LAND TENURE AND RURAL DEVELOPMENT IN PAKISTAN

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I. OBJECTIVES

The objectives of this paper are:

- to describe the various forms of land tenure in Pakistan and to analyze the problems arising from them;

- to determine the impact of recent technological changes on the land tenure situation;

- to assess the likely impact of the Land Reform Regulation of 1972;

- to assess the effects of present land tenure systems on rural development, i.e. production, welfare and the Integrated Rural Development Programme (IRD?).

II. THE LAND TENURE SITUATION IN PAKISTAN

Lend tenure means all the relations established by law and custom among men to determine their various rights in the use of land. Land tenure, therefore, consists of a collection of rights (to own, lease, mortgage, inherit, donate, rent, exploit, etc.) which together, constitute the property, i.e. the right to control the economic asset, in this case, land. The type of tenure in land determines to a large extent the social status and the economic well-being of the members of the rural society.

A. Forms of Land Tenure

There is very little information on land tenure systems in Pakistan and their distribution. The frequent reference to the traditional revenue systems (zamindari, mahalwari, ryotwari, etc.) is not very revealing either. While they are important for understanding the historical development of the current land tenure situation, they are not of much use in explaining the present tenure conditions. The Agricultural Census of Pakistan distinguishes three forms of tenure: owners' farms, tenants' farms and owner-cum-tenants' farms, but as there is a wide variation within these three groups, census figures explain to a very limited extent only, the current land tenure situation. The census does not provide any information on patterns of ownership and actual managing units.

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In view of this situation, an attempt is made here to classify the rural households in seven land tenure categories which are meaningful from the standpoint of rural development (Tribal tenure systems, including the sardari system, are not dealt with here). The number of households given for each category is a rough estimate derived from the available census information and is intended to give an order of magnitude only. In this chapter the situation at the beginning of the 1960s is outlined while the changes brought about by the green revolution and its consequences are explained in the following chapter.

The seven important land tenure categories and their characteristics, as in the early 1960s are as follows:

1. **Landlords**

   This type of tenure comprises persons owning more than 150 acres of irrigated land or 300 acres of non-irrigated land. They number about 12,000 - 15,000. The productivity of these estates - before the green revolution - varied greatly. The cropping intensity of the land was lower than in any other category. The benefits of economies of scale played no role as these farms were not cultivated in one unit but divided into numerous small plots which were cultivated by tenants, usually under the batai-system. This also determined the cropping system. Crops easy to control and to distribute after the harvest, i.e. especially grain, were favoured, and animal husbandry, the cultivation of vegetables, etc. hardly played any role. The landlord's interest in his land varied and, in many cases, he left control of his land to a supervisor, while he lived in town as an absentee landlord. His life style was quite different from that of the rest of the rural population, and landownership was often not only a means of earning a living but also a source of prestige and economic power which, again, was the basis of political power. The role of the landed aristocracy on the political scene of this country is too well known to deserve detailed description. The relation of landlords and tenants was feudalistic: economic dependency of the tenant who had to be personally loyal to his landlord, often reciprocated by the customary responsibility of the landlord for his dependents, i.e. help in need, old age and illness, representation in matters to be settled with outsiders, etc. While many landlords fulfilled their duties in this patriarchalistic relationship, the feudalistic system offered possibilities for exploitation, and many tenants were literally at the mercy of their landlord. Under that system, capital formation was completely left to the landlord who, from his income, had to maintain roads, canals, etc., (partly with the unpaid labour of his tenants) However, a landlord's lifestyle involved quite a bit of capital transfer from rural to urban areas in the form of urban houses, children's education, migration of family members to town and engagement in business activities, and considerable spending on luxury items instead of promoting agricultural development.

2. **Small landlords**

   This category comprises persons owning 25 to 150 acres of irrigated land or the equivalent amount of barani land. Their number has been estimated to be about 200,000 to 250,000. Holdings above 25 acres, usually require more than two pairs of bullocks for cultivation, and in 1960 self-cultivation was not so much in vogue as it is today; the land was frequently rented out to tenants while the owner merely supervised. Much of what has been said about the category of Landlords applies here as well.

1/ Rent system with rent paid in kind as a certain proportion of the produce (share-tenancy).

2/ Land dependent on rainfall for cultivation.
tout on a more limited scale*. The main difference between the two groups—apart from the acreage owned and income earned—is that the latter consisted less frequently of absentee owners and took more interest in the cultivation of its land. This often led to a stricter supervision of tenants, literally control during day and night. On the other hand, a more personal relationship resulting from life-long and sometimes hereditary relations was involved. The result of those landlords’ greater interest in the land was a higher amount of capital formation and reinvestment in agriculture (levelling, land reclamation, improvement of irrigation, etc.). The improved economic condition of these small landowners who, compared to the masses of the rural people, were better educated and better informed, gave them political power and influence. While political leadership at the national level is mostly entrusted to members of the first category, this group controls decision making at district or divisional level, and is often related to senior administrative officers. As will be explained later, this group underwent considerable changes while new technology was being introduced.

3. **Family owner-cultivators**

This group of landowners includes all those possessing 7.5 to 25 acres of irrigated land or a corresponding area of non-irrigated land. They number about 300,000. They personally cultivate their land with one or two pairs of bullocks, and in the upper size range, may hire a farmhand. Basically, however, farming is a family enterprise and it is in this group that agricultural activities are not only a means of earning a living but also a way of life. Some owner-cultivators have increased their farm acreage by renting some land in addition to that owned. This group forms the upper class of the village society, especially if no landlord resides there. They enjoy relative economic security, reasonable income and the prestige resulting from being a landowner. Usually, they belong to a respected caste (zat) which improves their position even more. They control village politics, occupy posts at union council level, in cooperatives, etc. and are very often, excellent farmers with all the positive attributes of family farms, i.e. they achieve high cropping intensity and non-monetary capital formation to improve the farm, etc.*

4. **Marginal owner-cultivators**

Persons belonging to this category own less than 7.5 acres of irrigated land or the equivalent, some of them renting areas to enlarge their holdings. They number about 1,600,000 and control about 3,600,000 acres of farm land. This group consists of subsistence farmers as the average farm size is only 2.2 acres. In addition, many of these small peasants have to work as agricultural labourers in order to earn a living, and farming their own land is frequently only a side- (part-time) occupation. Of all the groups, this is the one with the highest cropping intensity. The cropping pattern reflects the requirements for subsistence, and the limited acreage has to be used completely for food production so that hardly any land is left for fodder cultivation. People substitute labour for land by feeding their animals with grass and weeds collected by family members at roadsides, near canals, etc. As the acreage does not suffice for their subsistence requirements, this group is not involved in the marketing process (which means that they are not influenced by product prices). They earn the little cash they need for their meagre level of living as remuneration for manual labour on large farms, in road construction, etc., or from the sale of goods they are given as payment in kind for this work* This group is a permanent and secure labour resource for larger farmers. Because of their ownership pattern they are bound to the village, but have to look for additional employment opportunities locally and these are often available from large landowners only* Among some of the marginal cultivators, because of the frequent partition through inheritance, especially in the old settled districts, underemployment is quite common and a considerable number of this category belong to the rural poor. As landowners, they enjoy a certain prestige which, however, is not reflected in their economic welfare. Indebtedness often worsens their situation.*
5. Tenants of better standing

This category is rather heterogeneous and consists of tenants with larger farms (over 1.5 acres of irrigated land) and of those who, in addition to their rented land, have some acres of their own which gives them a certain status and security. They number about 750,000 and work on as much as 15 million acres of farm land. Some of them are tenants of government land. Others are rather independent tenants of a larger tract of land belonging to a landlord. Usually, their cultivation is of superior level and landlords often rent large areas to them because they improve the quality of the land by their good cultivation practices. The lease is usually for several years, often on written contracts, and those tenants are mostly independent of the landlord as regards cultivation. They are tenants in the European sense of the word and the shortcomings of Asian tenancy do not usually apply to them.

6. Tenants-at-will

The category of tenants-at-will comprises all other tenants and numbers about 1,800,000 cultivating about 8,500,000 acres of farm land. The most frequent system of tenancy for this group is the batai, in which the gross produce is shared by landlord and tenant, usually at a 50:50 rate, but with varying degrees of participation of landlords in the production costs. The lease is mostly without contract and for one year or one season only, often however, with prolongation for a long period but without security for the tenant. This lease arrangement hinders investment by the tenants, and the landlord also has little incentive, as proceeds are shared so that only half of the return goes to the investor. The peculiar landlord-tenant relationship influences the cropping pattern. As the landlord is interested in easily controllable and marketable crops, he discourages animal husbandry and cultivation of vegetables by tenants. The result of the high demand for land is that the acreage allotted to each tenant is small. Thus, the labour input of the tenant is high, and the landlord’s share is positively influenced. This may lead to underemployment of tenants, at least seasonally, thus causing low income, indebtedness and increasing dependence of the tenant. On the other hand, few are in a position to supplement their income by offering their labour because landlords discourage this for fear that the cultivation of their land will be neglected. Tenants have little incentive to apply more labour than is customary to the land as they receive only 50 percent of the proceeds achieved with their extra efforts. Several attempts at improving the tenancy situation by legislation have failed because these laws are against the prevailing market procedure and are therefore difficult to enforce.

7. Landless rural labour

This group is composed of persons living mainly from the land, but with no direct tenure in land. Their relation to land is indirect: they provide their labour to landowners and cultivators against a share of the produce. The number of landless rural labourers is estimated to be about 550,000. It must be mentioned that the actual number of rural labourers is larger, but some succeeded in fulfilling their wish of owning or at least renting a little land and are, therefore, incorporated in the category of "marginal owner-cultivators" or "tenants-at-will". Among the rural labourers, one has to differentiate between three distinct groups:

a) The kammis or sepis provide the technical and social services which are necessary in a rural community and work, for instance, as blacksmiths, carpenters, potters, weavers, barbers, etc., and also perform certain social services. Their work is regulated by the customary "sep"-system which requires them to do all the necessary work in their special craft against an annual lump sum remuneration by the farmers of the village, or, in the case of a large village, by a certain group of farmers. In
addition to their professional work, they have to provide their labour free of charge, except meals, to landowners for such activities as construction of houses, etc. Quite often, they are unemployed, but they have to be ready for work whenever summoned and are not allowed to offer their labour to other parties.*

b) Permanent labourers have a full-time contract with a specific cultivator, usually on an annual or seasonal basis and often against payment in kind. They run no risk of being unemployed during the time covered by their contract, and very often their relation with a certain cultivator is long-lasting.

c) The largest group is that of casual labourers who have no definite relation to an employer, but offer their labour to whomsoever needs it, such as in agriculture, road construction, transportation, petty trade and other escape jobs, or whatever they can find. Quite often, they do not find work at all and are unemployed. The poorest rural families are found in this group. That they can earn their living at all — especially in the more densely populated areas, where their number is large — is due to the unusually high wages paid at harvest time, when they are in great demand. Schematically, they earn their living by working at harvest rate (three times the normal wage rate for the long working day) for about three months per year (wandering to different areas), another three months at the normal wage rate, while during the remaining six months of the year they are unemployed. Their annual income in this calculation equals 12 times the normal wage rate which suffices for a meagre living. At the time under discussion, the beginning of the 1960s, their number was growing rapidly on account of population increase in excess of new jobs. In areas with a higher concentration of landless casual labourers, their situation was steadily worsening.

B. The Impact of Technological Changes on the Land Tenure Situation

After a long period of relative stagnation in agriculture, the second half of the 1960s has brought about a technological change resulting in a considerably higher production. The "green revolution" was made possible by the development of new seed varieties with a high yield potential and their application together with other complementary inputs like water, fertilizers, insecticides, etc. The extent to which the different land tenure categories participated in this process, and the way they were influenced and underwent changes will be outlined in this chapter. At the beginning, however, it has to be stressed that this process has affected only part of the country, i.e. the irrigated areas which had the necessary water or could arrange for its supply. Therefore, the tenure categories are not affected on the whole but, primarily, only in those areas which participated in the green revolution. Of course, in time, a number of secondary changes also affected other regions to a certain degree.

The two categories of landlords, as long as their land was irrigated, participated rapidly in the green revolution. They had information, access to the inputs and — if at all necessary — to credit and were, as is usual for large farms, the early adopters of the new technologies, thereby increasing their production and income considerably. The first changes were followed by secondary ones which, especially in the category of "small landlords", brought about drastic and far reaching alterations involving a change of attitude towards agriculture which was no longer considered as a way of life but as a business. This process started with the construction of a large number of tubewells so as not to depend on canal water, and in order to supplement it, changes
in the cropping pattern and mechanization of agriculture through the purchase of a tractor were included. After this change in factor proportions, it is only logical that a business-minded agriculturist had a look at his labour organization and found that the old batai system was expensive under the new input and yield situation. The result was a general tendency towards abolishing share cropping and increasing self-cultivation. The new business-minded "commercial" and 'capitalistic' farmers used most of their increased income to reinvest it in tubewells, tractors and, whenever possible, land. The new terms of trade caused even members of the urban upper class to invest in agriculture and share in the new profitable business. Improved income and the economic situation of landlords strengthened their traditional political power, and with their political influence they succeeded in ensuring the continuation of the landlord-biased agricultural policy: no taxation, favourable product prices, cheap inputs and reasonable terms for credit at the institutional credit market, to which they had access.

While these landlords have generally benefited from the technological changes their attitude to land changed considerably. Although their production has increased, their experiences are not altogether positive and they rightly claim that they had some difficulties and problems. These are mainly the result of imperfect conditions of the factor market and lack of change in the agro-business sector, the level of which is now much lower than that of agro-technology. In view of the high risk involved in modern technology and commercial farming, untimely supply of fertilizer, electricity breakdowns causing tubewells to stop functioning or sudden shortages of labour cause much more difficulties than in former times, and influence considerably the financial result of farm operations.

The family owner-cultivators (the same applies to many of the tenants of better standing) have fully participated in the green revolution. They first started doing so after a time lag of one or two years, partly due to limited access to information and inputs, and partly because they first wanted to see the results on the landlords' farms to be convinced. Soon after, there occurred a development similar to that involving smaller landlords: application of new seeds and fertilizer, installation of tubewells and even purchase of tractors. Quite a number of them tried to increase their farm size by renting or purchasing land, they also made the investment profitable by selling water or working with the tractor on custom hire. By and large, the results - on a smaller scale - were the same as outlined for landlords, i.e. higher production resulting in increasing prosperity and a high degree of capital formation, to quite an extent by non-monetary means, thus converting labour into capital. These smaller cultivators, however, suffered much more from the market imperfections and the poor service structure. Difficulties in getting their share of canal water, untimely fertilizer supply, problems in obtaining credit, etc., are a real danger in view of the high monetary investment in modern agriculture and the limited ability to bear risks. Thus, even though their income has increased considerably, the security of this group is low, and they suffer much from the deficient service structure catering for their needs.

The share of the marginal owner-cultivators in the new technologies is negligible. Regardless of the fact that seed and fertilizer are divisible inputs and do not require minimum size, this category has neither means nor access to input and credit, has no risk-bearing capacity and sometimes no desire to use new seeds because they do not suit their home consumption needs. Even if they want to participate, there is usually no service structure that reaches these small cultivators with inputs, credit, etc. The fact that they hardly market anything raises the question of payment for initial investments and for repayment of credit, particularly in view of the risk involved. Their rather stagnant situation, as compared with the increasing prosperity of the categories discussed so far, causes frustration and disappointment.
The impact of the green revolution on the tenant-at-will depended initially on the landlord's willingness to apply the new technologies. Because of the limited availability of inputs, he often used them only on his self-cultivated land. Even later, the tenants played a more passive role as they were cultivating according to the landlord's instructions. Soon, however, the situation and size of this category underwent considerable change. The introduction of tubewells caused landlords to change the partition ratio for produce, sometimes rather arbitrarily. Even if the new ratio was justified, it caused unrest among the tenants. After buying a tractor the landlord no longer had need of the tenant's bullocks for cultivation, but considered the traditional batali system to be an expensive kind of labour and frequently dismissed his tenants. In this process a large number of tenants lost their tenancy status and had to join the ranks of casual rural labourers, a process which was accompanied by much frustration, unrest and radicalism.

There is no general agreement on the impact of the green revolution on rural labourers. The usual interpretation is that some improved their situation by becoming technical specialists like tubewell operators, tractor drivers, etc., while the general increase in labour demand and wages was limited. On a closer look, the impact seems to be more far-reaching and varies among the different groups of labourers.

The traditional bondage of kammis to their cultivators, resulting in inability to accept work from outside, is no longer functioning. More demand for technical skill, increased number of workshops in mandi towns, etc., have opened alternatives for the kammis as compared to exclusive work for the village cultivators, and the latter had to agree to their kammis working outside in order to secure their presence in the village at all. Today, a kamm may do his work in the evenings against the old traditional remuneration, and during the day may seek work in towns. Social services connected with kammis have diminished too. With more work outside the village, they could improve their income considerably.

The permanent labourers also improved their situation by occupying the new posts of specialists. Landlords depend on their skill and, as these specialists are not numerous, the result is not only higher wages but also a certain degree of freedom.

The impact of the technological changes on the casual labourers is very complex. The ranks of this always mobile and discontented group have been further filled by the dismissed tenants. After the changes, quarrels with landlords about new wage rates sometimes caused strikes during harvest time and this was an indication of the more tense relationship. On the other hand, some developments were favourable to those casual labourers. The price increase now makes it possible to earn a living with a pair of buffaloes by selling milk and ghee, and most of the fodder consists of weedscollected by family members at roadsides. Sometimes, getting more fodder is a greater incentive to work than the wage. This new situation gives these people a degree of freedom which, so far, has been unknown to them. Besides, it seems that the secondary employment effects of the green revolution have created a larger number of jobs than generally assumed. Another point is that the general outlook of these people has changed and they do not just sit idly waiting for work; an increasing mobility of this group is noticeable. Altogether, the result of this is that cultivators experience difficulties in getting enough hired labour during the season. This, to be sure, is a matter of the wage offered, but wages have already increased more than inflation and the high supply price of labour indicates that they no longer need to accept whatever is offered.

3/ Small market town for agricultural produce.
Summarizing the impact of the new technologies from the point of view of agricultural production, one can say that, during the process, production has greatly increased because of a fuller utilization of the potential in the better sectors of agriculture, i.e. the better irrigated lands and the large farms. It is an undisputable fact that the rural upper class benefited much from the green revolution because the existing service structure sufficed to meet their needs while the necessary services were not available for smaller farms. The prosperity of the large farmers and the given incentive structure with emphasis on private enterprise and development of capitalist agriculture caused a dualism in the agricultural sector with larger farms developing more and more, while small farms remained more or less stagnant, thus widening the gap. This dualism, which has serious social and political consequences, has the biased organization of rural service structure as one of its main causes.

After discussing the impact of technological changes on different land tenure groups, a few comments seem to be indicated to place the arguments in proper perspective. As has been stated, the impact varies considerably in that some groups benefited much and increased their income notably while others hardly have a share and are forced into occupational mobility with its risks and manifold frictions. These widening disparities among different groups of the population have been given much publicity in recent years, and this is a correct interpretation of the facts. However, it seems that a much more serious aspect is the increasing regional disparity between irrigated areas where application of the new technologies is possible and usually done to the utmost extent, and other regions which lack the necessary water and which, therefore, cannot participate in the green revolution. The latter tend to stagnate at the technological level of the 1950s with obvious consequences for income and prosperity. While the income disparity between population groups can be overcome by institutional changes and policy measures like taxation, change of ownership structure, rural industrialization and welfare measures, no solution is in sight for the dry areas and their agricultural development. There, everybody, from landlord and cultivator to tenant and labourer is locked in the stagnant structure of traditional agriculture.

C. The Likely Impact of the Land Reform Regulation of 1972 on the Land Tenure Situation

In 1972, a new land reform law was enacted with the following main regulations:

- Ceilings of ownership: 150 acres of irrigated or 300 acres of non-irrigated land, or 12,000 Produce Index Units, whatever is more, plus 2,000 PIUs for ownership of tubewell or tractor.

- No compensation to landowners for area appropriated, free distribution to tenants and landless.

- No exception for seed and mechanized farms, but right of prior transfer of land to heirs (wife, sons, daughters, father, mother, children of deceased sons and daughters).

- The landlord decides which of his plots of land he will surrender.

- Uncompensated confiscation of former state land of more than 100 acres which was in the hands of civil servants.

- Security of tenure to tenants who can be evicted only if they pay no rent, misuse the land, do not cultivate properly or sublet.

- The landowner has to pay all taxes, water rates and seeds, while expenses for fertilizers and pesticides are shared. Extra levies and begar are not allowed.
The likely impact of this law on the land tenure situation will be analysed in two sections in terms of its influence on landlords and its influence on tenants.

The category of landlords can be affected in their ownership rights and in their relation with tenants. It is to be expected that the area above ceilings, which falls under acquisition by the land commission, will be rather limited for the following reasons:

1. The legitimization of transfers to future heirs by the law will reduce considerably the area individually owned. Most landlords have divided their land among family members in anticipation of a land reform. Since, in their earlier manifestos, the important political parties had included a paragraph asking for lower ceilings on land ownership, the new provisions of the land reform were not unexpected. With the large number of legal heirs, even big estates could be brought under ceiling limits.

2. A considerable percentage of the land held by big landlords is waste or unused land. As the right to select the land for surrender is vested with the landlords, they are likely to give up such tracts, thus reducing the size of their holdings, but not their cultivated area and income derived therefrom. Such waste and unused land, on the other hand, is not always fit for redistribution to tenants because of the high expense involved in its reclamation. Often, such land is uncultivated because of shortage of water and therefore cannot be cultivated at all.

3. Permitting alternative application to acres or Produce Index Units as basis for ceilings allows an escape of considerable magnitude because these two attributes are not equal. As PIUs have been determined earlier in 1947, and as the productivity of the land has much increased in the meantime, the application of PIUs will under many conditions, result in 50 percent (or more) larger areas than those limits fixed by law.

Therefore, although it is unlikely that the law will result in a large-scale transfer of ownership from landlords to tenants (perhaps more can be expected from redistribution of government land), it might well induce a further increase in self-cultivation by landowners and the abolishment of tenancy, doing further into commercial farming might compensate for any losses of land incurred through the reform and overcome the impact of tenancy regulations on landlords. As will be explained under the impact of the law on tenants, it is quite possible, legally, to apply an abolition policy to tenancy.

The effects of the agrarian reform on tenants will also be rather limited. As the amount of cultivated land available for distribution will be very limited (except unknown amounts of state land) only few tenants will become owners. (This raises doubts about the provision for free distribution of land under the reform law, as this will benefit a small number of former tenants while discriminating against the mass who will not get anything - not to speak of the capital formation aspect of this arrangement). Even the stipulations to increase security of tenure are not likely to have the desired result. The law asks the landlord to pay the water rate but this does not apply to tubewell water. Above all, it does not stipulate the rent. This means that the tenant cannot be evicted but, by increasing the rent, he may be induced to give up his tenancy. As the new technologies will require changes in the rent system in any case, because of new and different inputs, this can even be done in disguise.

In short, while the latest land reform law, like the one enacted in 1959, will definitely have an important psychological and political effect, it is unlikely that it will have a major direct effect on the tenure situation.
III. LAND TENURE AND RURAL DEVELOPMENT PROGRAMME

A. Effects of Rural Development Activities on Land Tenure Categories

In recent years, Integrated Rural Development (IRD) projects have been launched in Pakistan. While certain differences exist among these projects, as each province experiments to find the best approach under its given circumstances, they all focus on assuring welfare to small farmers and landless people who have been bypassed by previous development programmes. This chapter attempts to analyse the effect of the main activities of these projects on the different land tenure categories.

So far, the greatest attention has been paid to the formation of cooperatives by the markaz staff, and in fact the number of cooperatives has greatly increased. The question is whether this is authentic cooperative development and whether it assures the participation of the small peasant. According to all experiences gained, it is unlikely that the functions of cooperatives (quality of performance, level of acceptance and participation, etc.) will remain unaffected by tenure groups, and interviews suggest the same as regards cooperatives in the markazes.4/

It is usually the group of landlords and small landlords who dominate the institution which is what one can expect when an institution is designed to supply scarce strategic farm essentials like fertilizer, etc. For instance, financing the supply of fertilizer to a particular cooperative is invariably arranged through the courtesy of an individual or a group of large farmers for the basic reason that the share capital of the society is seldom large enough to allow payment of the consignment. For lack of formal recognition, the institution cannot take advantage of loans offered by the cooperative bank. His courtesy ensures to the landlord a superior role in the functions and activities of the cooperative. Cooperative officials do not hesitate to connive with the large landowners in facilitating the formation of a cooperative society which gives them control of the activities. One can easily find cooperatives with a membership consisting of an influential landlord, his relatives and servants, in cases in which the share price is purposely raised from Rs 15 to Rs 100 5/ which eventually means elimination of the small farmer from participation. Such manipulations are likely to be more the rule than the exception. In view of the overall shortage of supplies, the cooperative cannot ensure sufficient supplies to everyone; therefore, the big landowner is likely to assume control to ensure that his requirements are satisfied. The system seems to be more suited to the large landowner who, however, does not need it. He does not depend on the cooperative for supply as the private sector is well designed to meet his needs.

The category of family owner-operators (including the tenants of better standing and some of the marginal owner-operators) will draw a greater benefit therefrom. They are the category which depends most on cooperation, and at the same time the cooperatives are designed mostly to meet the requirements of this type of farmer. They are too small to operate successfully within the private sector, but are dependent on inputs, credit and marketing arrangements. However, the fact that landlords are taking advantage of the cooperative services makes it likely that this group will only receive whatever is left after the landlords' interests have been satisfied. To what extent the requirements of the family owner-operators are met depends on the supply still available after the

4/ Centre of IRDP activities for an area of 50 - 60 villages.
5/ In 1973 Rs9-93 equalled US$1.00
landlord's demand has been taken into consideration, (in the Shadab project area, e.g. 10 percent of the farmers own more than 50 acres but command 50 percent of the farm area.)

Benefits to small marginal owner-operators from cooperatives organized in the markazes are likely to be rather meagre. In their case, lack of funds and risk-taking ability hinders the application of inputs. They have little need of marketing services as they consume most of their produce, and the little surplus is usually exchanged locally in barter trade. The cooperative still has to develop devices to grant credit to this category of peasants.

The tenants-at-will are even less likely to make much use of the cooperative. To a certain extent their input requirements depend on the landlord's decision on how much to use, and marketing is usually done by him as well. For their credit requirements, mostly for consumption needs, there is little provision in the current cooperative system so that they are more or less left to the merchant, as has always been the case.

The landless labourers remain outside the cooperative system as long as non-agricultural aspects are included in the activities.

In short, the type of activities of the cooperatives which are concentrated on supply, marketing and credit has a bias to benefit the categories of large farmers, while the marginal farmers, tenants—at—will and landless, forming together more than two-thirds of all rural households, are more or less left aside. The cooperatives will have to change the emphasis of their activities if they are to be instrumental in improving the situation of these categories.

In principle, the rural credit market has been greatly improved by the IRDP. Not only does the cooperative system engage in credit activities, but the IRDP has brought the Agricultural Development Bank (ADB) to the markaz headquarters, and commercial banks are becoming active in agricultural credit as well. The question remains, how far has the small farmer been taken care of by the cooperatives and by the Development Assistant as the contact agent? To be sure, it is not only the landlord who gets credit. The family owner-operators' financial needs are taken care of as well. But if one goes down the ladder, one comes to those categories which, because of their small equity resources, are placed at the end of the receiving line. The practice of ensuring payment by combining credit with marketing will result in discrimination of those who have little to market because most of their produce is used for home consumption. It must be admitted that such conditions make the marginal farmers very risky debtors, but one can argue that leaving their needs unsatisfied means asking them to approach the moneylender or substitute family labour for the modern inputs they cannot afford. On the other hand, experience shows that repayment rates are relatively high among smallholders, while it is often the big man who believes himself powerful enough to evade timely repayment. The relative disadvantage of smallholders will become more crucial as degeneration of improved varieties require a renovation of seeds every two or three years. This will involve cash expenditure he may not be prepared for. In general, effective use of credit is a function of supply of inputs at the right time and in the right quantity. As long as this is not guaranteed disturbances are likely to follow. Since the cooperative staff has a heavy workload, there is a tendency to prefer the categories which offer lower risk and require less work to handle, i.e. the larger farms, while the rest, comprising almost 75 percent of all households, is unlikely to receive much attention regarding their credit needs. ADB and private banks are even more likely to apply a selective credit policy.

Much has already been said about the supply and marketing activities. Landlords are likely to secure their share in inputs, the supply of which is limited, while for marketing, they do not depend on the activities of the cooperative. The family owner-operators and tenants of better standing are likely
to profit from these activities while neither the marginal owner-operators and tenants-at-will nor the landless labourer will be much affected. Even if they have to sell small quantities beyond the amount usually exchanged for daily necessities at the village shop, they are like "to prefer a private trader who will pay cash and thus meet their most urgent requirements. The price difference involved in selling small quantities to private traders is one factor in the increasing inequalities in income, which, in turn, influences motivation, employment and level of production.

Besides the formation of cooperatives, agricultural extension work is the activity accorded most attention by the project managers and the development assistants. First, there is an open question as to whether the priority given to extension activities is justified at all. One sometimes wonders what young college graduates have to offer to the farmers. Convincing them of the advantage of fertilizer inputs is not necessary as peasants are already convinced. Their problem is to get the fertilizer in time. Besides, the conventional extension approach is highly biased in favour of landlords and larger farmers. For years, extension staff have been trained to begin with the "progressive" farmer who is able to take risks and who is a leader, i.e. with the man who needs least help. The masses of small peasants are expected to learn from the good example of the early adopter, the progressive farmer who, invariably, is a small landlord. The infrastructural conditions and the existing social pattern add to this bias and, in most cases, the extension worker on a village visit ends up at the influential peoples’ farms, discussing matters over a cup of tea. If the same assistant is involved in the distribution of inputs, the circle is closed. The extension worker is not to be blamed for this situation. The prevailing target approach almost requires him to work with the big man.

Summarizing the discussions of this chapter, it can be said that the activities which are the bulk of the current Integrated Rural Development Programme are of benefit to landlords and family owner-cultivators, and that the vested interests of some groups prevent others from participating in the services offered by the scheme. This chapter attempts to outline the requirements of different land tenure categories for their betterment. This analysis is not meant to be complete, but rather to give an indication of the variety of requirements and the multitude of approaches which are necessary - if IRDP is supposed to become what its name suggests: a programme for the benefit of the whole rural population.

B. Requirements of Different Land Tenure Categories

The last chapter showed that the current main activities of IRDP do not correspond to the situation and requirements of most of the land tenure categories, and that the vested interests of some groups prevent others from participating in the services offered by the scheme. This chapter attempts to outline the requirements of different land tenure categories for their betterment. This analysis is not meant to be complete, but rather to give an indication of the variety of requirements and the multitude of approaches which are necessary - if IRDP is supposed to become what its name suggests: a programme for the benefit of the whole rural population.

Landlords usually have the necessary information and contacts for the implementation of modern agriculture. Their most serious problem is the timely supply of inputs, a problem beyond the possibilities of IHDP and calling for the expansion of input-production. In principle, they do not need cooperatives to arrange for their supplies, credit and marketing, and they usually make little use of these institutions (unless inputs are channelled through them). The private sector (banks, merchants, etc.) is able to satisfy
their needs. Even for their technical information, they hardly depend on the extension worker and the level of field staff is too low to give the type of information required. Technical assistance of the type required by landlords, i.e. farm management, change of organization, etc. is too difficult to be rendered by the extension staff. By ara large, landlords can handle their affairs with the private sector and do not need the special attention of IRDP.

Family owner-operators (and most tenants of better standing) need a solution to the physical supply problem as well as an institution which would combine the more limited quantities of inputs and marketed produce of individuals in order to bring the economies of scale to them. Because of their non-profit character, well-managed cooperatives are best suited for this purpose. It is in these categories that cooperatives can work most effectively. They cater not only for input and marketing, but also for credit requirements. Here, the combination of these activities provides for proper use of inputs as well as for repayment of credit. For this group, credit should be combined with farm management advice to ensure the most productive and economic use of resources. This will require an individual farm approach by high calibre extension staff. Cooperative activities should go further than already mentioned and include cooperation to increase production by organizing activities which are beyond the possibilities of the individual farmer. Change of land tillage technology is often a prerequisite for the intensification of cropping but in many cases this exceeds the means of the individual. The construction of tubewells and plant protection are other examples which require joint action.

Marginal owner-cultivators are in an economically weak position and, therefore, definitely require the services of a non-profit institution like a cooperative. The type of services they need, however, is quite different. Supply plays a less important role, and marketing is not their problem. They need assistance to increase their income by opening possibilities to apply more labour to the little land they have. This could include promotion of vegetable cultivation or animal husbandry by opening the market for these products, providing special technical advice and supplying special inputs. The shortage of milk, ghee and meat seems to offer possibilities for small peasants. By keeping goats, sheep and buffaloes, they could increase their income considerably, not lastly by investing their family labour in collecting fodder at roadsides, near canals, etc. The prerequisite – besides opening the marketing channels – is a specially desired credit scheme corresponding to their limited possibilities. In view of the limited repayment capacity, credit to purchase an animal might be repaid later in the form of a youngstock, etc.

Organization of land tillage is another urgent requirement. Tractor stations which in time will serve not only the big farmer but the small holder as well, could free numerous areas in which fodder for bullocks is now being cultivated or allow a shift from bullocks to buffaloes. For this group of rather poor people, any credit programme has to incorporate a component for consumptive purposes so as not to drive the small holder into the hands of moneylenders. As not all will be able and willing to engage in the intensified type of agriculture, provision of non-agricultural employment plays an important role in the needs of this category. This may take the form of permanent jobs in rural industries, etc. so that with the change of generation, some will shift to non-agricultural activities and perhaps rent out their land or take the form of public works programmes. Integration of the People's Works Programme into the IRDP activities is the prerequisite for a meaningful participation of poor people.

Tan ant s-at-will are probably the category whose needs are most difficult to satisfy, as their basic requirements are of a completely different character to those of other groups. A change of their tenure situation should be given top priority if
their level of life is to be improved. As, in their work, they are more or less dependent on the landlords, the services offered are not likely to influence them much because they are not free to use them. In theory, landlord and tenant pool their resources for their joint benefit, the landlord offering land, capital, knowhow, and the tenant labour and perhaps a little capital as well. In practice, it is often different: the decisive factor is only the landlord's interest, and this is not always to increase production. Usually, he takes little interest and the tenant does not benefit from the landlord's better knowledge and information. The tendency is for the active "positive" landlord to change to self-cultivation, while those less interested continue with share-cropping without partaking economies of scale and the benefit of their better management abilities to the tenants. Tenants, especially in remote areas, see hardly any alternative to their meagre level of life and stay on the land without hope that their lot will change. They were born in dependency and remain in this status, and lucky indeed is he who has got a "good" landlord.

The necessary change in the tenure situation, in principle, can be brought about in different ways. Details are beyond the scope of this paper. In centres of the green revolution, there is already a tendency for abolishing the share-cropping system, and former share croppers sometimes have a better life as wage labourers. Even if the transfer might cause frictions, (in the long run) this change will improve their prospects. Another alternative might be to ensure greater independence and security of the tenants. Share-cropping is not basically wrong, only the excesses of the completely biased landlord-tenant relationship prove to be so. One of the prerequisites of a successful share-cropping system is that the landlord fulfils his obligations. Among other things, he has to organize farm management. If he shows no interest or is not able to undertake this task, one might discuss vesting it into other hands. Still another possibility to change the tenure system is a transfer from share rent to fixed rent, a process which in recent years has already been going on in certain areas with remarkable success. Whatever the solution - possibly a variety of approaches - growing unrest among tenants indicates that it is high time to change this tenure system.

In time landless labourers will benefit from development in the farming sector. Already a certain number could improve their situation by becoming specialists in operating machinery, etc. This process will become more popular and will be promoted by training labourers and preparing them for the skill requirements of advanced agricultural technology. For instance, upgrading courses for village carpenters and blacksmiths could do a lot to increase their chances and promote agricultural development as well. Credit programmes will be required for setting up workshops for these people. Other needs to improve living conditions are more non-agricultural employment opportunities and, last but not least, training to prepare them for migration to centres of development. Especially the dry regions of the country might offer little hope for an accelerated development so that people have to migrate. The frictions are likely to be less important if these migrants have training and skills in a certain craft to offer to their prospective employers.

This short outline indicates that requirements of various tenure categories differ greatly. A whole set of new activities have to be added to the current IKDP scheme if this programme really is to work for the benefit of the total population.
C. Prerequisite for a Successful Rural Development Programme: Change in Attitudes towards Land Tenure

In Pakistan the goals in rural development are twofold: in view of the still-existing food shortage in the country, increase in production is as important as higher welfare of the total population. So far, rural development policy always had a heavy bias towards the first goal, and the opinion was that higher production can be achieved only at the cost of welfare of the population. It is suggested that rural development programmes will only be successful if this opinion is changed completely. This change is possible without sacrificing the goal of production increase.

The generally prevailing assumption is that increase in production is possible only by concentrating all efforts on the large landholder. This approach resulted in a remarkable production increase but also brought about growing differences in income and impaired the welfare of the population.

But it should be realized that production increase is not exclusively attached to large holdings — not to speak of large land properties. On the contrary, numerous examples, from Egypt to Taiwan, show that small scale agriculture can be most intensive and productive. Even in Pakistan, small holdings usually have a higher intensity and the centres of production increase in the green revolution are the farms of 25 to 150 acres, and not the big estates. If it is claimed that production is higher on large farms than on small ones, this is because there is a confusion between production and marketed production.

The better performance of larger farms is true only under the prevailing service structure which is highly biased in favour of the large farm and often excludes smallholders. Little is done to satisfy their needs. This bias in agricultural policy explains the better performance of larger holdings.

It should be realized that this bias is the result of pressure and influence of large landowners who, with their economic power, achieved political power. While the desire of the landed aristocracy to gain political power exists everywhere, there seems to be little justification for a modern nation to comply with this desire to such an extent as to allow a few to reap the fruits of development and exclude the majority of the population. This unjustified bias in agricultural and rural development policy has to be changed.

If supported by a service structure which meets his needs, the small holder will certainly do much better and equal the productivity of large farms. He will substitute his labour to these scale economies which cannot be brought to him by proper institutions. Such a development policy has the immense benefit of distributing the gains of progress by assuring participation of the large majority of the rural population. For a country with increasing employment problems, it is of importance that a policy focussing on small holders should provide incentives for labour intensive production. Such a policy would soon lead to the abolition of the share-cropping system which constrains tenants to apply more labour to improve their performance and level of living.

Technically, it is possible to change the focus of policy from landlord to smallholder. Institutions and policies are man-made, they are the result of historical conditions in society. That is, they can and should be changed in time.
Society has to assess whether its existing rural institutions and its prevailing rural development policy coincide with its goals for development.

If the goal is "integrated rural development", it seems that certain institutional changes and a certain shift in policy is a prerequisite for success.

Table 1. **Land tenure categories in Pakistan**

<table>
<thead>
<tr>
<th>Category</th>
<th>Characteristics</th>
<th>Estimated number in 1962</th>
<th>Percentage of agricultural households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landlord</td>
<td>more than 150 acres of irr. land owned *</td>
<td>12000 - 15000</td>
<td>less than 1</td>
</tr>
<tr>
<td>Small landlord</td>
<td>25 - 150 acres of irr. land owned *</td>
<td>200000 - 250000</td>
<td>4</td>
</tr>
<tr>
<td>Family owner-cultivator</td>
<td>7.5 - 25 acres of irr. land owned *</td>
<td>500000</td>
<td>9</td>
</tr>
<tr>
<td>Marginal owner-cultivator</td>
<td>less than 7.5 acres of irr. land owned *</td>
<td>1600000</td>
<td>30</td>
</tr>
<tr>
<td>Tenant of better standing</td>
<td>more than 12.5 acres of irr. land * or with some land owned</td>
<td>750000</td>
<td>14</td>
</tr>
<tr>
<td>Tenant-at-will</td>
<td>less than 12.5 acres of irr. land owned *</td>
<td>1800000</td>
<td>33</td>
</tr>
<tr>
<td>Landless labourer</td>
<td>no land owned or rented</td>
<td>550000</td>
<td>10</td>
</tr>
</tbody>
</table>

* or corresponding area of non-irrigated land