

Towards an Agenda for the 1990s

EDITED BY

William E James Subroto Roy



Foundations of Pakistan's Political Economy

Towards an Agenda for the 1990s

Editors

WILLIAM E. JAMES SUBROTO ROY



Sage Publications New Delhi/Newbury Park/London Hawaii, 1992

reproduced or utilized in al, including photocopyetrieval system, without

rt Ltd Kailash I

Publications Ltd
nhill Street
don EC2A 4PU

s India Pvt Ltd, photond printed at Chaman

rds an agenda for the

an—Economic policy.
illiam E. II. Roy,

2-20726

The Editorial Work of this volume is dedicated to WILLIAM P. JAMES and ALICE B. JAMES My parents and first teachers.

Contents

List of Tables and Figures	
Acknowledgements	
1. Introduction	1
William E. James and Subroto Roy	1
PART I: Politics and Society	
2. Origins	**************************************
Francis Robinson	3.
3. Social Structure and Flows	
Akbar S. Ahmed	58
4. External Affairs	
Shirin Tahir-Kheli	81
5. Administration	
Robert LaPorte, Jr.	102
6. The Management of Crises	
Shahid Javed Burki	116
PART II: Economics	
7. Macroeconomic Balances	
Mohsin S. Khan	145
8. Agriculture	
Mahmood Hasan Khan	177
9. Industry and Trade	
Naved Hamid	212
10. Population and Urbanization	
John Adams	238
11. Education	
Shahrukh Rafi Khan	259
Notes and References	
Notes on Contributors	281
ndex	297
	299

List of Tables and Figures

-	L	20.00
-	m	es

2.1	Seats Won by the Muslim League in the 1945-46 Election	4
6.1	Crises in Pakistan's History	113
7.1	Basic Macroeconomic Indicators 1972–89	14
7.2	Balance of Payments 1972-73 to 1988-89	15.
7.3	Macroeconomic Policy Indicators 1972–89	163
8.1	Importance of Agriculture in Pakistan	178
8.2	Average Annual Growth Rates of GNP and Agricultural Output in Pakistan	179
8.3	Changes in Agricultural Production in Pakistan, 1950-88	179
8.4	Structural Change in Agricultural Output in Pakistan	181
8.5	Imports of Major Agricultural Commodities in Pakistan	182
8.6	Average Ánnual Levels of Output and Yield of Various Crops	183
8.7	Growth Rates of Indices of Agricultural Value-added, Aggregate Inputs and Factor Productivity	184
8.8	Some Agricultural Productivity Indicators in Pakistan	185
8.9	Changes in Land Concentration in Pakistan, 1950–81	190
8.10	Redistribution of Land under the Land Reforms in Pakistan	194
8.11	Price Indices of Selected Crops and Urea for Farmers in Pakistan	206
8.12	Changes in Purchasing Power of Crop Output for Urea Fertilizer	207
8.13	Terms of Trade for Agriculture in Pakistan	207
8.14	Ratios of Domestic to Border Prices of Selected	
	Commodities	208

3.15	Subsidies on Agricultural Inputs in Pakistan	209
0.1	Trends in LMSI Investment, 1964–88	216
0.2	Growth and Composition of Manufactured Exports,	
	1970–88	219
9.3	Structural Change in LMSI: Share of Value-added by	
	Industry, 1960–85	220
9.4	Structure and Growth in SSI by Industry, 1970–84	222
9.5	Employment, Productivity and Wages in LMSI, 1970-85	230
10.1	Population and Urbanization, 1951–2011	240
10.2	Sources of Urban Migration, 1980s	242
10.3	Land Tenure, Farm Size and Technology	246
10.4	Employment and Wages	250
10.5	Regional Development	256
11.1	Change in Allocation over the Last Three Plan Periods	263
11.2	Expenditure Allocation Ratios for the Sixth Plan by	
	Level	264
11.3	Percentage Target Attainment for the Sixth Plan (1983)	
	by Level	264
11.4	Private Institutions as Proportion of Total	265
11.5	School Enrollment Rates in South Asia by Gender	266
11.6	Public Educational Expenditure in South Asia	267
11.7	Mean Enrollment Rates in Pakistan by Province, Region	
	and Sex (1978/79–1982/83)	268
11.8	Number and Growth of Educational Institutions by Kind	
	and Sex	271
11.9	Annual Recurring Cost per Student and Percentage	
	Recovered as Tuition Fee	277
Figu	res	
7.1	Pakistan: Imports, Exports and Remittances	154
7.2	Pakistan: Terms of Trade	155
7.3	Pakistan: Foreign Aid	156
7.4	Pakistan: Debt-Service Ratio	157
7.5	Pakistan: Reserves to Imports Ratio	158
7.6	Pakistan: Income Velocity of Money	163
7.7	Pakistan: Current Account and Fiscal Deficits	168
7.8	Pakistan: Nominal and Real Exchange Rates	169

List of Tables and Figures