

**S. Akbar Zaidi.** *Issues in Pakistan's Economy*. Second Edition Revised and Expanded. Karachi: Oxford University Press, 2005. xii+530 Pages. Paperback. Pak. Rs 595.00.

“Issues in Pakistan’s Economy” by S. Akbar Zaidi was first published in 1999. The book provided comprehensive information on different aspects of the economy in Pakistan since independence. The idea of writing this book originated from Oxford University Press as there was no book on the economy of Pakistan to benefit the graduate students, researchers, scholars, academicians, and the general public. The book was prescribed as a standard text book in the area of issues in Pakistan’s economy. It is also used as a standard book on the courses on South Asia’s development, economic history, and political economy of the region. The book became a best seller due to its subject matter. That is why a great need was felt to update the book that forced the author to expand, update, and revise the book and improve the shortcomings left in the previous edition. The Second edition includes a large amount of new research material. Also, the most recent available data have been included in the tables of the text throughout the book. Three new chapters have been added, some of the chapters have been reformulated, and the new arrivals in theory and empirical research have also been incorporated, accordingly. The book under review presents the important issues in the form of boxed text, appendices, chapter summaries, and provides suggested readings to further enhance the knowledge in specific areas. The efforts and the pains of the author in completing this book are highly laudable in producing such a valuable piece of research on economic development in Pakistan over the fifty-seven years to benefit the end users in completing their studies, research work, and policy-oriented assignments.

This edition of the book consists of six parts and contains twenty two chapters. Chapter 1 provides general historical information on the economy of Pakistan, policies adopted in different sectors of the economy in various regimes and/or decades, the after-effects of the policies and its comparison with other countries of the region. The epoch include laying the foundation (1947-58), the decade of development (1958-68), the bad luck years (1971-77), the second military government (1977-88), and the era of structural adjustment (1988 and onwards). The chapter tries to identify the sectors in which Pakistan has gained advantage so far and the sectors those had left behind and could not cope with progress in the region.

Part 1, Chapters 2 through 5, deals with the historical account of the development of agriculture in Pakistan including the importance of the Green Revolution and Land Reforms, the nature and the direction of agrarian change and other critical issues in agriculture. The author describes that feudal agriculture is now a part of history and has been replaced by capitalist agriculture in Pakistan.

Four chapters of the book in Part 2 deal with industry and trade. The chapters investigate the process of industrialisation in Pakistan. According to the author Ayub

Khan's regime discussed in Chapter 6 was the golden period in economic growth due to the adoption of capitalistic policies while Bhutto could not maintain the consistency in industrial growth partly due to his nationalisation policies and broadly because of the unfavourable extrinsic and foreign factors which were beyond the control of the government. Chapter 7 describes the process of industrialisation in Pakistan during 1977 to 2004. Emphasis is laid on the nature and extent of growth, industrial policy, public and private sectors, and deregulation and liberalisation in Zia's regime. It also covers the period of structural adjustments in that was 1988 onwards. Chapter 8 examines the key issues in the industrial sector in Pakistan and comes to the conclusion that though in the beginning there were severe hurdles in the growth of the sector but on average it performed well. Foreign trade in Pakistan is critically evaluated in the next chapter resulting in inefficient industry due to the high protection given to it. It also discusses some political economy issues and analyses the impact of globalisation and the new WTO regime.

The third part of this book examines the fiscal and monetary policy issues in a considerable detail. Chapter 10 describes the nature of the taxation structure and resource mobilisation during different regimes in Pakistan and tries to sort out the possible reasons for fiscal deficits in the country. Pakistan's major economic problem, accumulated debt burden, is thoroughly described in Chapter 11. It clarifies that fiscal deficits are not always and everywhere a bad thing. The important thing to note is the type of expenditure and the context of the fiscal deficit. The author of the book has given enough space for financial sector reforms in Chapter 12 which is devoted to equity market issues that highlight the importance of credit schemes, subsidised credit, and distorted credit markets as better policy options. Inflation is an outcome of the government's administered prices and devaluation rather than a monetary phenomenon is discussed in Chapter 13. The chapter examines the salient features of monetary policy and monetary management, elaborates monetary expansion and credit disbursement, highlights inflation and its causes, and discusses the low saving rates in Pakistan.

Part 4 of the book is concerned with the structural adjustment programme imposed by the International Monetary Fund and the World Bank and implemented by the governments in the region that enforced extensive changes in almost all the sectors of the economy. Chapter 14 illustrates the composition and effects of structural adjustment programmes and also discusses economic liberalisation and openness in the economy. In this chapter the author presents a brief historical look over the last fifty years and compares it with the present situation in different sectors. It is viewed, that in general, structural adjustment programmes had a negative impact on growth, inflation, income distribution, social sectors, and poverty eradication. Chapter 15 discusses the issues presented in the previous chapter in the context of Pakistan and illustrates that the performance of the economy had declined sharply which had adversely affected the low income class. Poverty, inequality,

unemployment, and inflation have increased with the implementation of structural adjustment programmes resulting in low growth in the economy. Macroeconomic development after 1998 and the aftereffects of September 11, 2001 termed as the turnaround of the economy are critically evaluated in Chapter 16. The economy has performed well in the last three years and the same trend is expected to prevail in the next few years. To attract domestic and foreign capital and investment, there must be an improvement in security, law and order and future expectations along with full control on political, regional, and geo-political factors.

Part 5 contains four chapters and elaborates the Pakistan's development paradox. Growth in different sectors of the economy has not been translated into the social sectors leaving the poor in miserable conditions. Chapter 17 focuses on the issues pertaining to health, education, housing, and population. Despite the high growth rates, the social sectors have shown poor performance over the 57 years. It presents some international and regional comparisons, describes the planning for social sectors including health, education, population welfare and family planning, and urbanisation and housing. Issues of gender inequality and women, infrastructural developments, the environment indicators, and regional inequalities are discussed in Chapter 18. The most important issue of poverty is the subject matter of Chapter 19. It elaborates different definitions of poverty, explains trends in poverty, and pinpoints the poor and their localities, tries to find out the causes of persistent poverty, and recommends the ways to alleviate poverty. Institutional issues containing factors and constraints that have hindered social development have been analysed in detail in Chapter 20. The chapter discusses the Social Action Programme (SAP), governance, decentralisation, and local-level delivery, Non-Government Organisations and community participation.

The last two chapters pertaining to Part 6 elaborate the impact of the economy on political formation, the state and the classes and the political economy of neighboring nations. Issues related to South Asia are also discussed in this part. The critical review of the performance of economy over the entire period is presented in the last chapter.

However, the author of the book can further improve it by incorporating the following suggestions in a forthcoming edition. Firstly, the data should preferably start from the inception of Pakistan or at least from 1959-60 preferably on constant prices of 1980-81 in the Appendix of each chapter that would be very useful for researchers. Secondly, there must be a list of abbreviations used through out the text. Thirdly, references used in the text must be checked for their latest status of publication. Lastly, the graphical representation can make the analysis more attractive and understandable to the readers. That would make it a complete reference book in the literature on the issues in Pakistan's Economy.

The objective of the book under review is to provide and interpret basic facts to raise issues pertaining to the overall macro-economy of Pakistan in context of the

globalisation and the new developments in the region. The book filled the gap that had not been covered in the previous books on this topic. This book provides the relevant material in quotations from numerous published articles and books to encourage the readers in developing the habit of searching the literature for further detailed perception of the topic concerned from the original source. The emphasis of the book is on providing the information on the processes, based on past experience learnt from half a century, and find out the best options to make the future bright. The book is really an asset to the students, a facilitator for researchers, a guide for academics, and a source of information for general readers.

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