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## FROM THE DESK OF THE CHAIRMAN



### Agriculture and the role of the state

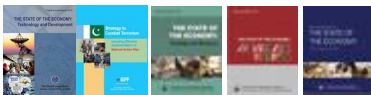
We have begun work on the Burki Institute's annual report for the year 2016. It will be produced by a team that will work under the direction of Farrukh Iqbal who will coordinate the inputs to be prepared by a number of scholars including myself. Farrukh was my colleague at the World Bank and retired recently after a long career that included service for the institution in Saud Arabia. He came to the Bank after graduating from Harvard University's Economics Department. Parvez Hasan and I met with him a few days ago to discuss the outline prepared by Shahid Najam and Mahmood Ahmad. Building on this, we agreed to focus some of our work on the role of the state in developing Pakistan's agriculture sector and what the state could do to take the sector in a different direction. Pakistan is not taking full advantage of its rich endowment in land and water. It should redefine the way agriculture works for the people it employs and those for which it provides its output. The country has a large export potential using what agriculture should be producing. In achieving this, the state can and should play an important role. To understand the role of the state we should begin with some recounting of history.

At the time of its birth, Pakistan inherited an intrusive state, a legacy of the British raj in colonial India. The British administration's active involvement in the sector began in the late 19<sup>th</sup> century when London decided to

solve the problem posed by the recurrence of famines in the eastern part of their domain. Food shortages killed millions of people in the provinces of Bengal, Bihar and Orissa. A number of Royal Famine Commissions established to find a solution to these repeated famines finally decided to turn the virgin lands of Punjab and northern Sindh into the granaries for India. An elaborate system of surface canals was planned and built to carry the abundant supplies of water from the Indus River system to the fields in the two provinces. The British brought in tens of thousands of "settlers" from east Punjab as "colonizers" of the newly irrigated land. They also built a network of roads and railways to transport the food grain surpluses from Punjab and Sindh to the food deficit provinces in the eastern part of their colony. All this Pakistan inherited when it won independence.

Once the sector of agriculture developed, the British administration began to worry about some of the societal changes that had begun to occur. Most of the peasantry was Muslim; a significant number of them had become heavily indebted to Hindu moneylenders. Not able to service their debts, many of them had lost their land to their creditors. This transfer of land could lead to resentment which, after the experience of the Indian Mutiny of 1857, the British were not prepared to tolerate. They brought a new legislation on the books. The Land Alienation Act of 1901 divided the population of Punjab into two classes: agriculturalists and non-agriculturalists. The former were mostly Muslims; the latter were mostly Hindus. Agricultural land could not be transferred to the non-agriculturalists.

## Publications



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The second major intrusion by the state in agriculture occurred in the 1930s when the British promulgated the Agricultural Marketing Acts. These established “mandi-towns” where agricultural produce had to be sold. Those who operated wholesale businesses in these towns had to be registered by the government. While the Land Alienation Act lost its meaning once, with the partition of Punjab in 1947, Hindus left for India. However, the

## MESSAGE OF THE MONTH



The non-economic news in recent weeks has been very disquieting. The deadly and dastardly attack on Bacha Khan University a few weeks ago shows

that the war on terrorism is far from over.

The stories about crime and politics are catching headlines. Rangers’ work in Karachi remains a matter of some controversy in view of the discord between Federal Government and Sindh Government.

Marketing Acts still remain on the books. Building on this legacy, the Pakistani state has continued to intrude in the working of agriculture. The government runs elaborate food-grain procurement operations. Do these incursions by the state serve the agriculture sector well? In our 2016 report we will seek an answer to this question.

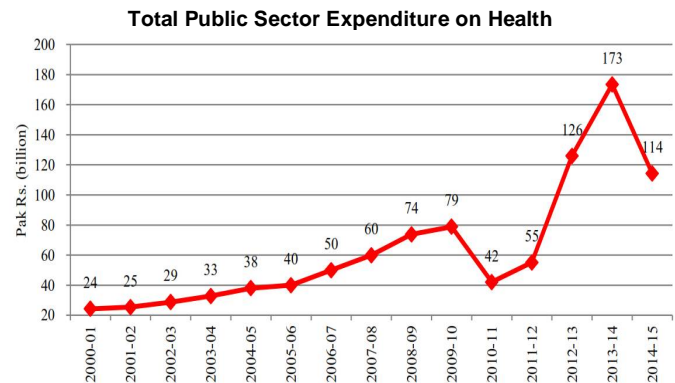
**Shahid Javed Burki**

Pakistan Tehreek-e-Insaf threatens political disruption by holding another Dharna. Finally, employee protests at the planned privatization of PIA turned ugly and resulted in loss of life and PIA flights have come to halt. To avert a real crisis and find a viable solution, the government must seek broad support from all the stakeholders, the people and the political parties. As it is Pakistan has enough economic challenges to worry about.

**Dr. Parvez Hasan**

## FROM THE THINK TANK WING: HEALTH SECTOR IN PAKISTAN: GOVERNANCE AND SERVICE DELIVERY CHALLENGES

The health sector in Pakistan, from primary to tertiary and specialized health care, is perpetually confronted with many challenges and problems. The poor health indices and wide prevalence of incidence of disease are clear manifestation of the state of affairs in the health sector. Successive governments have launched, from time to time, different programs and reform initiatives to ameliorate the situation. Due to lack of adequate public spending as evidenced by meager GDP resource allocation [0.4% of the GDP or Rs 114 billion (see Figure): Economic Survey of Pakistan 2014-2015], these programs have not gone beyond empty rhetoric and have failed to create a tangible impact on the health and well being of the people. High infant mortality rate and malnutrition (85.5 per thousand and 45% respectively for under 5); inadequacy of physicians (8.3 per 10,000 people); Pakistan’s ranking of 147/188 on HDI etc., speak volumes of the dysfunctions in governance and management of health services delivery which are further aggravated by



Source: Pakistan Economic Survey 2014-15, Government of Pakistan.

recurrent fraud cases, embezzlement and corruption. A very large segment of the population, the marginalized and those in the lower income brackets, suffer due to non-availability of health services.

According to Economic Survey of Pakistan, there are 5,499 basic health units (BHUs) in the country but mostly they are

nonfunctional or at best sub-optimally functional on account of absenteeism of health personnel and doctors; inadequacy of the equipment and lack of essential medicines. The absence of comprehensive policy and regulatory frameworks and effective monitoring and accountability add to the gravity of the problems.

All inclusive effort needs to be undertaken with the government taking the lead in conjunction with the private health sector and the local communities to deal with these challenges. Inclusive delivery of health services, a priori, entails community participation, sensitization and awareness amongst the people about the health related issues. The resource allocation should also be substantially increased based on principles of equity and pro-poor service delivery. The role of media in the process hardly needs emphasis.

## FROM THE RESEARCH AND CONSULTANCY WING: (i) MOU WITH FOUNDATION FOR PEACE

The Vice Chairman Shahid Javed Burki Institute of Public Policy at NetSol BIPP), Mr. Shahid Najam and the Chairman Foundation for Peace (FFP), Mr. Nazir Hussain concluded a Memorandum of Understanding (MoU) on 28 January 2016 at BIPP Office, Lahore. The MoU will serve as a *framework of cooperation* between the two institutions with focus on: peace and security; sustainable human development; designing and implementing models for strengthening civil society organizations; engaging youth, women and marginalized segments; and delivery of pro-poor social services. The strategic goal of this partnership is to contribute towards establishing socially cohesive, economically sustainable and empowered communities that work together for achieving peace, harmony and improved quality of life for all. The objectives of this MoU will be realized through joint research endeavours; knowledge management including generating, collating, and, disseminating knowledge

Given these issues and problems, BIPP is planning to hold a two-day policy dialogue on the health sector of Pakistan in March 2016. The dialogue will be organized around the following themes:

- Policy, regulatory and operational frameworks for efficient and pro-poor provision health services;
- Transparency and inclusiveness in health sector governance mechanisms;
- Use of ICT integrated solutions for effective and sustainable management and delivery of health services;
- Patients' and Inventory Records management for better planning, programming and disease control.
- Improving health indices and outcomes for the poor people, especially residing in the rural and poor areas.



products, publications, best practices etc.; organizing intense policy dialogues and seminars; and jointly formulating and executing projects within the agreed areas of cooperation.

## (ii) PROGRESS REPORT ON THE SMART HEALTH PROJECT "TEEMARDAR"

The implementation of the SMART Health "TEEMARDAR" Project in the selected health outfits of Sheikhpura District is proceeding satisfactorily. The project has been funded by DFID through SNG/DDCF program and aims at: establishing a robust model for pro-poor and inclusive delivery of primary healthcare services to the people; automating inventory management to curb and control pilferage, embezzlement and mal practices; and better health sector governance at the decentralized level. The project which was signed in June 2015 as milestone initiative has reached mid-term stage. The installation and commissioning of hardware/software has been completed while the baseline data collection for policy and planning analysis is in the process. In addition, the second phase of TEEMARDAR Projects' survey has been completed and an analytical report produced. Simultaneously, based on the lessons learned, a second phase of training of the computer operators and government staff is planned for

An awareness walk is also being organized in collaboration with the District Government Sheikhpura to sensitize the public especially those residing in the project area about the project objectives and the tangible benefits associated therewith.

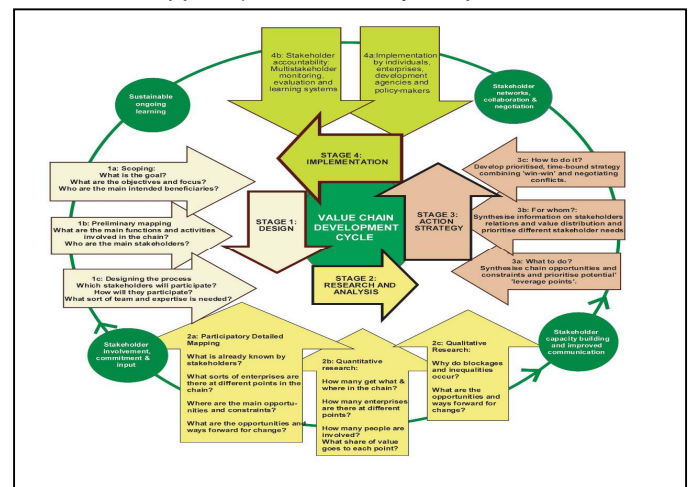
The BIPP-TEEMARDAR project management team also held a meeting with Cloud Klinik, where Cloud Klinik presented their EMR (Electronic Medical Record Management) software to explore the possibility of horizontal linkages at the field level. It was decided that Cloud Klinik and BIPP would collaborate in installing Cloud Klinik in Sheikhpura on a trial basis to study the systems' complementarity and compatability. The joint collaboration will be up-scaled based on the results of the trials.

## FROM THE EDUCATION AND TRAINING WING: VALUE ADDITION CONCEPTS AND TOOLS

BIPP has recently initiated "a series of seminars" program to present and discuss issues of vital significance to the economic development of the country. To start with, the thematic focus of the first series of these seminars is on agriculture. BIPP plans to organize two seminars each on the following topics: (i) agribusiness and value chain analysis; (ii) agriculture policy analysis with focus on policy analysis matrix; and (iii) water policy issues and options. The relevant institutions and experts will be invited to participate in these seminars which will be conducted by Dr. Mahmood Ahmad, Advisor Research and Coordination at BIPP. One of the objectives is also the capacity building of the BIPP junior professionals and research staff.

The first of these seminars was held on 22 January 2016 in which Dr. Ahmad introduced the salient concepts in value chain analysis and in particular value chain development cycle that entails different stages of

and analysis to action strategy to implementations. He also highlighted the tools that are commonly used for value chain analysis and, to demonstrate the practical significance and application of these analytical tools, he extensively cited the case studies which he completed with donor support (USAID, Mercy Corps, JICA, ADB,



Shore/Sate Bank and others) in Pakistan. He concluded the session recommending that Value Chain approach is more appropriate for analysis as the competitiveness of the individual commodity or agro-food business depends upon the competitiveness of the whole value chain to which it belongs.

He emphasized the following points pursuant to the discussion on his presentation: (i) to achieve greater impact, there is need to link small farmers and SMEs to the credit, technology and markets; (ii) this could best be developed through collective action which have advantages over individual producers in participating in modern value chain (iii) a business model needs to be developed that would reduce long value chain a farmers

## FROM THE KNOWLEDGE MANAGEMENT WING: (i) UPCOMING EVENTS

**BIPP - ISAS Joint Workshop:** The Shahid Javed Burki Institute of Public Policy at NetSol in collaboration with the Institute of South Asian Studies of National University Singapore is convening a workshop on " Expanding Regional Linkages in South Asia" in Lahore from 7 to 9 March 2016 to examine and discuss the economic, social, political impediments currently rooted in South Asia that stand in the way of for adequately responding to global change. For details, please contact Mr. Muhammad Imran, Research

## (ii) RECENT PUBLICATIONS

### Policy Briefs

- Science and Technology for Human Development: State-Citizen Synergy
- Is America declining?
- President Obama's Asia pivot approach
- China and the Asian turmoil
- Where is the global economy headed?
- Technology and inequality.

### Working Paper

- The Auto Vending Industry in Pakistan: Present

has to go through without adding value; (iv) improved quality and compliance with the standards can give greater profit margins and increase access to diversified markets; (v) certification can guarantee a lucrative niche market (organic, fair-trade, products of origin) though improving quality, complying with standards and acquiring certification is expensive, timely and requires a lot of technical assistance and resources; and (vi) a comprehensive value chain approach is fundamental to addressing all the weak links for fully harnessing the enormous potential for a competitive value chains in Pakistan which will in turn increase productivity, enhance income of the poor farmers and revitalize role of agriculture in the economic development of the country.

**Policy Dialogue on Health Sector:** A high level policy dialogue on the health sector is also planned for the 3rd week of March 2016 with focus on: (i) the health procurement policy; (ii) delivery of health services in the government health institutions; and (iii) health sector governance. Eminent health professionals, members of the academia, senior civil servants and members of civil society are expected to participate. For details please contact Mr. Hafeezullah Hoshu: [hafeezullah.hoshu@gmail.com](mailto:hafeezullah.hoshu@gmail.com)

### Research from Partner Institutes

- Challenges and Trends in Decentralised Local Governance in Bangladesh
- Elite Politics and Dissent in Sri Lanka
- Andhra Pradesh: Political Dynamics of Regionalism, Formation of New States in India
- The Indo-Russian Defence Partnership: A



### Mission Statement

*IPP's mission is to improve welfare of the citizenry with particular emphasis on identifying policy measures that will lead to inclusive growth, socio-economic stability and sustainable development, besides fully harnessing the potential for regional and global integration.*

### Partners



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