

S. M. Naseem. *Underdevelopment, Poverty and Inequality in Pakistan*. Lahore: Vanguard Publications Ltd. 1981. 323 pp.

This should be counted among the better books published on Pakistan's economy in that it is analytical and not merely descriptive. That the book's contents may not match the expectations created by its title reflects not the author's failing alone, but also the fragmented state of information about the economy itself. I think Professor Naseem has made good use of the available data, although in places his argument is tedious and merely rhetorical.

The book covers a large number of issues, and brings together the author's published and unpublished research in these areas. While it does not have a definite focus, it articulates a point of view, which is critical of the dominant ideology of growthmanship through private enterprise and the consequent foreign-sector orientation of the economy, neglecting the real issues of structural change and equity. He even castigates the short-lived experiment of "socialism" in the early Seventies as whimsical and *ad hoc*.

The book is divided into five parts, each of which carries arguments on a particular issue. Part I contains a historical backdrop and a review of the resource endowment of the country at the time of its creation in 1947. There is little controversy about the fact that Pakistan's rural economy was predominantly feudal; it could not be called resource-poor, except with respect to its "human capital" which needed rapid transformation.

In Part II, the author focuses on the aggregate performance of the economy in the first twenty-five years, analysing quite critically the issues of growth (in agriculture and industry) and income distribution. There is much merit in his criticism of (a) the import-substitution policy favouring consumer goods, (b) the emphasis on large and not small manufacturing capacity, and (c) the almost obsessive concern with the foreign exchange constraint and not the domestic saving constraint. The author's analysis of agricultural growth is valid, except for the superfluous discussion of employment and underemployment. His grasp of the real issues in agriculture is good, as his discussion on use of tractors clearly reflects. The weakest chapter in Part II is that on income distribution and poverty. This is due partly to the limited nature and quality of relevant data and partly to reliance on conceptually dubious methods of measurement of poverty.

Part III is entirely, and correctly, devoted to the analysis of agrarian structure in recognition of the dominance of agriculture and the significance of the production and income-creating effects of the asymmetrical relations on land. The author highlights changes in the agrarian structure in the inter-census period of 1960 – 1972. As the author admits, the census data are at best useful for analysing changes in land use by farm size and tenancy. These data do not tell us anything about changes in landownership. However, they do indicate increasing trend of land

concentration in two ways: (i) more of the share-cropped area is being cultivated by landlords themselves, and (ii) more of the area of marginal and small owners is being leased out to medium and large landowners. On the issue of landlessness and rural poverty, the author is least confident, as the evidence is either fragmentary or does not support the argument of increased relative poverty in the countryside. That the land reforms (of 1959 and 1972) in Pakistan have had a limited impact on the asymmetry of relations on land is briefly but cogently argued.

The issues of patterns of regional growth and migration (internal and external) are discussed in Part IV. In a country whose dismemberment in 1971 was premised on regional grievances that continue to plague it even today, the author quite rightly pleads that "the regional economic disparities in present day Pakistan are recognised boldly and realistically and policy measures adopted to minimize the strains created by regional imbalances" (p.206). However, he does not analyse in any depth the factors which may be contributing to regional disparities. His assertion that Punjab has "the greatest disparities" is not borne out by his own data, and land distribution in the province is not the most unequal as he suggests on page 215. His exercise on the regional agricultural growth experience, earlier published by the ILO, is based on highly aggregate and fragmented data. Hence the problems of interpretation of his results. It does shed some light on the potential for labour absorption and on the deleterious effects of "feudal" tenancy on production.

Professor Naseem has treated almost all aspects of labour migration. His explanation for internal migration rests on the well-founded notion that people have moved from the non-growing or slow-growing rural areas to the growing rural (and urban) regions in search of higher incomes. He has also rightly suggested that a "permissive attitude" has been adopted towards overseas migration of skilled and unskilled labour, mainly to the oil-rich Middle East. Indeed, little if any attention has been given to the short-run, and particularly the long-run, consequences of migration and the eventual return of the migrant workers. The author tends to overplay his rhetoric at times, as he suggests, without much evidence, that "the savings of the emigrant poor are being used to finance the luxury consumption (including real-estate investment) by the resident rich". (p. 269) His explanation of the adverse effects of emigration on income distribution (p.277) is another such example.

The final part of the book, which is also its briefest, is devoted to a review of the past development strategies and a bit of loud thinking on the "outlook for the future". Consistent with his world-view of development, Professor Naseem is critical of the strategies followed in the past: he criticizes the Ayub regime for its insensitivity to issues of employment and income distribution, and he castigates the Bhutto regime for the wide gap between its "socialist" rhetoric and erratic policies. The author ends the book rather appropriately on the confused state of policy-making in Pakistan today: "It is time that a more serious effort is made to assess whether the

present trends and likely future developments in the economy are in consonance with the basic egalitarian spirit of the religion on which Pakistan was founded" (p.302).

I hope the book will be read by laymen and experts alike, as it has so much to offer. Students of economics in Pakistan's universities and colleges should find it of particular interest as the book covers a vast territory of ideas and evidence related to Pakistan's economy. One hopes that in a subsequent edition the author will fill the many gaps in literature citations, particularly in areas of agriculture, trade, and migration where these gaps are most striking. Also, better proof reading should save the author from embarrassment on errors in language, presentation of tables, etc.

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