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**Dedicated to**  
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## Chapter four Livelihoods resources

4.1-Rural livelihoods resources.....	30
4.2-Skewed land-ownership in Pakistan.....	31
4.3-History and political economy of land reforms in Pakistan.....	33
4.4-Social institutions in rural Pakistan.....	35
4.5-Some other assets.....	36
4.6-Agricultural land in relation to other resources.....	38

## Chapter five Livelihoods strategies

5.1-A rationale for new pathways.....	40
5.2-Diversification and peasantry in Pakistan.....	43
5.3-Diversification and the land poor peasantry.....	46
5.4-Restructuring farm production.....	49
5.5-Shift to the non-farm sector.....	50
5.6-Outcomes.....	52

## Chapter Six Summary and conclusions

6.1-Summary of the study.....	55
6.2-Policy under the lens of SLA.....	56
6.3-SLA-how it works.....	58
6.4-Recommendations.....	61
6.5-Limitations of study.....	62



## List of tables

3.1 incidence of poverty in Pakistan	p.23
4.1 number and area of land holdings	p.31
4.2 social institutions in Pakistan	p.37
5.1 number of people activity wise	p.41
5.2 households reporting different income sources	p.45
5.3 growth in food price	p.48
5.4 growth in non-food price	p.48
5.5 growth in major crops	p.49
5.6 growth in livestock	p.49
5.7 growth in fruits	p.50
5.8 employment growth in different sectors	p.51



# Livelihoods strategies of peasantry in Pakistan in post-reform era.

## Chapter one

### 1.1 Introduction

Pakistan is strategically an important country in South Asia flanked by friends and foes like China and India. Spread over an area of approx.: 7,95000 square kilometers and populated by around 136 million people. Agriculture is still the main livelihood and major exports comprise upon cotton, lather products, sports goods, surgical instruments and cutlery goods. Rural Pakistan represents more than sixty percent in population (GOP<sup>1</sup> 1999).

After getting independence from British colonialism in 1947 it has made impressive progress in many fields of life despite political turbulence from inside and constant threat of war from India. Pakistan's agriculture kept on growing and successfully responded to the population growth and squarely benefited from the green revolution of 1960's (Munir 1996). But the income inequalities in urban to rural and elite to poor ratios widened rather narrowed in the last half-century of independence.

According to the Economic Survey of Pakistan 2000-2001<sup>2</sup> out of 136 million 94 million people are living in the rural areas. Hence Pakistan is 67 percent rural. Male to female ratio is 51 to 49 percent respectively. The gender wise literacy ratio in rural Pakistan is 16 to 5 percent respectively. The average incidence of poverty is 35 percent in rural areas as against 20 percent in urban areas (GOP 2000-2001). The main reasons for the persistent poverty in rural areas are the skewed land ownership, inappropriate rural development policies and insufficient rural infrastructure. Higher population growth and public policy focus of the rural development programs on the agricultural

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<sup>1</sup> GOP-government of Pakistan. SAPs- structural adjustment programs.SLA-sustainable livelihoods approach.

<sup>2</sup> Economic Survey of Pakistan is a yearly economic statistical periodical issued by the Financial Adviser wing of the Ministry of Finance government of Pakistan Islamabad. It not only gives the economic performance of different sectors but also gives the retrospective data.

growth, which benefited rural elite than the rural poor. The previous rural development efforts largely went off without making a substantial dent in the rural poverty.

## **1.2 Background**

Poverty in rural Pakistan is also embedded in the country's political history. The dream of land to the landless and land-poor has not been realized. And in one or the other way landed aristocracy has been able to continue hold over power. The land reforms of 1977 have never been implemented in full letter and spirit (Shahid\*<sup>1</sup> 2001).

Rural development could have been achieved by the opportunities afforded to the landless and land poor rural people for diversification of their income portfolios by reorienting policy approach towards sustainable rural livelihoods. And rural infrastructure development could have generated faster and smoother shift to the non-farm activities in order to fill the gap generated by unequal terms of trade for agriculture versus non-agriculture sectors.

Jamil (1984) elaborated that rural development programs with the names of 1) Rural works program 2) Village aid program 3) People's works program 4) Integrated rural development program imbued with the sort of green revolution strategy could hardly achieve their targets in a uniform manner for all layers of peasantry in the country. The poor became poorer and rich the richer. The disparity and income gap between rich and poor and among the poor themselves became wider. Almost same were the outcomes of the Tameer-e-Wattan and People's Programs, which followed each other.

The present government as the previous ones is fast implementing the structural adjustment reforms under the aegis of International Monetary Fund and World Bank. Among other reforms the subsidies from the agricultural inputs are also being phased out. The cost of farm production is automatically being raised. And this change is not affordable to all the peasants uniformly (Kemak 2000).

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<sup>1</sup> Mr. Shahid Hussein was lately the Chairman Federal Land Commission Pakistan.

GOP (2000-2001 :.XI) believes in automatic trickle down of the economic growth to the rural poor and emphasizes the growth led strategies in agriculture as a part of the rural development process. The direct state interventions in the field of poverty alleviation and thus enhancement of livelihoods are based on the following strategies.

- ❖ Establishment of micro-credit banks (Khushali Bank) in all the four provinces to improve poor people's access to credit. And to encourage the micro enterprises in the rural areas.
- ❖ Rural infrastructure program under the name of Khushal Pakistan Program aimed at small public works to providing employment opportunities and improving infrastructure in rural areas.
- ❖ Food stamps program to provide food support to 1.2 million most vulnerable households.
- ❖ Disbursement of Zakat money (Rs.2.0 billion) to the poorest 2.5 million households.

The above strategy marred with the reduced public spending on the social sector looks cosmetic in nature especially under the given circumstances of the macro economic policies. As the Govt. of Pakistan admits “ a disturbing feature of the economic performance in the past has been a persistent dichotomy between a respectable rate of economic growth and a marginal improvement in the social indicators.” (GOPI994: 1) in Ahmad (1996). which is reflective of the growing trends in poverty in the rural areas.

The above mentioned strategies need to be probed in the framework of sustainable livelihoods and livelihoods strategies especially in the context of peasantry in Pakistan.

The layers, contours, texture and structure of the rural agricultural economy in Pakistan especially under the contemporary structural adjustment programs and given agrarian structure suggest quite a complicated scenario. The policy framework based on the agricultural - rural sector is of the blanket nature and is just pushing the peasantry into the corner without properly accommodating them in other sectors.

According to Frank Ellis (2000: 14). ‘Despite the dominance of crop agriculture in Pakistan’s rural economy, it is striking that crop related income comprises around one third of rural households incomes in all years. The non-farm income ranges between 30.7 percent and 34.6 percent compared with 23.2 percent and 27.1 percent for crop agriculture. This data is supported by the findings of rural household surveys in Pakistan.’

Ellis. (2000: 8) noted that conventional approaches aimed at increasing employment, income and productivity in single occupations like farming may be missing their targets. Conventionally, both official statistics and social scientific analysis prefer to identify people’s place in the economy according to their main occupation and profession and then to develop a body of theory and policy around the activity.

Davies (1996) noted that household level diversification has positive implications for rural poverty reduction policies since it means that conventional approaches aimed at increasing employment, income and productivity in single occupations like farming may be missing their targets. Diversification as a strategy occurs both as deliberate household strategy and as involuntary response to crisis.

The accelerated deregulation, trade liberalization and privatization in the country under the structural adjustment programs followed and reinforced the same trends. The unemployment grew at a faster rate. Many public sector enterprises are closed down after privatization and many workers are being laid off as a result of efficiency argument (Ibid.).

As a condition stipulated to the structural adjustment programs (SAPs) the social sector spending are reduced and subsidies for agriculture are taken back in a gradual manner. This is considered as a temporary pain for a long-term gain. And a trickle down effect is believed to occur for the rural poor mainly depending on agriculture (Ghaffar 1995).

After being marginalized and threatened by the total depeasantization the rural poor are progressively devising their coping strategies in order to sustain their livelihoods. Rural masses are still and have ever been working in the local civil services, petty trade, cottage industry, migrating to

the towns for better income jobs or simply working in and for the richer households to supplement their relatively meager farm incomes or heavily migrating to gulf, Europe and America to find jobs. The foreign remittances still constitute around 5 percent of the total GDP and 15 percent of the rural incomes (Ellis 2000).

### **1.3 Statement of Problem**

Pakistan has been implementing the structural adjustment programs since 1987 (GOP.2000-2001). Within its main agrarian economy, land tenure is acutely skewed (Munir 1999). The population growth is still high (around 2.4 percent per annum), literacy rate is low (34 percent), the agro-ecology is no more sustainable, because droughts are gripping the country intermittently (GOP 2000-2001 Exec; Summary).

Under the structural adjustment, subsidies from agricultural sector are being phased out and the markets have not yet taken the place of public enterprises (Mehmood 1997). A common thread in all the economic reform policies through out 1980s and afterwards is that agricultural sector has been badly treated and this has affected equally the welfare of all agricultural groups (landlords, small owners-operators, landless share croppers, tenants, and wage workers (Mehmood 1994). And “ *the security of many if not most rural livelihoods in Pakistan depends in part upon earning an income from the sale of goods and services in product and factor markets.* ” (Haroon-Akram 1997: 2)

Cristobal Kay (2002) concluded that neoliberal policies in less developed countries generally tend to favor the rural rich and exclude the rural poor further endangering their livelihoods.

Over the last two decades negative impulses from economic policies going into the body frame of the agriculture sector are reducing and distorting the opportunities for peasants. Agriculture in Pakistan is responding differently to these circumstances despite its almost steady growth at the rate of 6.5 percent in the last two decades (Mustafa, Gill and Naeem 1999).

In this view, over the last 20 years (1980- 2000) peasantry in Pakistan has undergone fundamental changes in every field. Much has been changed. A growing trend of diversifying the income portfolios through non-farm activities is the ongoing phenomenon in rural Pakistan.

The structure of agricultural production is as well changing. This is mostly in response to the implementation of the structural adjustment programs by the government from late 1980s. Medium and large peasants are engaging in the non-farm activities and export oriented production for capital accumulation and reinvestments in agriculture; some of the medium and the small peasants opt for non-agricultural activities as a survival strategy.

Not all of them either succeed or remain unchanged during their efforts; some of them fail and slide into abject poverty. Because overarching policies of the government affect all of them likewise but the response is different and limiting factors in the social structure are uneven.

The question needs to be researched as to how are some of the strategies towards sustainable livelihoods favoring some of the peasantry and not the others. And whether rural diversification by the Pakistani peasantry particularly to non-farm activities a livelihood strategy towards economic betterment or just a survival mechanism? And what are the circumstances impinging on this process? What are the cutting points of diversification process between optional adaptation and involuntary response to the structural conditions by different types of peasantry in Pakistan?

#### **1.4 Justification**

There is a plethora of literature available on the general impacts of economic policies of government on the agriculture sector. Mostly the economists have analyzed the crop responses and livestock production in the last 20 years. (Various issues of PIDE 1980-2000). But the peasantry as a sub set in agriculture has been intentionally or unintentionally ignored. The same school of thoughts of social scientists is informing the rural development policies. Resulting into the blanket coverage of the rural areas and merely benefiting the rural elite who are mostly settled in the posh areas of urban centers.



This study is justified in looking into the livelihoods of the peasantry in Pakistan and pinpointing the gaps in the policy in order to make the peasantry successfully cope with the changing situation in country. This is one of the rare studies of its nature aimed at the rural poor who are land less and lands poor. This type of study and the recommendations based on it are a direct attack on the income inequality and thus rural poverty in Pakistan.

So far as my enquiry reveals that research on this angle of peasantry in Pakistan has not been conducted. And the research into livelihoods of Pakistani peasantry on the basis of sustainable livelihood approach is quite a new idea. Although this research is not very prescriptive in results but it does promise a sufficient description of the general ground realities regarding livelihoods of Pakistani peasantry. Thus provides a forum for further research on the topic and scope for interventions by the state and civil society organizations in the pursuit of sustainable livelihoods for the poorer peasantry in Pakistan.

By and large this is a serious public service to the nation and the state. Although the present regime is as well thinking on the same lines but still the policy gaps are there which have to be sorted out. As per statement of the Minister Finance *“In the financial year 2000-2001, Rs.1849.8 million including foreign aid of Rs.1817.6 million was provided for the development of rural areas, with the objective to provide infrastructure and social amenities like construction of roads, supply of potable water, village electrification and provision of educational and health facilities”* GOP (2001). This statement is in part reflective of the GOP policy towards rural livelihoods.

## **1.5 Objectives**

The economic policies of the government aimed at agricultural growth or food security of the country have been effecting various categories of the farmers differently. The structural adjustment policies<sup>2</sup> are creating further hardships for the landless and land poor peasants. In their struggle for sustainable livelihoods they have to devise ways and means (referred hitherto as livelihoods strategies) for more cash and dependable incomes and/or they had to shift to the

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<sup>2</sup> The main thrust of the study is on skewed land ownership and structural adjustment programs impacting the rural livelihoods.

non-farm activities. In this process not all of them have been successful. And these efforts are also not enough to cope with the emerging economic situation in the country. So the objective of this study is to analyze this whole process cross-cutting into the paradigmatic and policy issues in rural development.

## **1.6 Scope of the study.**

In order to achieve the above objective, the starting point will be the analysis of the impact of economic policies of the government on agriculture and their outcome for the peasants in the country. Next is the study of the land tenure system in Pakistan on empirical basis. The scope is extended to generally look at the livelihood strategies of the peasantry in a brief historical perspective especially in the post reform era (1987-2000). Counting on Ian Scoones (2000: 13) the principle of optimal ignorance is applied while dealing with different elements of the SLA in this study in order to remain within the allowed space and size of the research paper by the Institute of Social Studies.

## **1.7 Organization of the research paper**

The study is organized into six chapters<sup>3</sup>, described below.

**Chapter 2.** This chapter conceptualizes the sustainable rural livelihood model applied in this study. The application prospects of this model to the contemporary rural Pakistan are discussed. An analytical base is laid in this chapter to build up the cross cutting argument on livelihoods strategies of peasantry in Pakistan in the present macroeconomic environment, bring into focus the SLA and policy in together the arena of rural development.

**Chapter 3.** In the contextual analysis, the impact of structural adjustments in agriculture sector is examined. It is generally argued that the SAPs are creating livelihoods hardships for the peasantry. Some details about the agro-ecological impacts of the policies under the structural adjustment programs are discussed.

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<sup>3</sup> Major terms used. Livelihoods Strategy. Structural adjustment programs. Skewed land-ownership.

Next section briefly brings some other contexts into limelight, political history of rural Pakistan and other aspects like demography and terms of trade for agriculture to objectify the contemporary inputs into policy.

**Chapter 4.** In this chapter empirical evidence is provided towards skewed land ownership in Pakistan. Which is another constraining factor in the sustainable livelihoods of the peasantry. Thorough this examination a need for land tenure reforms is brought about. The political economy of land reforms in Pakistan is also described in this chapter.

Next section as well discusses the impinging impact of land ownership as a critical resource on the access to other resources and entitlements, which together make the rural livelihoods.

A broad discussion on the mediating institutions and organizations is also given in this chapter. It is argued that institutions can not be discussed without contextualizing them in history, religion, tradition and politics. A fresh approach towards rebuilding institutional setup for peasantry in Pakistan or to gear up the same in their favor is one of the basic needs to construct for them sustainable livelihoods.

**Chapter 5.** Livelihood Strategies of the peasantry are described in this part of the study. The agricultural restructuring, and shift to the non-farm activities are the hinging point of arguments in this chapter. Migration and intensification/ extensification are not considered for the paucity of space and data. The footnotes describe the methodology of data analysis at this stage. In the conclusion results are given.

**Chapter 6.** Summary, conclusions, outcomes and recommendations are briefly described in this chapter. A critical analysis of the rural development policy of GOP and critique of the application of the SLA to rural Pakistan is developed. Further research question is as well recommended in this last chapter, ending with the limitations of this study.



## Chapter Two

### Analytical framework

This chapter introduces a broader layout of the case study in the framework of sustainable livelihood approach. After attempting to explain the concepts used in the livelihood approach, the objective to locate this case study in this new and innovative model of livelihoods is elaborated. Supposedly, livelihoods in rural Pakistan can be better understood, constructed and sustained through this approach.

#### **2.1 IDS framework of analysis**

As said above, sustainable rural livelihood model informs this research. The study is based on the framework for analysis of rural livelihoods as developed by several authors and expounders of the livelihoods approach e.g. Chambers, Conway, Ellis, Scoones and Carney in their literary works and working papers<sup>4</sup> in pursuit of sustainable livelihoods at IDS and other forums.

This framework systematically analyses the sustainability of the rural livelihoods while discussing,

- 1.Contexts, conditions and trends, while bringing the policy (based on politics, history, agro-ecology, macroeconomic conditions etc) into focus.
2. Livelihood resources based on natural, economic, human and social capital.
- 3.Institutions and organizations mediating the access of people to the above-mentioned resources or to the different combinations of them.

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<sup>4</sup> See reference section.

4.Livelihoods strategies, portfolios and pathways including livelihoods diversification, migration and agricultural intensification/ extensification.

5.Outcomes for the livelihoods and their sustainability as manifested in reduction of poverty, increased working days, enhanced capabilities and resilience of the livelihoods within the given natural resource base.

## **2.2 Rural livelihoods Approach.**

**Livelihoods** . The concept of livelihoods is not easy to capture. Livelihood is multidimensional in focus and derives its force as a whole from society and not only from economics Sajor (1999:1). He supports his argument further quoting Crehen (1992; 90-91) that *livelihood is socially embedded and can not be separated out as an exclusive domain .Its examination should therefore involve not only looking into the physical and human resources that households command to make a living to reproduce themselves. It should also entail exploring social relations.*

The dictionary meaning of livelihoods is a means to living. But in Chambers and Conway (1992; 7) a livelihood comprises the capabilities, assets<sup>5</sup> (stores, claims and access<sup>6</sup> and activities required for a means of living. Same definition with a little modification is used by Scoones (1998). A livelihood is sustainable when it can cope with the risks and shocks and can re-emerge intact.

A livelihood according to Ellis (2000) is defined *as comprising on the assets (natural, human, financial and social), the activities and access to these (mediated by social relations and institutions) that together determine the living gained by the individual or household.*

The IDS Team (Scoones 2000; 3) defines livelihood comprising the capabilities, assets and activities for a means of living. A livelihood is sustainable when it can cope with and recover

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<sup>5</sup> Followers of the Chambers and Conway about livelihoods like Scoones identify five categories of capital natural capital, physical capital, human capital, financial capital and social capital. These categories are explained further as used later.

<sup>6</sup> Access is defined by the rules and social norms that determine the differential ability of people in rural area to own , control .otherwise claim or make use of resources such as land common property.( Scoones 1998)

from stresses and shocks maintain or enhance its capabilities and assets while not undermining the natural resource base.

Swift (1989) went on to say that the core of a livelihood could be expressed as a living with people and tangible assets contributing to it. The tangible assets commanded by a household are stores such as food stocks, valuable stores like gold in jewelry and resources such as land, livestock and utensils etc. The intangible assets are claims, which can be made of material, moral or practical support, and access means the opportunity in practice to use a service, store or a resource through information, income or technology.

But the livelihood concept can not be captured without grappling the concept of capabilities, which enable a person's human agency. So capabilities, as derived from Sen (1997) refer to the ability of individuals to realize their potential as human beings in the sense of both being and doing. Referring to a set of alternatives that a person can achieve with his or economic, social, social and personal characteristics.

Ellis (2000; 15) further elaborates that rural livelihood diversification is defined as the process by which rural households construct an increasingly diverse portfolio of activities and assets in order to survive and to improve their standard of living. Diversity refers to the existence at a point in time of many different income resources. Livelihood strategies (including diversification) of the peasantry in Pakistan like other developing countries are diverse and often complex. They can be compared to those of hedges and foxes, after the saying of Archilocus that '*the fox has many ideas but the hedgehog has one big idea.*' (In Chambers 2000).

So I capture diversification concept as an instrument to enhance the final outcome which reflects itself in sustainable or less unsustainable livelihoods, given the contexts remain neutral or supportive. Wherefrom the necessity of improving access of the rural poor to assets/capitals through the mediating institutions /organizations arise. This access has the other dimension too and that is the capabilities, human capital, rural infrastructure, legal framework and market information: all of them including others lead to sustainable livelihoods.

### **2.3 Application of Sustainable livelihoods Approach (SLA) to the Pakistan's case study.**

The concept of sustainable rural livelihoods is central to the debate about rural development, Scoones (2000; 3). The experimental operationalization of this approach is going on in Bangladesh, Ethiopia and Mali (ibid.). DFID –IDS supported study project (May 1998- July 1998) in Pakistan have identified generalized difficulties and prospects for the application of this model in different sectors for development. It is also being tested in the urban transport sector and as a Civil Society Alternative in Pakistan (Tariq 1998).

In Northern Areas of Pakistan Agha Khan Rural Supports Program (AKRSP) and following them Sarhad Rural Support Program (SRSP) are chalking out the poverty alleviation strategies on the foundations of SLA ([www.livelihoods.org](http://www.livelihoods.org)). The ring institute to tide over the conceptual and institutional difficulties for SLA in Pakistan is the Sustainable Development Policy Institute in Islamabad (Tariq 1998).

The main objective of the application of rural livelihood approach to the following case study is to bring this framework into the policy analysis of rural development in Pakistan with the basic pursuit of rural poverty alleviation through looking into the livelihoods strategies of the peasantry. Of course SLA is the favorite of DFID and many INGOs<sup>7</sup> are practicing it on experimental basis in the other parts of the developing world too.

Official statistics like Economic Survey of Pakistan, Agricultural Census and ten yearly general population census have been identifying people's places in economy according to their main professions. And the policy emanating from these statistics has been likewise shaped. Thus rural development policies largely are backed by a support for increased farm output. Which have the initial pitfall of benefiting the landed aristocracy and rural elite instead of vast majority of rural poor who comprise on the landless and land poor ( Ellis 2000).

*"In dismantling sector level policies a vacuum appears in understanding the links between local level development initiatives and macro policies emanating from structural adjustment pro-*

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<sup>7</sup> Sustainable Livelihoods Approach, Department for International Development, International NGOs



*grams. Where livelihoods strategies forge essential connections between micro circumstances and macro contexts* (Berry 1986; Lipton and Ravillion, 1995) in Ellis 2000.

A comprehensive understanding of the livelihood diversification for the policy analysis in rural Pakistan's context is to catch the bull by the horns. Because household level diversification has implications for rural poverty reduction. Although livelihoods diversification is equally good in the context of urban industrial society but given the conditions in rural Pakistan this approach in policy can push forward the pace of development where household receives fifteen percent of income from family members working in the Persian gulf (Von Braun and Pandya-Lorch, 1991 in Ellis 2000.) and farm incomes of the poorer peasants are dwindling over time.

A major vantage point of using this approach is that livelihoods diversification cuts across the rural development themes like household coping strategies, household risk strategies, rural - urban migration. But in the way of solving its conceptual difficulties it is said that diversification may occur both as a deliberate household strategy and as an involuntary response to a crisis. It can act as safety valve for the poor and as a means of accumulation for the rural rich.

## **2.4 Location of study in the SLA Model**

In the contextual analysis of conditions and trends and policy analysis the political history of land reforms, contemporary local government system, political conditions especially after the implementation of power devolution plan, macro economic policies since early 1980s, terms of trade for agriculture (peasantry), population pressure, and agro-ecological climatic conditions (droughts) are discussed in different chapters of the study.

In the analysis of livelihood resources some types of assets are discussed including land holdings, crops, livestock, credit etc. It is argued that people's assets are not merely means through which they make a living; they also give meaning to the person's world (Bebbington 1999; 2022). The discussion about natural assets in the environment, soils and water is grappled in the chapter three. And it is further argued that assets are not only the resources that people use in building livelihoods but these are the means through which people get capability (Bebbington 1999; 2022).

It is hard to delineate the assets and capitals from each other and looks very mechanical to de-segregate the rural assets in social and human categories like family, gender, age, population, health, education from each other. But these categories can be seen discussed in different chapters of the study.

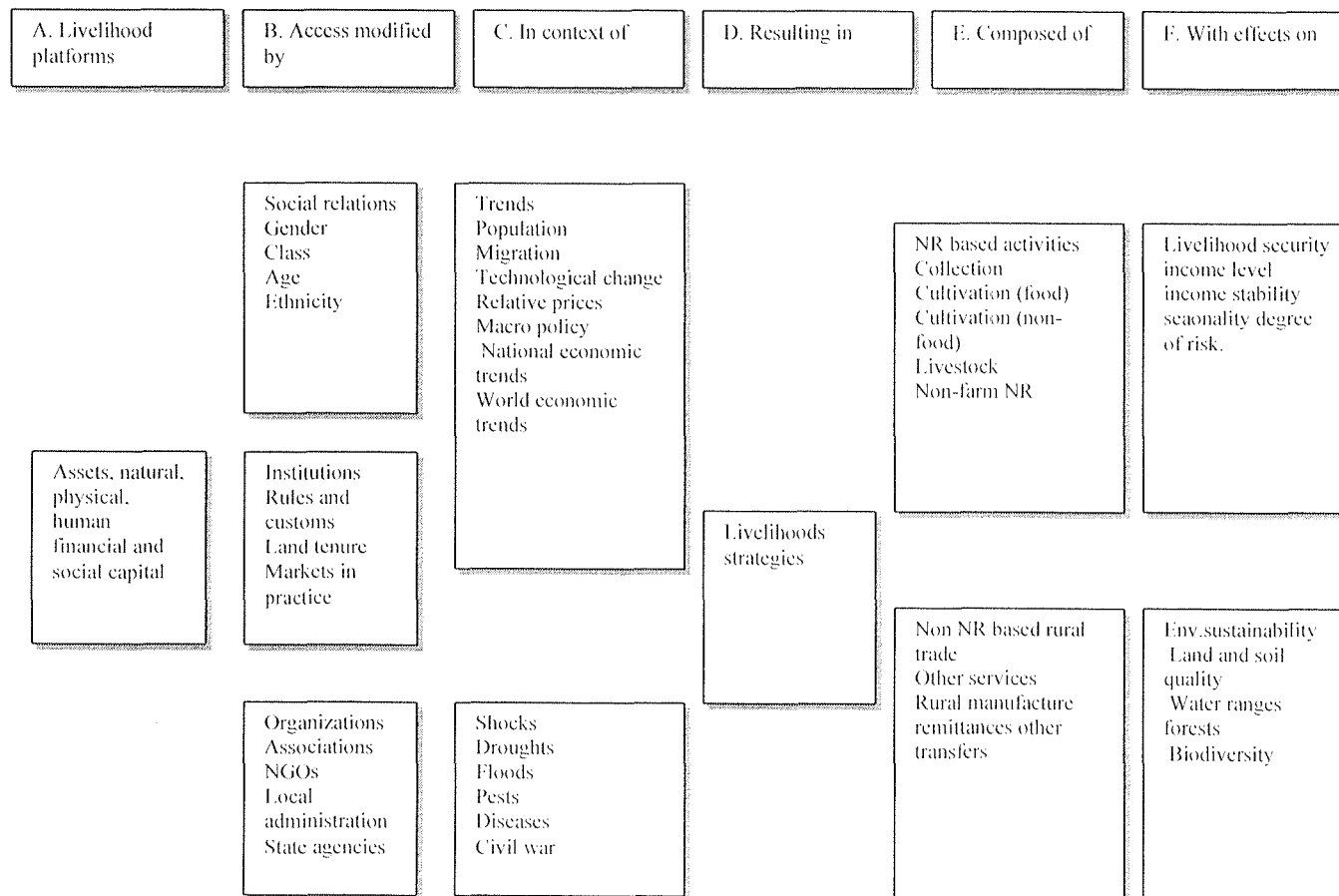
Institutions mediating the access of the peasantry to the resource base in the rural areas are discussed with reference to family, gender, religion, tradition, broader agrarian structure, ethnicity, state, market and legal system in the country. It is interesting to know that a muddle of institutions and organizations show the basic mosaic of power structure as feudal in nature, which mar the livelihoods of poor peasants in the country.

In the analysis of livelihood strategies and pathways, the agricultural restructuring, and non-farm activities are discussed in chapter five. A detailed analysis is attempted to reach the objective of the study.

Finally in the analysis of outcomes the research question is answered where the policy gaps are identified to capture the real sustainable livelihoods by the peasantry in Pakistan in the period of structural adjustment programs (1990-2000). The summary conclusions and critique are given in the same focus.

For the sake of further convenience of reading of this study the diagram on the next page may be perused.

Figure.2.1



Source; as given in Ellis (2000: 30)



## Chapter Three

### Contexts and Conditions

In this chapter the contexts in which the rural livelihoods in Pakistan are shaped are discussed. Main argument is that implementation of structural adjustment programs without proper safety nets for the peasantry are eroding the sustainability of their livelihoods. How the growth led strategies of the policy are impacting agriculture and ecological resources in Pakistan. And what are the other broader social and economic contexts in which rural livelihoods are shaped in Pakistan are the main issues discussed in this chapter.

#### **3.1 Impact of Structural adjustment programs on Pakistan Agriculture.**

Mehmood (1994:541) explains the rationale of the decision of the GOP<sup>8</sup> to accede to the IMF and WB about SAPs<sup>9</sup> in 1987. *There was in fact a crisis towards the end of fiscal year 1987-88; the budget deficit increased to 8.5 percent of GDP; inflation accelerated; current account deficit doubled from 2.1 percent to 4.3 percent of GNP; the debt service ratio reached 28 percent of export earnings; and the exchange reserves fell in half to less than three weeks of imports.*

However he says (ibid.) a common thread in all the economic reform policies with regard to agriculture has been; that agriculture sector has been badly treated.

The structural adjustment programs bring havoc to the poor sections of society in the developing countries like Pakistan. And rural poor including landless and land-poor bear the brunt of them. Where under the new regime of structural adjustments, health, education and food has to be paid for its price. But those who prescribe it call this situation a temporary pain for a permanent gain.

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<sup>8</sup> Government of Pakistan

<sup>9</sup> International Monetary Fund, World Bank And Structural Adjustment Programs.

The governments in the developing countries have to implement these policies in order to get more loans and to get the previous loan installments rescheduled in order to cope with their political agenda even in face of popular anguish of the masses.

In the West it is believed that Structural adjustment at the behest of IMF and WB is the only way of improving upon the ailing economies of the third world. And thus recovering the debt from this world. The cheaper export expansion, privatization proceeds and cost recovery are the ways of debt relief. How far it goes true is a debatable issue.

However these trends of adjustment have disturbing consequences. The peasants are being displaced and their transformation into landless wage laborers outside agriculture is costly personal and social phenomenon. Slums of poor and enclaves of the rich in urban areas are only two of the major manifestations of development process through this route Shafiq (1988).

Should the rural poor wait for promised 'trickle down' effect of the invisible hand of the market. The evidence does not hold the answer in affirmative so far in Pakistan's context (ibid1988). For instance the opponents of the subsidies on fertilizer argued that subsidies strain foreign exchange reserves and government budgets, lead to market imperfections, which prevent the farmers to obtain good product at right time at a competitive price (Ahmad and Mohammed 1999). Whereas this theoretical argument exactly holds opposite in Pakistan's case (Shafiq 1988).

Pakistan has implemented various structural changes and stabilization programs with a view to improving the levels of efficiency and consequently higher levels of output and employment. The programs have included reforming exchange rate, fiscal trade and monetary policies as well as promoting liberalization, the withdrawal of subsidies and privatization of state owned enterprises (Rashid 1998).

Kemal (2000) noted that these programs implemented since 1987-88, however, have been accompanied with failing rates of GDP growth and rising unemployment and poverty incidence.

This is rather disturbing and as such there is a need to examine the nature of these policies if they have been responsible for increase in poverty.

In a labor surplus economy like Pakistan where land distribution is already skewed the absence of pro poor safety nets designed in the macroeconomic policies can be disastrous. The higher trends of the poverty incidence in rural Pakistan can be glanced in the following table, following the implementation of the structural adjustments. This is a persistent manifestation of the higher rate of poverty incidence despite considerable growth in the economy (ibid.)

**Table 3.1**

**Incidence of poverty in Pakistan (head count ratio, percent poor population)**

Year	Pakistan	Rural	Urban
1984-85	43.5	49	38
1987-88	35.5	40	31
1990-91	32.5	37	28
1992-93	25.0	25	25
1993-94	26.5	31	22
1996-97	23.0	26	20

Source: World Bank (2000) in Kemal (2000)

Amongst other Structural programs like Tax Reforms, budgetary deficits etc the public expenditure on rural infrastructure and reduction in the subsidies were directly harmful to the peasantry. Social sector development expenditure as percent of GDP has declined from 9.3 percent in 1980-81 to 6.9 percent in 1987-88 and further 3.4 percent in 1999-2000(GPO 2000)

This had serious impact on human development, economic growth and employment and hence negatively impacted the rural livelihoods in general (Kemal 2000). Rural population's access to safe water and rural sanitation is still 44 percent and 12 percent respectively (GOP 2000) which is far less than desired.

The structural adjustment programs also call for elimination of both development and current subsidies. This elimination tended to increase the price of fertilizer, tube wells, pesticides etc and the farmers are considered to have been compensated through an increase in the price of agricultural products.

But the peasantry, who does not produce for the market but only for the household consumption, can not equally benefit from this compensation. As a matter of fact the total output has fallen. The current subsidies kept down the prices of wheat, vegetable oil, etc. And withdrawal of subsidies has led to higher prices of these commodities. This has again negatively impacted the income portfolios of landless peasants (Kemal 2000).

As a matter of fact per capita subsidies at constant prices decreased from Rs.29.7 in 1980 to Rs.24.7 in 1997. The safety nets of Zakat<sup>10</sup>\* /Usher\* and food stamps programs could not properly compensate the poor properly. Micro credit to the targeted households could not make a desirable dent in the poverty web (ibid.). Resultantly the unemployment grew from 3.1 percent in 1990 to 6.4 percent in 1999. (LFS 1992-97 and PSES 1998-99.)

Naheed (1996) argued that IMF and World Bank tell us half-truth while prescribing the solutions to our problems and agriculture is no exception. For example how the removal of farm subsidies in the developing countries can be blissfully redeemed in a world and particularly in the Northern Hemisphere where protectionist subsidies have led to “butter mountains, wine lakes, and silos bursting with surplus grains”?

Given the higher costs of agricultural inputs and farmer's lack of bargaining power over prices of their crops they are going to be plagued by mounting debts. For instance the last fifteen years the amount spent on fertilizers subsidy was reduced from Rs.1822.6 million in 5<sup>th</sup> five-year plan (1981-85) to Rs.826.6 million in the 7<sup>th</sup> five-year plan (1991-95) GOP (1994-95)

Ahmad and Mahmood (1998; 223) noted that in Pakistan fertilizer sector, government intervention was of two types. Subsidy on sale of fertilizers and government involvement in the production import and distribution of fertilizers. Subsidies on sale of fertilizer encouraged fertilizer use by reducing costs of farmers acted as safeguard against exponential price increase of imported fertilizers due to increased international prices.

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<sup>10</sup> Zakat and Usher is the Islamic taxation system on the surplus capital @ 2.5 % and 10% on cash and agricultural produce. The proceeds are collected and distributed by the among poor by the state. The system is in vogue in Pakistan in wake of Zakat and Usher Ordinance 1984.



Chudhry and Sahibzada (1996) deliberated that slight raise in the prices of out puts could hardly benefit the small peasantry who produced mainly for the household consumption and not for the market.

Fertilizer application for small farmers went down from 1.72 bags of 50 Kg. in 1993 to 1.65 bags in 1994(NDFC 1994). Being most likely to be negatively effected by falling production, rising cost of farm production and general inflation in the country. They are crushed further under the complex situation where they prefer to take up farm and non-farm jobs, would be the first ones to be affected by the rising rates of unemployment as a result of privatization and deregulation.

The small farmers incessantly use the fertilizers particularly after the introduction of green technology in 1960.s. Fifteen percent of those peasants with land holding 0.5 hectares and below and thirteen percent of those with land holdings of ten to twenty hectares use chemical fertilizers GOP (1990). Therefore small peasantry is more impacted with the withdrawal of subsidies on fertilizers than the medium and rich peasantry.

Ahmad and Mohammed (1999: 224) noted that reforms in fertilizer sector were initiated by mid 1980`s. Subsidies on nitrogenous fertilizers were abolished in 1986. Phosphate prices were deregulated in 1993 and potash in 1995. Moreover imports and marketing of all fertilizers was liberalized and quota system of fertilizer allocation for the provinces was also abolished.

NFDC<sup>11</sup> 1994 in Chaudhry and Sahibzada (1995: 715) noted that fertilizer application rate for the small farmers went down from 1.72 bags of 50 kg weight in 1993 to 0.79 bags in 1994. By contrast large farmers reduced their input from 1.90 bags in 1993 to 1.65 bags in 1994

In this way the empirical evidence suggests that the total output in agriculture decreased due to lesser take off of fertilizer. The cost of production to the farmers and especially the peasantry increased. Among other fiscal and monetary policies like exchange rate devaluation, inflation,

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<sup>11</sup> NFDC National Fertilizer Development Corporation

imposition of general sales tax, interest rate mark up, upward revision of POL\*<sup>12</sup>, electricity and inputs prices the peasant has been hardly hit.

This can also be concluded that small and marginal farmers disproportionately share the adverse impact of subsidy removal on macroeconomic aggregates. Being risk-averse and financially poor, small farmers take a much longer time to adjust to price shocks and to reduce the fertilizer use to a greater extent relative to other farmers.

The terms of trade for agriculture have not been favorable for peasantry over the last few years particularly after 1994. The price ratio favored industrial products as compared with the agricultural products. On average 1.3 to 1.4 percent of annual agricultural value added flows out of agriculture. The primary cause for outflow of resources from agriculture is the structure of relative prices with a disadvantage to the small peasants, who with their comparatively and absolutely lower incomes are more vulnerable to price movements in both agricultural and industrial commodities than the larger farmers (Akram –Lodhi, A.H 2000.P 225)

### **3.2 Impacts of SAPs on the natural resource base in Pakistan**

Akhtar .A. Hai (1995; 529) elaborated that macroeconomic policies for the agriculture sector had largely been made in the background of growth oriented strategy for sectoral development. Thus the environmental damages attributable to unscientific implementation of structural adjustment programs towards agriculture have tended to threaten the stability of agriculture production system.

Thus the aims of structural adjustment reforms in agriculture seem to be inverse to their laid down objective of long term gain for the short-term pain (ibid. 1995; 530). And the production strategy is the short-term gain for a long-term loss in terms of environment. Because the aforementioned strategy is creating changes in the cropping pattern due to intensification in production, the ground water balance is being impaired due to incessant sinking of tube wells and improper management of the drainage system which is giving way to salt addition to the soils.

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<sup>12</sup> POL- petroleum oil and lubricants.

And this situation is arising because the coherent relationship among various components of the structural adjustment reforms package is lacking.

NCS-GOP (1996) noted that waterlogging, salinity, soil fertility erosion, deforestation, desertion, incessant loss of the bio-diversity and droughts are the few of damages to the natural resource base in Pakistan particularly in the last decade.

These policy measures are largely driven by the growth led strategies and do not spell out environmental degradation that may continue in the long run (Akhtar.A.Hai 1995; 594). Farmers are being given price signals to achieve the growth rates required for overall economic development but they are not guided and supported to achieve targets in the manner required for sustainability of such growth.

He put it rightly by saying that (ibid. 1995: 594) trends are growing at the expense of sustainability in agriculture, environment and rural livelihoods. The environmental issues related with the structural reforms are the logical consequences that would be faced in the event these are not considered independently. These implications include cropping pattern changes, ground water imbalance, and accumulation of salts in the soils. A typical case is that of excessive use of pesticides and weedicides in the agriculture sector.

Hartwig de Haen (1993: 515) empirically came out with the conclusions that fragile ecosystems with unreliable agro-climatic conditions in Pakistan already suffer from population pressure and poverty. Hence large-scale adaptation of more sustainable techniques rests on a favorable institutional framework towards agro-climate of Pakistan.

In the absence of just and equitable land reforms the small farmers are pushed to the marginal lands. Excessive pressure on the soils in pursuit of more food production has implications for the environment. Inputs intensive technology includes the excessive use of pesticides, weedicides, fungicides etc. The impact of these chemicals are multiple and dangerous for the lives and livelihoods of the people (Carlson .1962).

PAN (2000) noted that the excessive use of poisons in agriculture by a majority of the illiterate peasants without the advice of extension services apart from the direct health hazards and life risks, has negative implications for the fisheries, livestock, honeybee keeping, poultry farming, silk worms, and above all the incomes of the peasants. And the poisons break the symbiotic relationship of fauna and flora with the existing livelihoods of the peasants.

### **3.3 Socio-Cultural Contexts for the rural livelihoods.**

The rural livelihoods in Pakistan can not be understood without placing them in the contexts of history, politics, religion, and tradition, demography and ethnicity. These factors are largely responsible for social differentiation in Pakistan. And a conglomerate of these factors under the influence of globalization and IMF/ World Bank inform the policy in Pakistan. A brief and comprehensive account of this aspect is give as below.

Dismembered from India in 1947, Pakistan was begotten on the basis of Islamic Ideology of two-nation theory, which allowed Muslim masses to struggle (1940-1947) for a separate homeland from majority of Hindus (Talbot; 1998).

In the year 2000 population of the country was 136 million growing at an average rate of 2.4 percent per annum, majority lives in the rural areas. Dependency ratio is 45 percent. Minorities make less than five percent of the population (GOP; 2000-2001). Female (49 percent of population) behaviors are regulated by the religio-traditional norms, which go largely to their disadvantage (Talbot: 1998.).

Country is divided into four provinces i.e. Punjab, Sindh, Frontier and Baluchistan where population density is not even. After the local government elections in 2000 the nazims (mayors) and their councilors run districts administrations (more than hundred in number) in the country under the power devolution plan 2000 of the present government. (GOP: 2000). Their majority in the rural districts comes from the same feudal background, some of them of course belong to the rich or medium peasantry (News reports; July-August 2000).

There are four clear-cut seasons of summer, winter, spring and autumn. Seventy five percent of rainfall occurs in July, August and January and the rest in the whole year (average annual rainfall is 50 inches). Arid lands make twenty five percent of the total cultivated area. River Indus and its five tributaries irrigate the Indus basin soils through one of the best canal systems in the world. Soils are generally fertile but due to inefficient irrigation and drainage the waterlogging and salinity are engulfing a heavy toll of acreage. Roughly half of the peasantry lives under one or the other form of tenancy (Iqbal: 1984).

The fundamentalist version of Islam is a determining factor for the access to the resources to the women, minorities and the different sects between Muslim masses too. Rural traditions, values and culture are regulated mainly through the social pressures. Tribal traditions still play a role in the heart of villages and remote rural areas (Stanley: 1957). In this way socio-cultural contexts of rural Pakistan present complex puzzles.



## Chapter Four

### Livelihoods resources

This chapter elaborates the importance of agricultural land as a basic asset for the rural livelihoods. Skewed land ownership in Pakistan encroaches on the other types of assets and capitals. Social, human and financial assets are closely intertwined around size of land holdings in the rural areas.

#### **4.1 Livelihoods resources in rural Pakistan**

In any agro-rural economy the basic resource for livelihoods is the agricultural land and Pakistan is no exception. The social networks are woven around the size of landholding. The land fosters human capital as an asset. The land holding as collateral determines the access to credit. Almost same is the determining factor for the natural resources. Historically agricultural land tenure played an important part in the political life of Pakistani villages and has been responsible for the income inequalities in the rural areas.

Hussein Akmal (1985: 15) explored the relation of poverty in Pakistan to the structure of production relations. He explained the apparent paradox by changes in the social organization of agricultural production that accompanied agricultural growth in 1960s and 70s. The development of capitalist farming during green revolution involved polarization of size distribution of farm area; the percentage of both large & small farms increased, while percentage of medium-size farms decreased, as a result of the resumption by large landowners of land that had been rented out for cultivation.

This process brought important changes in the rural labor market; former tenants were forced to become "tenant laborers," to supplement their farm incomes through wage labor. Further, the capitalist farmers in some areas began introducing labor-displacing mechanization. Thus, the capitalist farmers are becoming affluent, while the peasants' income started declining.

Mehmood (1997: 433) explains that land reform efforts so far made no have major impact on the process of differentiation observed in the agrarian structure of Pakistan. He further says control of land confers upon large landowners considerable economic and political power, which tend to exacerbate rural inequalities.

## 4.2 Skewed land ownership in Pakistan

“ In Lahore High court a petition was filed today by Mr. M.D. Tahir Advocate to provoke the government action against the circumstances under which four hundred tenants/ share croppers in Sargohda sub-division have sold their kidneys to pay off the debts due to their landlords.” News report. The daily Jang 12<sup>th</sup> November 2002.

Table 4.1

NUMBER AND AREA OF HOLDINGS CLASSIFIED SIZE OF TOTAL AREA OF HOLDINGS		
Holding size classes	Number of holdings	Area (hect)
Total	5071112	19252672
Under 0.5 ha	678 538	193126
0.5 and under 1 ha	689233	510397
1 and under 2 ha	1036286	1446796
2 and under 5 ha	1698286	5283232
5 and under 10 ha	623110	4134346
10 and under 20 ha	237929	3032872
20 and under 60 ha	91831	2613767
60 and over	1535	1935101
Government holdings	149	103035

Source: Pakistan Agricultural Census 1990

Skewed land ownership is tough social problem in Pakistan. And it is worthwhile considered as a constraining factor in the 67 percent rural population’s livelihoods who are landless and land poor. On the basis of above census 48 percent small farms have only 11 percent land available for farming while 6.5 percent big farms have 40 percent of land. And these are the statistics gathered during 1989-1990, much after 1977 land reforms.



Landlessness, which is an elusive concept, tends to acquire interpretations, which vary with the objectives, context and estimation procedures ( Mohammad Irfan and Arif 1988). Poverty, income or employment has often been underlying objectives of the measurement of Landlessness. Pure Landlessness and near Landlessness can be defined as under,

1.Pure Landlessness. A person who is primarily working in agriculture but do not have access to land either as owner or tenant. This simply implies landless labor that is employed as agricultural worker or permanently hired worker as recorded in the agricultural census.

2.Near Landlessness; Persons or families engaged in agriculture having insufficient land to fulfil their needs.

The basis of the calculation of the appropriate land holding for a household is the poverty line with nutritional needs (2550 cal; per adult) or Rs.1308 per capita per month or Rs.2700 per capita per month in 2002 at the annual average inflation rate of 12 percent approx.: ( Mohammad Irfan and Amjad 1984).

Average value added per cropped area worked out by dividing value added from major and minor crops with the cropped area. Livestock income for owner operator households by different farm size categories estimated by Faiz (1985) are added to arrive at the household and per capita income.

According to this procedure the bare enough to meet the poverty line work out to 6.2 acres for the owner operator and in case of owner tenant category the required cropped average is assumed to be 9.3 acres while for the tenants the same is 12.4 acres (Irfan and Arif 1984)

Landlessness is highest in NWFP (82 percent) and lowest in Sindh Province (52 percent). In terms of tenure classification, tenants are the worst sufferers (72 percent) while the owner tenants are subject to lowest incidence (52.6 percent). The provincial distribution of these households indicates that 64 percent of such households are Punjab, while 16 percent are in NWFP.

The percentage share of landless households are 15.5 and 4.2 for Sindh and Baluchistan respectively (ibid.).

In the absence of land distribution and tenancy reforms the skewed land ownership is inequitable for the poor peasantry in rural Pakistan. Thus hampering the pathway to the viable livelihoods of the peasants and destroying the chances of sustainable livelihoods especially in the environment of structural adjustment programs.

### **4.3 History and political economy of land reforms in Pakistan.**

Before partition of India the colonial masters granted most of the big estates in Sindh and Punjab provinces to their loyal locals as a reward to the information about anti government activities and to oppress the local poor population (Talbot 1998).

However as a political slogan of the partition movement, the Muslim League<sup>13\*</sup> had promised the landless and land poor haris\* to give them away the enough land after independence for successful livelihoods (PIDE 1984). Haris who were badly languishing under the Hindu private moneylenders readily joined hand in the creation of Pakistan.

After independence there have been three land reforms. First in 1959 (Land Reforms Regulation-64), then in 1972 (Land Reforms Regulation, 115) and lastly in 1977 (Land Reforms Act-II).

In the objectives of these land reforms, it was claimed by the then President of Pakistan in his address to the nation on 1st March, 1972, 'effectively break-up the iniquitous concentration of landed wealth in a few hands, reduce income disparity, increase agriculture production, reduce unemployment, streamline the administration of land revenue and ensure an effective and better relationship between land owners and tenants'. Land Reforms were also intended to rectify the defects and drawbacks, which existed in the agrarian structure on account of absentee landlords, and to cut down the holdings of big landlords (Ibid.)

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<sup>13</sup> Muslim league was the political front on whose forum Pakistan was demanded and created. Haris are the tenants.

Perhaps in the spirit of breaking the unwarranted power of the landlords in the rural Pakistan ambitious agenda of redistributive land reforms was again put forward by the Z.A. Bhutto's regime in 1977 who had swept the 1973 elections on the basis of political stunt of socialism. But the political expediencies afterwards did not allow the implementation of the same.

Under 1972 Land Reforms, Mr. Zulfiqar Ali Bhutto's government created Provincial Land Commissions for implementation of land reforms and the Chief Ministers were designated as their Chairmen. Powers were further delegated to divisional and district levels (PIDE 1984).

It was soon 'realized' that the big landowners constituted a powerful elite much too strong to be resisted by the Provincial Commissions, and it was, therefore, decided on a wrong premise it seems, that a Federal Land Commission (FLC) should be created which will be different and hence immune to the influence of the well-entrenched rural elite (Ibid.).

This Commission was delegated the powers of the Federal Government to revise/review orders of the Provincial Land Reforms Authorities and also take suo-moto notice in case of breach of the laws at any stage of the proceedings. The Commission was the fourth tier in the process of judicial review and the highest court under the rules. And that was to be the end of the process so as to expeditiously carry forward the process of implementation of land reforms.

But later on several amendments for exemptions on upper ceiling of land holding, defective cadastral records, intentional slackness of the revenue departments in coalition with the local land lords made it almost impossible to bear the fruits in the form of a social change. Perhaps this was one of the reasons that democracy could not be entrenched in Pakistan.

The power devolution plan of the Government of Pakistan implemented from 14<sup>th</sup> August 2001\*<sup>14</sup> put tremendous powers (NRB-GOP 2001) in the hands of the people but truly these are

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<sup>14</sup> \* 14<sup>th</sup> August is the Independence Day of Pakistan. M.A.Jinnah was the founder and first Governor General of Pakistan. Nehru was the first Prime Minister of India. Z.A Bhutto was the Prime Minister of Pakistan (1971-78). Sharif (Nawaz) was the Prime Minister from 1992 to 1999 once deposed and re-elected. Benazir

the same landlords who come into power again and again whether these are the Senate, National Assembly or the Provincial Parliaments. (News report)

Today the World Bank is emphasizing upon the secure property rights and on zero ambiguity in the property rights for a smoother flow of the foreign direct investment on the assumption of the trickle down of incomes even to the poorest of the poor. But how the poor are marginalised and further deprived by the corporate businesses in this system, no body is concerned.

In order to has an idea about the circumstances of livelihoods of tenants (although not universally applicable) particularly in the rural Sindh the following extract report of the Asia Watch may be glanced?

*“ In an enclosed area surrounded by fifteen foot walls with barbed wire and turrets at each corner. Interviews with peasant who has once been detained there, reveals of severe brutality. While the Jail was in operation, bonded peasants would spend their days working under the supervision of armed guards in fields. In the evening these peasants were confined to jail chained to iron fetters. During many nights the women would be raped in the jail by the guards. A number of children were born from such assaults. Within the jail people lived in makeshift shacks with no furniture or plumbing facilities. At the time the jail was raided in 1991, there were 55 women prisoners and 132 children. At times of illness, workers were not allowed to visit a doctor. The only food provided was some flour and occasionally chili peppers. The peasants were under constant surveillance, and the right to any privacy was denied. Defecation occurred in the open, as did sexual relations. Make shift shades erected for privacy were destroyed.” (Human Rights Watch Asia 1995; 64)*

#### **4.4 Other types of capital in rural Pakistan**

**Human Capital.** As refereed earlier the population and rate of population growth (2.4 percent) is quite high in the country thus making it a labor surplus economy with a vast majority of unskilled labor. Literacy rate is still quite low (27 percent). Dependency ratio is 45 percent because of gender discrimination in the education and labor market. Life expectancy is 62 years.

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Bhutto and Pervaiz Musharaf the former Prime Minister and the present President of Pakistan receptively replaced him.

Proportion of doctors and paramedics and hospital beds are very low in rural areas(GOP ;Various issues)

**Social Capital.** The traditions, values and norms in Pakistani society sustain and fertilize deeply embedded social networks based on cast, family, religious sects, and friendships. There are numerous national, regional and local organizations based on casts, occupations and political interests. (Iqbal 84). To mention few of them are Tanzimul Awan (national /cast), Tanzimul Qorash (national /occupation), Pakistan labor party (peasants, tenants/ national/political), RO-SCAs; rotating savings and loan associations (local, financial). This asset is mutually helpful and largely sustains the social fabric in rural Pakistan. But it has its own limitations too. These issues are discussed in the following section.

#### **4.5 Social institutions in rural Pakistan**

Access of peasantry to the resources is a debated theme in the livelihood literature (Bebbington 1999; 2023). The appropriate location of peasantry in matrix of state, market and civil society actors widens their access to the resources for livelihoods. And dislocation displaces them likewise. In this context phenomenon of “functional dualism” emerges on the scene where peasantry not only provides cheaper food to the urbanites but also provides cheaper labor (ibid.).

The access to the resources is determined in first place by the initial endowments of different types of capitals, which yield capabilities to people. As Bebbington (1999; 2022) elaborates that assets give meaning to the person’s world; they give them capability to act. These are the basis of agent’s power to act and to reproduce, challenge or change the rules that govern the control, use and transformation of resources (Giddens 1997 in Ellis 2000).

Social capital (family, kinship, extended familial relations and community traditions) is the instrument used for enhancing the access of poor to the resources from within and from outside (Bebbington 1999). And social institutions stand on the foundations of the social capital (WR 2000-2001).

Social capital is the social skills of the people rooted in the norms of reciprocity and trust for mutual benefit manifested in cooperative behavior. The associations thus formed may have both positive and negative effects for the members and out-groups. Social institutions are built on social capital by bonding, bridging and linking social capital (ibid.).

Although a study of the above process in Pakistan has hardly been done as Cris; Kay (1997) did for Chilean *Compesino*, the insertion of NGOs to fill the gap of social institutions mediating access of the peasantry to the resources has been late.

Fizza (1996) in her Ph.D. dissertation in Boston University applied the above paradigm in risk sharing in rural Pakistan and recommended the understanding the degree of risk pooling in society to avoid unnecessary government interventions. Mehmood (1988) while comparing three models of rural development i.e. the individual model, communist model and the organizational model recommended the organizational model adopted by the AKRSP based on the social capital paradigm.

It is neither possible nor desirable to look into all the existing institutions in rural Pakistan mediating or constraining the access of rural people to the resource base. Only a few of them are worth mentioning here.

**Table 4.2**

**Social institutions determining access of the people to resources in Pakistan.**

Mediating Institutions (A)	Constraining institutions (B)	Dual role institutions (C)
Zakat and usher system	Land tenure	Culture/tradition
Cooperative movement	Politics	Spiritual clergy
Kinship/Biradaries	Purda/ Patriarchy	Technology
NGO's	Urban bias	State

Source. Invented by author

In the above matrix institutions in box A need to be enhanced and exploited. Zakat and Usher system redistributes wealth in cash and kind in society under the framework of Islamic economic code. Kinship and biradary (extended family relations) is the extended blood relations

socially knit up to serve cooperation for mutual benefits. Sometimes these also serve to exclude others and limit their access. Therefore a careful manipulation is needed to avoid the trend of hierarchy in building social capital on this basis. Cooperatives and NGO's have to extend the social network with in-built pro-poor designs.

Institutional reforms carry primacy for the box B. state led or WB market led land tenure reforms taken up on priority basis can fundamentally change the access. As Khawar (1987) aptly put it, the institution of female exclusion, purda (veil) , gender division of labor, dowry, divorce, and above all patriarchy can be legislatively dealt with once the women are conferred their property rights even under the Islamic law of inheritance. This way the rural poor men and women can have a voice in the political process to enhance their access to the resources.

Institutions in box C automatically reform themselves under the pressure of the aforementioned institutions. For instance the role of religion is always supposed to be egalitarian. But progress in the religious thought comes through ijihad (research and development of thought under Islamic jurisprudence) which has been abandoned centuries ago by the autocratic rulers in the Islamic history in order to perpetuate their despotism and patriarchy. Has this not been in place Muslim countries could have been the most modern and progressive in the world (Tanzil 1984). Likewise state provides the good intentioned policies like the present government poverty alleviation program (chapter One), but whether the actual benefits accrue to the poor, largely depends on the other institutions mainly outside the purview of the state.

#### **4.5 Agricultural Land in relation to other assets in rural Pakistan.**

There is a vital linkage between the land tenure and rural livelihoods. Land is not only an essential natural asset for the peasantry but it also determines the social relations of production. The mediating institutions like credit, technology, extension can work evenly in the presence of equal or less unequal land tenure. Thus land is not only a factor of production in rural economy but also the other factors like labor, capital and organization are hinging upon it.

As mentioned earlier in rural agricultural economy of Pakistan land is still the pivot of other categories of the assets and capitals. Social survey of Pakistan shows that the rate of education

grows in the households with higher landholdings. The prevalence of diseases and epidemics is lessor in the upward scale of landholders. The members of these households enjoy better skills and capabilities because of their proportionate entitlements. Almost even agro-ecological zones in the Indus basin and the rain-fed areas in the country make this argument more relevant.

Their access to credit, technology and extension services is better for having tangible collateral and having capacity to save, invest and reproduce. Their political clout and bargaining power with the social institutions grow with the increase in the land holding. The social networks they enjoy are enviable for the landless and land-poor in the rural areas. Though being mutually beneficial even the patron-client relationship of landlord and tenant is lopsided in favor of the landlords. Likewise the assets and capitals are restricted for the poor in the rural areas of Pakistan.

However the social networks of the poor and socially disadvantaged also exist outside the social networks of non-poor in the rural society. These networks exist in the caste, extended family relations, community, and religious sects. Culture and tradition also foster these networks. But these networks have a limited utility in Pakistan. The social networks of poor do not let the poor die of hunger but also do not bring him out of poverty (Iqbal; 1989).



## Chapter Five

### Livelihoods strategies

Besides the contexts discussed in earlier chapters some other sociological reasons for adapting new strategies are discussed in this chapter. Main focus is on the diversification as a strategy and its relation with different kinds of peasantry in Pakistan. The restructuring in the agricultural production and shift to the non-farm activities are the other strategies under discussion. Then the outcomes of these strategies for the rural livelihoods in Pakistan are discussed. The migration as a livelihood strategy is categorized as inland migration, which is already covered under the non-farm activities, and the foreign migration.

Foreign migration as a livelihood strategy can not be analyzed, as the data on foreign remittances on the basis of occupations and the size of land holdings in the countryside is not available. However a hard statistical fact is that foreign remittances dwindled from 1848.29 million dollars US in 1990 to a mere 854.60 million US dollars in 2000-2001. (GOP 2001). This situation speaks of less demand of unskilled labor of Pakistani workers abroad, thus eroding the chances of foreign migration to peasantry a livelihood strategy.

#### **5.1 A rationale for new pathways.**

Weiss (1968) and Gill (1989) in G.M Arif and Irfan (1997: 1) argued that diversification of livelihoods is also some times an occupational choice in the development process extending over many years. According to Boskin (1974) the peasant will invest in changing occupation only if the returns are significantly large to make the particular change of occupation the most profitable use of his limited resources. Besides economic views of a choice of occupation postulated by Boskin (1974); kossoudji and Clark (1996) etc based on the theory of human capital as an intervening variable associated with lifetime utility, the sociologists consider the pull and push factors behind rural diversification.

Krishna Ghimiri (1994: 34) noted that in Pakistan to improve their living conditions, peasants have also modified cropping & land use patterns, but land accessible to them has shrunk. Seeking wage employment has emerged as the most widespread response in terms of livelihood adjustment.

Due to the income constraints in farm sector rural livelihoods are gradually running into snags. Migration to the bigger towns and cities and non farm activities are left over options for them to cope with the situation, where they find comparatively better income opportunities and to utilize their labor in a better remunerative way.

IFPRI (1995: 1)<sup>15</sup> noted that poor households in Pakistan receive almost 50 percent of their income from non-farm sources; they receive less than 10 percent of their income from agriculture. In contrast, households in the top income quintile receive more than 36 percent of their total per capita income from agriculture.

Faiz and Badar (1985:385) made a case to know how the small farmers in Pakistan are trying to fight back the pressure on their land with alternative sources of income especially when the land is becoming scarce for small farmers. And they conclude that income from crops is not significant for small farmers as it is for the large ones. For small farm households incomes from labor and livestock are more important (ibid. 390).

Haroon Jamal (1995:146) empirically tested that in Pakistan education has pronounced effects on technical efficiency in non-farm activities. He concluded that besides providing necessary support to raise agricultural productivity, rural development policies must also be addressed to encourage off-farm activities (ibid. 147)

The medium peasantry being better skilled, educated and being in a position to afford for the small scale businesses copes better than the smaller peasantry through migration abroad and getting better jobs in the civil and private service. This class of peasantry still tries to remain in the farm sector in order to keep on their ancestral profession.

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<sup>15</sup> IFPRI: International Food Policy Research Institute based in Washington USA.

The rich peasants like big landlords are inclined towards the corporate / commercial farming and are actively involved in the agricultural production restructuring etc. They have an economic edge of having viable landholdings for commercial farming.

But since our main emphasis is on the small peasants and landless farmers so the analysis is likewise explained. Livelihood diversification is the attempt by individual and household peasants irrespective of the size of land holding and the common factor for all types of peasantry is the structural adjustment programs. They do so in order to find new ways to raise income, which differs sharply by the degree of freedom of choice and reversibility of the outcomes.

Livelihoods diversification includes both on farm and off farm activities which are undertaken to generate income additional to that from the main household agricultural activities, through the production of other agricultural and non agricultural goods and services, the sale of waged labor, or self employment in small farms.

Ellis (1996) defined livelihood diversification as the process by which rural families construct a diverse portfolio of activities and social support capabilities in their struggle for survival and in order to improve their standard of living. Pointing out rightly that diversification is not necessarily synonymous with income diversification. The same approach is taken in this chapter. Although livelihood diversification is an important strategy by which peasantry may work to achieve sustainable livelihoods, it is one that generally operates in conjunction with other strategies which also contributes to the formation of sustainable livelihoods.

Two of the strategies which complement livelihoods diversification and which are being noted here are engaging in non farm activities and restructuring the agricultural production. Non farm activities form a central component of diversification. Therefore in this paper agricultural restructuring and non-farm activities have been taken as tandem to each other as a complex process.

### 3.2 Diversification and peasantry in Pakistan

The peasantry in Pakistan can be divided into three distinct categories on the basis of land holding size.

1. Poor peasants: Landless and small landholders up to 2.0 hectares.

2. Medium peasants: Land holders up to 10 hectares.

3. Rich peasants: Land holders up to 20 hectares

(Classification according to the Agricultural Census of Pakistan 1990)

The following table gives the relationship of the above categories of peasantry to the participation in the farm, non-farm and off farm activities.

**Table 5.1**

**Percentage of people above 10 years of age in Rural Pakistan participating in different activities. (In thousands)**

Type of household <sup>16</sup>	Mainly agricultural Own households	Mainly non agricultural own households	Mainly agricultural other's households	Mainly working in other agencies	Economically inactive
Agricultural households	49.5	10.65	2.55	10.65	26.54
Livestock House <sup>17</sup> holds	37.8	12.74	4.19	19.11	26.05
Farm households	54.88	9.70	1.81	6.82	26.76
Under 0.5 hect;	47.60	9.35	2.38	12.54	28.0
0.5 to 1.0 hect;	51.80	9.40	1.90	9.44	27.2
1.5 to 2.0 hect;	54.27	9.58	2.0	7.27	26.8
2.0 to 3.0 hect;	56.57	9.67	1.99	5.82	25.9
3.0 to 5.0 hect;	58.2	9.91	1.66	4.92	25.24
5.0 to 10.0 hect;	58.37	9.95	1.31	4.27	26.0
10.0 to 20.0 hect;	56.29	10.0	1.16	4.27	28.2

Source; Calculated/ adopted from the Agricultural Census of Pakistan 1990

Above table suggests the trends in the diversification of activities according to the size of landholding. Participation in the farm and non farm activities at the self owned farm grows progressively from landless to those with land holdings up to 10 hectare but the off farm activities

<sup>16</sup> Household is a site in which intense social and economic interdependencies occur between a group of individuals, this is regarded as a sufficient reason for the household to be relevant unit of social and economic analysis.

<sup>17</sup> Livestock households are those who do not possess any land whereas farm households do possess livestock.

participation is highest for the landless and landholders below 0.5 hectares and remains stable for landholders from 0.5 to 3.0 hectares. Afterwards it progressively diminishes. Whereas the non farm activities including trade, service and wage labor etc are highest for the landless and land poor (below 0.5 hectare) and substantially fall with the increase in the land holding.

Marcel Fafchamps and Agnes R. Quisumbing (1999 ;1) demonstrated that individual specialization in all farm, non farm and home based activities are influenced by the comparative advantage of human capital. Better-educated people participate more actively in off farm work. They also concluded that better educated household members work less on crops, livestock and households chores and they enjoy more leisure. Social norms, gender and family status are also the determining factors in the role allocations for the individuals.

In this way landless peasants would prefer to go into the non-farm activities like wage laborers in the construction sector and petty services etc. But given the agricultural structure of the country they can not abandon the agriculture as a profession particularly in the peak season of planting and threshing. Because during peak seasons obviously the demand for labor arises and the wages also slightly go up. This is still a practice in the countryside although the mechanization in agriculture is increasingly rendering the agricultural labor surplus.

As mentioned above the small farmers have the same fate as landless peasants. They remain in the hanging position and particularly adopt the circular migration for participation in the non-farm and off farm activities. The above table also showed that the non-farm and off farm<sup>18</sup> participation is rather scanty for the landless and land poor peasantry. This is in part due to their low skills/ education and in part due to the lack of rural infrastructure and gaps in the public policy towards rural development.

So on the basis of above discussion the diversification of activities for the landless and poor peasantry can not be ruled out. And the push factors of skewed land ownership and higher cost of production gloved with rising inflation are working behind this scene.

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<sup>18</sup> Off farm income typically refers to wage or exchange labor on other farms(i.e. within agriculture)

The diversification in case of the middle peasantry is much bigger and richer in terms of non-farm activities/income<sup>19</sup>. As mentioned earlier this class of peasantry has relatively better access to skills, education and other resources. So the livelihoods strategies are not very difficult for them.

Here this argument can also be corroborated by the below-tabulated representation of the households reporting different sources of income other than farming.

**Table 5.2**

**Households reporting different source of income other than farming in Pakistan.( in1000)**

Type of household	Service	Trade	Farm Labor	Non farm Labor	Poultry farm	Others
All households	216377	133953	38655	124815	812	18354
Non Agricultural house	120953	71433	4894	60707	124	5019
All Agricultural househo	95424	62520	33761	64108	688	13335
Livestock households	61833	45356	7059	42431	83	4852
farm households total	33591	17164	26702	21677	605	8483
under 0.5	5401	2226	3175	5892	114	1466
0.5 to 1.0	5096	2355	3795	4621	130	1264
1.0 to 2.0	6874	3148	6091	4317	119	1536
2.0 to 3.0	5363	3021	4608	2801	131	1487
3.0 to 5.0	5450	2761	4899	2411	39	1268
5.0 to 10.0	3206	2201	2616	1125	24	966
10.0 to 20.0	1538	888	1191	312	4	369

Source: Agricultural Census of Pakistan 1990

As discussed above the poor peasantry with land holding size between one and two hectares are more actively involved in the services and agricultural labor. While the non-farm wage labor steeply grows up as the land holding size decreases. Poultry farming, petty trade and self-employment etc being capital intensive are favorites of the less poor and medium peasantry. Other income sources being diverse, rich and varied show almost the same trends both for the poor and medium peasantry. And interestingly the income diversity tapers off with rise in the landholding size beyond 3.5 hectare.

<sup>19</sup> Unskilled labor, wage employment, and non-farm business profits.

Here both the push and pull factors are working. The pull factors being the higher returns in the agricultural production-restructuring etc. It is important to note that primary activities of some farmers may become livelihood diversification strategies of the others.

The rich peasantry has the adequate access to the credit, fertilizers, pesticides, and irrigation water, HYV\*<sup>20</sup> seeds market information and always have a political clout. They diversify to accumulate capital for reinvestment in the agriculture sector. The current bent of the government towards corporate farming also attracts them. Agricultural intensification is another way forward for them. They are also favored by the higher output prices and growing agricultural exports.

### **5.3 Diversification and the land-poor peasantry.**

Wheat is the basic staple food in Pakistan that makes about 50 percent of all the meals. Poor and some of the medium peasantry grow wheat basically for household consumption and then for the market. It is equally consumed in rural and urban areas. The rice in consumption follows wheat. Although maize is another edible commodity in rural areas as a substitute of wheat but data on its market prices is not available and the Government does not procure it at the level as it does in case of wheat<sup>21</sup> and rice. Potatoes make another bigger chunk of the rural foods. Onions and tomatoes are the essential part of daily curries/meals.

Although structural adjustments aim at the reduction of urban bias against rural sectors through devaluation and price liberalization of commodities both agricultural and non agricultural, but as Frances Stewart and Anurada Basuu (1999:146) argued this impact is offset by reduction in the inputs subsidies. for instance fertilizers.

Akram –Lodhi, A.H (2000; 225) simply and aptly juxtaposed that the terms of trade for agriculture in Pakistan have not been favorable for peasantry over the last few years particularly after 1994. The price ratio favored industrial products as compared with the agricultural products. On average 1.3 to 1.4 percent of annual agricultural value added flows out of agriculture.

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<sup>20</sup> \* High Yielding Varieties

The primary cause for outflow of resources from agriculture is the structure of relative prices with a disadvantage to the small peasants, who with their comparatively and absolutely lower incomes are more vulnerable to price movements in both agricultural and industrial commodities than the larger farmers

Government of Pakistan on the recommendation of the Agricultural Advisory Committee working under the Federal Ministry of Food And Agriculture fixes the floor/ support prices of these commodities with an idea of compensating the farmer against increasing cost of production. If the open market does not offer the prices higher than these prices then the Pakistan Agricultural Storage Services Corporation picks the commodity at the rate of support prices. Therefore market prices assumed to be slightly higher than the support prices are taken as a variable to signal the basic farm incomes for the peasantry. (GOP 2000-2001)

Although the income of landless farmers have the least linkage either to the support prices or the market prices and the land poor farmers so often do not produce for the market and suffer only from the increasing cost of production. However some small farmers with land holding of around 2.0 hectares or more do sell their surplus agricultural commodities to purchase other essential goods and services in order to sustain their lives.

The tables below show the price growth in some of the essential food and non-food items in the last ten years from 1990-2000, which justify the diversification of activities by the peasantry in Pakistan in face of unfair terms of trade for agriculture.



**Table 5.3**

**Average annual percentage growth<sup>22</sup> in the prices of essential food items other than staples (per Kg/liter) in Pakistan (1990-2000)**

Name of item	Sugar	Gur <sup>23</sup>	Tea	Ghee	Chili
Prices growth	7.71	11.0	11.05	12.67	17.86

Source: adopted /drawn from economic survey of Pakistan 2000-2001

**Table 5.4**

**Average annual percentage growth in the prices of essential non-food items (per unit) in Pakistan (1990-2000)**

Name of item	Latha*	Kerosene	Soap	Medicines
Price growth	9.35	24.0	12.0	8.26

Source: adopted /drawn from economic survey of Pakistan 2000-2001

The poor peasantry of course does not commercially grow the items listed above (5.4) table to sustain the price shocks and they must purchase the non-food items from market. Here analysis also suggests that percentage annual growth in the kerosene prices (24 percent) is also reflective of the international oil prices where Government can not always provide a cushion against shocks.

On the other hand this is also apprehended that majority of the peasantry is not always able to benefit from the growth in the output prices. And yet there are many other facets of life of the peasants which lie beyond the expenditure on the above mentioned items and agricultural activity simply can not support those expenditure heads.

<sup>22</sup> The average percentage Change/ growth is taken by universally using the following formula

$AAPG = \frac{(y_1 - y_2 / y_1) * 100}{1 + \{(y_1 - y_2 / y_1) * 100\} / 2 + \dots}$

Whereas AAPG is the average annual percentage growth

Y1 is the value for previous year, y2 is the value for current year. On calculating the growth rate for one year, all the value are added and then divided by nine to get the average for the period from 1990-2000.

<sup>23</sup> \* Gur is the condensed and dried sugar syrup concentrate. Ghee is the animal fats obtained from curdling the milk after fermentation. Latha is the pure cotton cloth

## 5.4 Restructuring farm Production<sup>24</sup>

As referred somewhere above wheat being the first staple food in the country must grow at a rate higher than or equal to the rate of population growth (2.4 percent per annum) in order to ultimately get the sustainable self-sufficiency. But the prevailing conditions in the environment and economic policies etc are not supportive of this desirable growth. Maize, Jawar and Barley are the fodder crops for the livestock in addition to the human consumption. These crops also need to be grown at a higher rate but their cumulative average growth comes to be 1.33 percent per annum, in comparison with the 6.88 percent annual growth rate of the fruits in the last ten years.

**Table 5.5**

**Average annual percentage growth (million tons) of major crops in Pakistan (1990-2000)**

Name of crop	Wheat	Maize	Jawar* <sup>25</sup>	Gram
growth	2.89	3.89	-0.38	2.05

Source: adopted /drawn on the basis of data from economic survey of Pakistan 2000-2001

Similarly the comparison between the growth of agronomic crops and growth of livestock in the last ten years provides the evidence like below.

**Table 5.6**

**Average annual percentage growth in the livestock and products (in million no. And million tons) in Pakistan (1990-2000)**

Name	Buffalo	cattle	Goat	Poultry	Milk	Egg	Beef
Growth	3.15	2.75	3.25	10.57	5.86	8.0	3.0

Source: adopted /drawn on the basis of data from economic survey of Pakistan 2000-2001

Irfan and Arif (1998:569) expressed their view on the unknown extent livestock keeping constitute a response to the Landlessness. They were of the view that income from livestock ac-

counts for a substantial portion of household income, particularly at the lower end of the land distribution.

The homogenization of livestock and crop production systems are the best examples the crop-livestock integration. Not only this integration helps farmers to maintain fertility through incorporation of animal dung into the soils but also the animals themselves provide other products as well in addition. And in Pakistan crop farming mixed with livestock farming is increasingly getting fashion as livelihoods strategy.

**Table 5.7**

**Average annual percentage growth (million tons) of major fruits in Pakistan (1990-2000)**

Name of fruit	Mango	Apple	Apricot	Grape	Guava
growth	2.76	10.83	10.62	5.94	4.29

Source: adopted /drawn on the basis of data from economic survey of Pakistan 2000-2001

As an effort to diversify and to improve the income of hard cash from the non-agricultural sector the poor, medium and rich peasantry are almost uniformly involved in the increasing growth of fruits. However the data shows that the poor peasantry is using 13percent of the total cultivated area under orchards where as medium and rich peasantry are using 12 percent and 9 percent respectively. (GOP 1993: 30)

Similarly the above data suggests average annual growth of 4.5 percent in the livestock sector against the crop sector growth of 1.33 percent thereby explaining the livelihoods strategies of the peasantry because of the higher value added-ness in this sector and to create the dependable assets in the crisis.

### **5.5 Shift to the non-farm sector**

Richard H Adams (1994; 111) analyzed that in a number of developing countries non- farm income represents between 13 and 67 percent of total rural household income. This proportion

is especially high where unfavorable labor to land ratio constrains income earning opportunities in agriculture. Using three-year panel data (1986-87 to 1988-89) from 727 households he concluded that non-farm income has a positive impact on distribution.

Livelihood diversification via non-agricultural means is important. Examples of critical importance of non-agricultural activities in Pakistan are evident in the following analysis. In many instances non-agricultural activities have been analyzed using the tools like household food, non-food expenditure approaches. Many of the diversification activities pursued by rural people involve micro enterprises and the importance of micro enterprises in generating employment and income in rural Pakistan can not be over emphasized.

**Table 5.8**

**Average annual percentage growth of employment in different sectors in Pakistan (1990-2000)**

Sector	farm	trade	service	Construction	transport	others
Growth	1.67	5.81	5.81	4.09	2.49	6.08

Source: adopted /drawn on the basis of data from economic survey of Pakistan 2000-2001.

The above table suggests that the overall capacity in the farm sector is shrinking as compared to the non-farm sector. There is a stark contrast in the average annual growth of employment in the agricultural and non-agricultural sector.

There are both push and pull factors responsible for this diversification and the shift of activities.

The push factors being the structural adjustment programs in the wake of which the reforms in the economic sector are being implemented. Withdrawal of subsidies on fertilizers may one of the examples. The pull factors include higher wage rates and profits in the non-farm sector. For instance the average annual percentage growth rate of wages in the construction sector have been 10.5 percent and 9.66 percent from 1999 to 2000 for the skilled and unskilled labor respectively (GOP 2000-2001). This is one of the highest return rates from a non-farm sector.

Therefore landless and land poor peasants prefer to go into these sectors. This rate of return from the construction sector for instance suggests the evidence that against the growth in the annual average inflation of 12 percent for food items and 11.5 percent of non food items is a survival strategy which may not better off the livelihoods of the majority of the peasants but still remains one of the available options.

## **5.6 Outcomes**

Peasantry in Pakistan is increasingly restructuring and diversifying their activities. The strategy for the poor peasantry is the higher participation in non-farm sector. This obviously generates more working days in the non-farm sector as compared to the seasonality factor in the farm sector. As seen above the non-farm sector yields comparatively higher incomes for the peasants.

Medium and rich peasantry is doing equally good in these sectors. But livestock and fruit productions are the livelihood strategies through which the non-poor peasantry tries to increase their incomes. Fruit plantations require relatively higher investments of financial capital, which only non-poor peasantry can afford. It also requires afterwards care and training / pruning etc which are usually provided by the extension services and irrigation facility by the irrigation department. Since non-poor peasantry is usually in a position to exploit their social networks with these departments, they remain successful. Livestock is the other main activity but also requires bigger initial investment which poor peasants can hardly afford. But the expansion of livestock activity also explains the gender division of labor because in rural Pakistan mostly females and children usually look after livestock activities.

This transformation has also the environmental and gender dimensions ingrained in it. As discussed earlier the intensive use of land under export crops by the larger peasants and land lords tells upon soil fertility, ground water level and overall symbiotic relationship of farming as an activity with the bio-diversity of the environment. Particularly when the supportive technology of drainage and de-silting of canals is not espoused with the above cropping pattern. Results are the waterlogging and salinity in the Indus basin soils. Livestock and fruit culture enriches the

soils with nutrients, provided appropriate technology is employed with it. Non-farm sectors pose debatable questions regarding environmental sustainability.

How far the women folk are involved in the diversification and other livelihood strategies, and what impact they receive out of this process is a separate research issue. This discourse can be approached by the general depressing data on land holdings registered in the name of women in Pakistan. Non-accounting of income earned by women in the Gross National Product, on contrary labor hours invested by women in the farm and non-farm activities in a household in rural Pakistan present a big paradox. The patriarchy has a dominant role in rural Pakistan.

However generally the incomes of the poor peasantry over the years have been falling short of the expenditure. And the survival strategies are not completely successful in coping with the widening gap between income and expenditure. This situation suggests that the mediating institutions like family, traditions, patriarchy and land tenure are not affording the competitive atmosphere to the poorer and women in the society.

One implication in the prevailing situation is that those rural households, who are most vulnerable because of their lack of access to lands, education, information and market, their low wealth status allows them the fewest opportunities to diversify. From the analysis of data this also came out that that different types of peasantry in Pakistan need different types of policy support. The rich peasantry can get better livelihoods through the agricultural export expansion policy of the Government. The medium peasantry needs a better support of the public policy in sectors like rural infrastructure, rural education and occupational training. While the landless and land poor peasantry making the biggest chunk of rural population needs a more through, micro and interactive policy framework to help bringing it out of the poverty line.

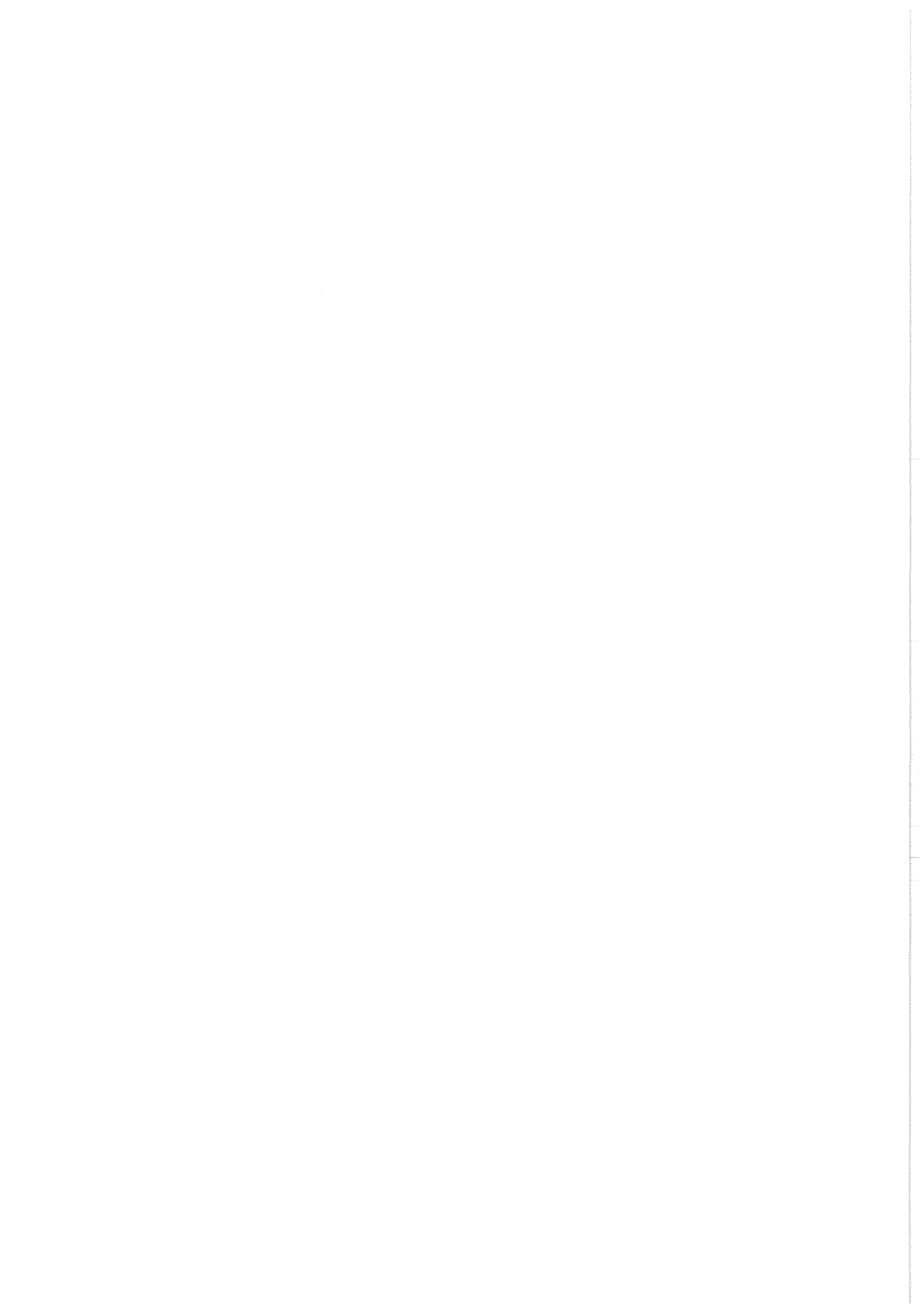
Different agro-climatic zones of the country depict different strategies. The south Punjab and Baluchistan are mostly arid and their usual strategy is to find jobs in the formal or informal non-farm sector. Their usual choice is joining the Armed forces being the largest labor employer. The soldiers are not only provided free food, medical, residence and clothing but also get subsidized rations for families in the form of wheat flour, sugar, pulses, rice and vegetable oil. In

farm sector the major strategy is sheep and goat farming befitting the dry and hot climatic conditions. Whereas central Punjab, Sindh and NWFP are in the Indus Basin thus peasantry can cope through agricultural restructuring, agricultural intensification or migrating to the gulf.

Therefore regional and agro-climatic aspect of the livelihoods strategies is also relevant in the case of Pakistan. Areas hard hit by the droughts are exposed to the livestock mortality due to the shortage of the fodder, where livelihoods become chronically vulnerable. The intensity of institutional militancy against the livelihoods of poorer peasantry is greater in agro-climatically poorer regions in Pakistan (especially in Sindh and south Punjab), thus posing a complex challenge to the social capital paradigm of the Sustainable livelihoods Approach in this part of the country.

The above analysis suggests that although generally rural Pakistan is gifted with the natural, physical and social capital, the strategy to mould the institutions in favor of creating more human and financial capital is an intellectual task for the social theorists. Present approach of SLA is too simple to capture and explain the complex reality of rural livelihoods in Pakistan.

These issues among others are discussed in the next /final chapter.





## Chapter Six

### Summary and Conclusions

In this final chapter the following four sections receptively discuss summary of the study, comments on the present government's policy/strategies towards rural development, critique of the SLA as applied in rural Pakistan for achievement of sustainable livelihoods for the peasantry. The chapter concludes with some recommendations, further research question arising out of this study and limitations of the study.

#### **1.6 Summary of the study / findings**

Generally rural Pakistan is potentially viable for creating and sustaining the rural livelihoods. Farming as a sector has larger potential that has not been fully exploited and the non-farm sector still needs to be explored for sustainable livelihoods. The inequalities can be leveled off through a better strategy.

The structural adjustment Programs are creating further hardships for the land poor and landless peasantry in Pakistan. Abrupt and gradual withdrawal of subsidies unaccompanied with the necessary institutional reforms are not favoring the agriculture sector in general and the poorer peasantry in particular. Fertilizer subsidies are one example. The cost of production in the agriculture sector is increasing for the peasantry. In a way this trend is serving as a push factor for the peasantry to search out jobs and livelihoods in the off-farm and non-farm sector. This process is more implicit for the landless and land poor peasantry. The population increase is not proportionate to the existing resource base in the countryside. The climatic change in the last few years has been showing in the form of draughts. The rain-fed rural areas are hard hit and the livelihoods in those are worst stricken.

The inequitable power in the hands of landlords manifests itself in the power structure of the country. And the nexus of landlords with the power structure in the country is very hard to break. It largely determines the access of the less-privileged land poor and landless peasantry to the resources in the countryside. The livelihood strategies of the medium and poor peasantry are

influenced and shaped by the formal and informal institutions in rural areas. The agrarian structures and social differentiation are portrayed by the colors of skewed land-ownership. State society and religion generally try to play a mediating role in accessing the rural poor to the resources but the aforementioned institution constrains their agency in reaching the poor. Gender discrimination excludes the women as a larger section of society from access to the resources.

On the basis of above evidence the diversification in case of Pakistani peasantry answers both as a involuntary response as a survival / coping strategy in case of the landless and land-poor peasantry (below five hectare) and an optional course of action for investment and accumulation for the rich peasantry and landlords who are reaping the benefits of export-oriented agriculture and informal sector expansion at the apex of economy. Since this process has not the capacity to dilate, proliferate and expand to the lower sections of the society the inequalities are exacerbating. The medium peasantry strives to move up in the ladder with rich peasantry in the course of diversification. The agricultural restructuring is mainly the suitable strategy for the medium and rich peasantry. Shift to the non-farm activities, as a livelihood strategy is contestable on the criterion of education, age, skills, gender etc.

Although the above analysis is not universally applicable to all the ecological regions in the rural Pakistan but the generalizations do sufficiently answer the research questions posed in the introduction.

## **6.2 Policy / strategies studied under the lens of SLA**

- The public works strategy under the khushal Pakistan Program is appreciable from the point of view of creating the daily wage opportunities for the displaced landless and land poor peasantry. The other aspect of these civil works in enhancing the rural infrastructure is likewise a support to the rural livelihoods in a larger perspective.

But the moot point under SLA is that which percentage of real allocation under this development program goes to the real wages of the rural labor. Right from the fund allocation by the

ministry of Finance to the tendering process of the civil works, there are dozens of government departments coming between the works on ground and the government treasury. At every point there is a tendency of funds pilferage. The contractors at the other end have a choice of employing heavy construction machinery to save labor.

The construction sector in Pakistan has also a link to the foreign remittances from abroad. Usually the foremost priority of immigrants' abroad is to build a new house in the village/town. This choice has many explanations but the construction sector in Pakistan is greatly promoted by these attitudes. State sponsored public works aimed at the rural infrastructure make only a part of the growth of rural construction sector.

Although the deregulation of State Cement Corporation in early 1990s and privatization of production and marketing of cement has shot up the price of a bag of cement from Rs.110.00 to Rs 280.0 in early these years and the steel re-rolling is competitively increasing the prices. But the construction also speaks of the growth of informal economy in the urban and semi-urban sector. This situation calls for the skill development of the landless and land-poor peasantry to cope with the persistent demand of skilled labor in this sector.

The other aspect of the construction sector with regard to gender parity is that men being considered physically stronger get the opportunities in public/private civil works, thus female usually ignored. While approving the public rural development schemes the environmental concerns are seldom considered, thus natural resources get negatively impacted. Clearing down dozens of old trees on the pretext of road construction is a common phenomenon in rural Pakistan.

Usually heavy investments are made on the infrastructure that is not needed and the same funds can be utilized on other scheme or on the infrastructure where it is really needed. There are numerous examples of schools and hospital buildings in rural areas where livestock of the local landlords are housed.

Therefore under the present framework the rural natural resource base have to be saved. The bureaucratic channels have to be cut short. The audit system to be made transparent and efficient. Only those contractors should be awarded the contracts for execution of public works that employ gender conscious and labor-intensive technology.

- The micro credit program of the Khushali bank really tries to work in improving the access of the poor to the credit. Thus enhancing the financial capital of the rural poor to create sustainable assets. It has trade off capacity against collateral like land or surety bond to be signed by class one officer or local councilor.

But there are two more aspects to be added that social capital to be exploited as a collateral i.e. a group of poor should stand surety for each other's repayment. Exactly on the lines on Grameen Bank. And a technical advisory cell in the bank branch for the utilization of loan in the sustainable micro-enterprises from the issuance of first installment to the recovery of last installment. Failing which the procedural difficulties and cost of transaction of loans would remain as high as in the case of ADBP<sup>26</sup> and Cooperative banks.

- In order to utilize the Zakat Usher funds for sustaining the poorest livelihoods, the Ulema may be consulted and convinced to resolve the issue of " Tamlik<sup>27</sup>" in Zakat and usher system so the sustainable resource base may be created by the state which can help in sustainable livelihoods of the poorest of the poor. The food stamps program is cosmetic but a good step forward in the way of survival strategy for poorest of the poor in the society.

### **6.3 SLA –how it works**

Sustainable livelihood approach is a holistic model towards achieving sustainable livelihoods. It finely divides the whole spectrum of livelihoods and gives a better framework for analysis. It has the strength of investigating the ingredients of livelihoods at a micro level. And has a profound institutional approach towards mediating the access of the poor to the resources. The social capital paradigm gives this approach the power to act in the way of bringing in the

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<sup>26</sup> Agricultural Development Bank of Pakistan.

sustainability to the livelihoods. Being non-sector in nature and flexible in application it involves people in every realm of livelihoods. It studies various influences on people's livelihoods and tries to make a link between micro and macro contexts. In the project designs SLA can venture to achieve sustainable livelihoods.

However SLA has some conceptual difficulties and inherent disabilities in its practical application on the ground realities including Pakistan, which are given as under.

On the first thought it looks like a descriptive analysis of the livelihoods within a given set of conditions but not prescriptive towards favorably changing the contexts and conditions circumventing the livelihoods. It feels like a model strategy subordinate to the (structuralist) neo-liberal agenda under which the structural adjustment programs are formulated. Its potential approach is to cure the wrongs of the former to the people's livelihoods. So in a way it is said that it hides more than it reveals in the development process. As Ellis (2000; 162) tries to link policy reforms on deregulation, stabilization, adjustment etc with the sustainable livelihoods, seems a protracted agenda. And the way of questioning the contexts looks flaccid one.

The diversification paradigm within this model has both merits and demerits. Merits in the sense that during seasonal slackness and risk conditions it widens the choices of the peasantry and attempts to create dependable endowments. But the demerits also go with it. As we have seen in this case study that in the absence of equally enabling environment for all kinds of peasantry diversification creates further inequalities between rich and poor. And leaves fewer chances for the poorer peasantry to diversify. Gender, age and education differences equally negatively impact the chances to diversify in case of women, elderly and uneducated.

Social capital paradigm within this framework is a complex notion. And there are not cut and dried slices of assets and capital to be combined or manipulated for creating the sustainable livelihoods. Thus sequencing and clustering of different capital and assets are the unfinished questions. Each type of capital depends on other.

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<sup>27</sup> Tamlik is the notion of possession of the money by the poor out of Zakat fund and not the job, service or a good. Ulema are the Islamic scholars.

The entry point of SLA in the project designing for Pakistan as envisaged by DFID is the social capital. But this is a very complex reality in the face of power relations, which virtually constrain the access of poor to the resource base in the country. So the entry points for SLA whether institutional or contextual are challenging the present institutional framework in Pakistan's context.

I try to bring out at this stage another aspect of social capital as an asset deeply embedded, in the rural social structure of Pakistan. It is the spiritual aspect of social capital or simply the *spiritual capital*, which plays a distinct and categorical role in the rural areas parallel with the extended family and friendship networks. It controls lives of more than fifty percent of the ruralites in Pakistan. This capital has not been captured so far and the development paradigms like modernization or neo-classical models take it as anti-development discourse. Virtually the saints and their shrines, mosques and madrassas (religious schools) existed among the rural poor in the Indian sub-continent over centuries. The representatives of this school of thought in Islam have been playing an active role in the local and national politics. This platform has the potential to depart from the agrarian structures in the country. These serve the poor and non-poor alike. Direct food provision to thousands of poor disciples, arranging livelihoods and integrating them with the rich has been their salient feature. The amulets and witchcraft historically had the superstitious power of persuading the non-rich to give a space to the underprivileged in the society. But this capital in the country is unorganized and undirected in the development process. The spiritual clergy can reconstruct the discourse on social justice and equity in the country both through enhancement of access to the resources to the rural poor and proliferation of family planning techniques. If social capital paradigm in the sustainable livelihood approach substantially and more prudently brings this aspect into play, it can give an entry point into the arena of sustainable livelihoods in rural Pakistan.

## 6.4 Recommendations

Besides the comments on the present poverty alleviation program as given above it is suggested in the larger interest of sustainable livelihoods that rural development policy and practice should include the,

- ❖ Land tenure reforms (either state led or markets led) on priority. The appropriate agricultural land holdings as explained earlier can not only provide the livelihoods to million of rural poor but can also make them sustainable. The new market led reforms have the potential of gender equity in joint titling and an exit for those landlords who no more are a part of larger farming sector of the country because of their more diversified activities. But my point is not to recommend the market led reform where state can effectively and pro-actively implement the 1977 land reforms act.
- ❖ Population control policy to be integrated with the rural development policy. As far as the population explosion is not put under control the efforts to make the livelihoods sustainable can not be fruitful. Similarly education policy has to integrate rural female education in the main focus. Unless women are empowered and have control over their personal decisions the efforts to from outside can hardly work.
- ❖ The NGOs, CBOs and official statistical organizations to make a data network on the basis of concrete capitals of the rural people incorporating the SLA elements with especial reference to gender, multi-sector income diversity, environmental concerns etc. to facilitate the future studies on the basis of rural livelihood approach
- ❖ State and civil society organizations should try to capitalize on the social capital of the people in such a planned and scientific manner that the regeneration of new social assets for some should not restrain others to access the same. In short the build up of social capital should largely be a win- win game for all to make it sustainable for the landless and land poor peasantry in Pakistan.

- ❖ Research on the cross cutting themes of rural development policy, diversification, Pakistani Peasantry and sustainable livelihoods should continue.

Out of the above discussions the following further research question arises.

How can micro realities of rural livelihoods in Pakistan be inserted in the macro-economic policies? A response from Sustainable Livelihoods Approach.

### **6.5 Limitations of study**

Needless to say the that study is dependent on the secondary data available in various articles, books, Economic Survey of Pakistan, Agricultural Census of Pakistan, periodicals, on Internet and the views expressed are of various authors, which inform and support the main argument in favor of relatively sustainable livelihoods of the peasants in Pakistan. This limitation forces the study to the hypothesis that diversification is not only a viable option for the medium and rich peasantry in the way of sustainable livelihoods. At the same time it is an involuntary response of the poorer peasantry to the structural conditions in the country.

The Sustainable livelihood approach is very new to the Pakistan context. The lack of data in the above sources or at-least its tenability to the application of SLA is also confessed. Perhaps, it is hoped, if the livelihood approach is considered in future in enumerating, collection and interpretation in official documents, it will help in the future research studies.

Since this is a new study of its sort to empirically evaluate the livelihoods strategies of peasantry in Pakistan in post- reform era, and the policy and sustainable livelihoods model; both were tested on the criterion of sustainability, it was hard to gather the relevant data on the topic. And it was concluded that sustainable livelihood approach could not help the aforementioned situation without particularly enhancing the capacity of the institutions mediating the access of people to the resources.



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