

AGRARIAN STRUCTURE AND SOCIAL CHANGE

By

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Pakistan's agrarian structure had been historically characterized by a landed elite which owned a relatively large proportion of total farm area¹, with large landlords renting out land to medium and small sized tenants². The terms of tenancy were typically, share cropping but over time a variety of money rent arrangements also emerged. Landlords had extra economic control over the peasants either due to historical ties of bondage of tenant families to landlord lineages³ or on the basis of economic and social dependence within the local power structure⁴.

¹ It is estimated that 0.5 percent of the total land owners in Pakistan owned 30 percent of the total farm area. See, Akmal Hussain, *Pakistan: Land Reforms Reconsidered*, in Hamza Alavi and John Harriss (ed.), *South Asia*, Macmillan, London, 1989. Page63.

² For a detailed analysis of Agrarian Structure, See: Akmal Hussain, *The Impact of Agricultural Growth on the Agrarian Structure of Pakistan with Special Reference to the Punjab Province: 1960 to 1978*, University of Sussex, D.Phil. September 1980.

³ For an analysis of the power structure of the landed elite as it emerged during the British Raj in the Punjab, see: Imran Ali, *The Punjab Under Imperialism, 1885–1947*, Oxford University Press, 1988a, Delhi.

For an analysis of the rural elite and peasant relations, in the process of agricultural growth, see: Hamza Alavi, *The Rural Elite and Agricultural Development*, in R.D. Stevens, H. Alavi, P.J. Bertocci editors: *Rural Development in Bangladesh and Pakistan*, University Press of Hawaii, Honolulu, 1976.

⁴ For an analysis of the various forms of social control and associated production organizations after the Green Revolution, see: Akmal Hussain: *Strategic Issues in Pakistan's Economic Policy*, Progressive Publishers, Lahore, 1988. Chapter 5.

For a more recent analysis of extra economic control of the landlord over the peasant and its impact on rural markets, see: Akmal Hussain, et.al., *UNDP-Pakistan National Human Development Report 2003*, Oxford University Press, Karachi, 2003. Chapter 3.

In the context of this agrarian structure, as the Green Revolution technology became available in the mid 1960s, large landlords finding that owner cultivation had become highly profitable, began to resume their formerly rented out land for cultivation themselves using tractors and hired labour. This phenomenon had a major impact on the agrarian structure, leading to polarization in the size distribution of farms, proletarianization of the peasantry and rapidly growing economic inequalities⁵.

The main factors underlying the process of polarization in the agrarian structure were as follows: (i) The loss of land of tenant farmers following land resumption by landlords, hit medium sized farmers to a much greater extent than small farmers⁶. This was because the proportion of total farm area under medium sized tenant farms was greater than under small farms. (ii) Some medium sized farmers following the loss of some (but not all) of their rented in area, were converted into small farmers over the period 1960 to 1972. Consequently, as the percentage share of large sized farms increased, the percentage share of small sized farms also increased while that of medium sized farms declined. (iii) The process of polarization in the size distribution of farms was accompanied by increased landlessness as some tenants lost all their land following resumption. Consequently during the period 1961 to 1973, as many as 794,042 farmers entered the category of wage labourers following tenant eviction. Thus 43 percent of the total agricultural labourers in 1973 had entered this category as a result of the proletarianization of the poor peasantry.

The development of capitalism in Pakistan's agriculture was accelerated as large land owners began to resume their formerly rented out land to operate their own farms using hired labour and capital investment. However instead of being accompanied by a

⁵ The phenomenon of land resumption and the associated polarization in the agrarian structure was first identified and systematically examined in a doctoral thesis, see: Akmal Hussain, D.Phil Thesis, op.cit.

For an analysis of how the changes in agrarian structure induced economic processes with an endemic tendency for growing inter personal and inter regional economic inequalities, see: Akmal Hussain, Institutions, Economic Structure and Poverty in Pakistan, South Asia Economic Journal, Volume 5, Number 1, January-June 2004, SAGE Publications, New Delhi, 2004.

⁶ In this discussion, large sized farmers are defined as those operating over 150 acres, medium sized farmers are defined as those operating 7.5 to 25 acres and small sized farmers are those operating less than 7.5 acres.

growing independence of the poor peasantry (as in Europe), in Pakistan's case capitalism in agriculture was accompanied by increased social and economic dependence of the poor peasantry on the land owners. The reason was that capitalist farming in Pakistan developed within an agrarian structure where the power of the big landlords was still intact⁷. Consequently the emerging market was mediated by the social and political power of the landlords. The markets for the distribution of agricultural inputs, credit and sale of output were heavily influenced by the big landlords. At the same time small tenants who were locked into ties of dependency on the landlord through debt bondage and court cases were obliged to work on the landlord's owner cultivated farm at a wage rate substantially below the market rate and in some cases without any wage at all⁸.

The mediation of rural markets in many areas by the big landlords and the consequent differential access for large and small farmers respectively, continues to this day. The latest evidence suggests that poor peasants are losing as much as one third of their income due to asymmetric markets and local power structures⁹. The phenomenon of social dependence of poor peasants on landlords and the consequent provision of labour to landlords by such peasants at less than market wages or no wages at all also persists. According to a recent survey 38.5 percent of poor peasants work on the landlord's farm without any wage and 43.6 percent work at wage rates substantially below the market wage¹⁰.

⁷ For an analysis of the failure of land reforms in Pakistan to significantly reduce the economic and political power of the landlords, see: Akmal Hussain, *Pakistan: Land Reforms Reconsidered*, op.cit. Also, see: M. H. Khan, *Under-development and Agrarian Structure in Pakistan*, Vanguard Books, Lahore, 1981. Chapter 5.

⁸ For an evidence relating to the period 1960 to 1978, see, Akmal Hussain, *Technical Change and Social Polarization in Rural Punjab*, in *Strategic Issues in Pakistan's Economic Policy*, op.cit. Page 159.

For more recent evidence of the same phenomenon, see: Akmal Hussain, et.al. *Pakistan National Human Development Report 2003*, op.cit. Chapter 3.

⁹ See, Akmal Hussain, et.al., *Pakistan National Human Development Report 2003*, op.cit. Chapter 3.

¹⁰ Ibid. Table 14. Page 63.

The changes in agrarian structure, have placed poor peasants under a triple squeeze: (i) Money costs have increased partly because inputs which were formerly non monetized, (e.g. seed, animal manure) or inputs which he did not use at all (hired tractors, tube-well rental, chemical fertilizers and pesticides) he now has to buy in the market. At the same time, the terms of tenancy have changed adversely for the poor tenants as rents and their share in input costs have increased¹¹. (ii) While there has been an increase in the tenants' rental burden their yields per acre have not increased proportionately. This is because due to lack of financial and political power the poor peasants are neither able to acquire the seed-water-fertilizer-pesticide package in the right quantity nor do they have control over the timing of input application. Both are crucial for a yield increase with the HYV technology. (iii) The third pressure on the real income of the poor peasant is that in a situation of rising cash requirements and indebtedness he is forced to sell a part of his subsistence grain output at harvest time when prices are low. At the end of the crop year when prices are high and he has run out of his grain stocks he has to buy grain in the market for consumption. Thus selling grain cheap and buying dear, further squeezes the real income of poor peasants.

The traditional agrarian structure in Pakistan was characterized by the dominance of landlords and social dependence of the peasantry. Research suggests that in the context of the continued concentration of land ownership, the changes in agrarian structure following the 'Green Revolution' resulted in increased social polarization, intensified dependence of the peasantry, and the emergence of asymmetric markets. Although this process accelerated agricultural growth, yet it provided affluence to the few at the expense of the many.

¹¹ See: Akmal Hussain, et.al., Pakistan National Human Development Report 2003, Table 16, Page 64.

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