

Book Reviews

Syed Nawab Haider Naqvi, Mahmood Hasan Khan and M. Ghaffar Chaudhry (eds.). *Land Reforms in Pakistan, A Historical Perspective*. Islamabad: Pakistan Institute of Development Economics 1987. viii+216 pp. Price: Rs 220 (US\$ 35) for hard-cover; Rs 140.00 (US\$ 20) for soft-cover.

The authors describe how Pakistan has grappled with land reform, surely one of the most intractable and divisive issues facing agriculture anywhere. The land-tenure system at independence in 1947 included a high degree of land ownership concentration, absentee landlordism, insecurity of tenant tenure, and excessive rent. Land reform since 1947 focused on imposition of ceilings on landholding, distribution of land to landless tenants and small owners, and readjustments of contracts to improve the position of the tenant. These reformist measures have removed some but by no means all of the undesirable characteristics of the system.

The authors list as well as present a critique of the reports of five official committees and commissions on land reform. The reports highlight the conflicts and ideologies of the reformers. The predominant ideal of the land reformers is a system of peasant proprietorship although some reformers favoured other systems such as communal farming and state ownership of land, and still others favoured cash rents over share rents. More pragmatic reformers recognized that tenancy is likely to be with Pakistan for the foreseeable future and that the *batai* (sharecropping) arrangement is the most workable system. According to the editors, the *batai* system can work to the advantage of landlord and tenant if the ceilings on landholding can be sufficiently lowered (and enforced), the security of the tenant is ensured, and the tenant has recourse to the courts for adjudication of disputes with landlords. Many policy-makers in Pakistan have come to accept that position but intervention by the State to realize the ideal has been slow. The editors conclude that “. . . the end result of these land reforms is that they have not succeeded in significantly changing the *status quo* in rural Pakistan” (p. 29).

Land concentration as measured by the Gini Coefficient changed little and was about .5 from 1959 to 1980. The editors note that 2.5 million acres were distributed among 183,371 tenants and small owners under the Martial Law Regulation No. 64 of February 7, 1959 and later amendments. An additional 1.3 million acres presumably were redistributed to 76,000 beneficiaries under the Land Reform Regulation of

1972 and 1.8 million acres to 13,143 persons under the Land Reforms Ordinance of 1977 as amended in 1982. That constitutes only a small part of the total farm area in Pakistan and a small proportion of all tenants. What was the total redistribution of land since 1947? How much land currently is farmed under the various types of tenure arrangements?

The authors have done an excellent job of capturing the flavour of the rich and spirited debate over land reform. But as expected with limited time, space, data, and other resources, the authors leave many land reform questions unresolved. My value judgements tend to coincide with those of the editors who favour the side of tenants and equity in the perennial tenant-landlord and equity-efficiency quandary. However, anyone making an informed judgement on such matters needs to know more precisely what the trade-offs are.

*How do efficiency (cost per unit of output), conservation of resources, and other measures of performance compare by tenure arrangement?

*Are there economies or diseconomies of farm size as measured by resource costs per unit of output for various sizes and types of farms? How would breaking up of large units into smaller units affect productivity and output in Pakistan? A related issue is historically how has output per unit of land changed on land that has been redistributed? Farm surveys before and after redistribution would help to answer that question.

*Does security of tenure enhance or reduce incentives for tenants to use land productively?

*Could a system of progressive taxation of land and/or irrigation water and with an overall higher rate for absentee landlord farms bring significant progress toward a peasant proprietorship without undue social unrest and inefficiency? Would the incidence of taxes rest with tenants or landlords?

*Are cash rents higher or lower than share rents on the average? In the United States, cash rents tend to be lower on the average than share rents because landlords are willing to sacrifice some rent to receive a more stable income from land.

The editors have prepared a worthwhile book which cannot be expected to answer all questions. Some must be reserved for later studies.

The Ohio State University,
U.S.A.

Luther Tweeten

Noordin Sopiee, Chew Lay See and Lim Siang Jin (eds.). *ASEAN at the Crossroads: Obstacles, Options and Opportunities in Economic Cooperation*. Malaysia: Institute of Strategic and International Studies (ISIS) 1987. 577 pp. Price: (hardbound edition) US\$ 25.

The Association of Southeast Asian Nations (ASEAN) was established in 1967 as a loosely structured inter-governmental organization, which provided a framework for discussing problems that required a regional solution. For a long time, the reduction of regional political tensions remained the main concern of ASEAN. Serious efforts towards promoting intra-regional co-operation began in 1976 with emphasis on trade liberalization and industrial co-operation. But apart from a few cases, involving the regional economies and collective external bargaining, the record of economic co-operation has been poor, because of different levels of economic development of the member countries, mutually competitive exports, inward-looking industrial policies and heavy dependence on the industrialized countries for investment, technology and trade.

So far, there have been only three intra-ASEAN agreements to promote market sharing and a pooling of resources: the preferential trade arrangements, the industrial complementation agreement, designed to develop links in certain industries to achieve greater economies of scale, and the industrial joint venture agreement, which provides preferential treatment for products of joint ventures involving the companies of at least two ASEAN member countries. However the joint venture scheme has had only limited success because of delays in implementation, while the scope of the preferential trading arrangements has been limited by the consensus approach in solving outstanding issues and by the concern of higher-tariff member countries to protect domestic production and employment. As a result, tariffs have been reduced only on intra-regional trade of selected non-sensitive items. Most of the items covered in the preferential trade agreements have low trade content and minimal trade potential. The arrangements have also been difficult to manage because of problems of administering the rules of origin.

Recent events in international trade like the drop in world commodity prices, rising protectionism against manufactured products of the developing countries, which have adversely affected the exports of the ASEAN countries, and the rapid introduction of sophisticated technologies for the production of traditional products in developed countries, which has discouraged the flow of investment to ASEAN countries, have accelerated the search for regional solutions to these problems and rekindled interest in achieving substantive regional economic co-operation.

The book under review is the outcome of the efforts of the ASEAN Chambers of Commerce and Industry to mobilize public awareness and to engender debate on ASEAN economic co-operation and integration. It is a collection of papers presented