For rainfed areas, the ceiling may have to be 25 acres. These ceilings should apply to family ownership to prevent holding of large amounts of land in the name of family members. It is wrong to believe that commercial farming requires large farms. In fact, experience shows that small farms have been extremely productive in many countries because the tiller can take timely decisions, contrary to an absentee landlord, and the benefits of higher yields accrue directly to him.

At present, over 60% of the agricultural area in Pakistan is in holdings above the ceiling of 12.5 acres. Of the 47 million acres of cultivated land, 32 million acres are in holdings of over 12.5 acres. If land reforms are strictly implemented, millions of haris and mazarehs can benefit from the distribution of land. What is more, such sweeping land reforms will greatly erode the present overwhelming economic and political power of the rural elite and finally empower the poor peasantry in the country side.

Of course, redistribution of land is only the beginning, not the end, of land reforms. Small land owners must be fully supported by government, particularly through liberal credits and technology. They must also be given the incentive of international prices, since it makes no sense to offer much higher prices to agricultural producers in foreign lands than to our own producers. No wonder we are becoming dependent on rising agricultural imports.

But a neat plan for land reforms does not guarantee its implementation. How can we persuade legislatures to enact such comprehensive land reforms if the majority of their members come from the rural elite?

There are some indicators of change. To begin with, rural-urban population balance is changing fast and there are likely to be more people in the urban areas in the next few decades than in the rural areas. The increasingly impatient urban middle class is going to demand both land reforms and agricultural taxation, to curb the disproportionate power of rural aristocracy in political and economic decision making.

To this demographic transition will be added many other forces of change : rapid industrialization, economic globalization, borderless information flows, stronger democratic institutions including a free press and a more vigorous civil society. Such changes take time but they are often inevitable and irreversible. It is also quite possible that new political parties may emerge in Pakistan to demand basic changes in the present system.

But can we rely on such historic forces? Do we have the time to wait so long in a fast changing world? There are no convincing answers to such troublesome questions. But one thing is certain. Such issues must be discussed increasingly by our media and our civil society. Ultimately, it is people, not governments, who are engineering changes all over the world.

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