

BOOK REVIEWS

Shahrukh Rafi Khan (Editor), 50 Years of Pakistan's Economy: Traditional Topics and Contemporary Concerns (1999), pp.499 (Oxford University Press).

The book has made a reasonable contribution by providing political, social and economic reasoning for: (1) those structural changes which took place, and (2) some structural changes which did not take place; in the last fifty years in Pakistan. The book covers all economic and related issues quite comprehensively. However, some topics are covered in depth while going through some others, the readers remains dissatisfied and ends up with many questions in mind. Some important topics like interregional disparities and inter-provincial fiscal relations are not discussed at all.

The book is divided into three parts. Part I is of an introductory nature and gives an overview and summary of findings. Part II deals with traditional topics and is further divided into two sections. Section A contain two papers covering macro debate on Pakistan's economy, while section B consists of five papers covering important issues and different sectors. Part III of the book contains four papers on the contemporary issues of Pakistan economy.

In section A of part II, two prominent economists: Nadeem ul Haque and Javed Akber Ansari have tried to cover macro debate on Pakistan's economy. Nadeem ul Haque felt that the secular macroeconomic variables like lack of education, lack of institutional reforms, inconsistencies in the reforms, poor governance, weak administration and corruption are the main determinants of poor performance in Pakistan during the last fifty years. Nadeem ul Haque who advocates liberalized private sector suggests that liberalization of economic policies and consistency in these policies are the panacea of Pakistan's economic problems.

On the other hand Javed Akber Ansari, a strong believer in Islamic philosophy ascribes all evils of Pakistan economy to the lack of adherence to Islamic principles. Therefore, logically he advocates implementation of Islamic laws as the only solution to Pakistan's economic problems. This section is very rich and provides convincing and pervasive arguments for and against the liberalization process.

Section B of part II contains five chapters. The stalwarts like Hafiz A. Pasha, Mahmood Hasan Khan, A.R. Kemal and Ijaz Nabi, alongwith Mehnaz Fatima and

Bashir Ahmed Khan are contributors of this section and have covered different sectors quite comprehensively.

Mahmood Hasan Khan, in an excellent article has explained the process of agricultural transformation in Pakistan since its inception, and views it from three angles; (i) Change in agricultural production, productivity, and their underlying sources, including inputs, technology, and public policy; (ii) change in the agrarian structure and land reforms; (iii) problems associated with the land tax (revenue) system.

This part of the book also discusses the reason for agricultural crises of the 1950s, robust growth of agricultural output and productivity in the first half of 1970. It also highlights reasons for high growth during the first Green Revolution in late Sixties but does not explain why the agricultural production increased almost 50 per cent in 1980 and almost 100 per cent in the last fifteen years.

The section of the book on patterns of industrial development by a prominent industrial economist A.R. Kemal, first provides an account on the history of industrial growth in a standard decade and also gives some details on significant policies of each decade. Degree of protection, domestic resource cost and level of inefficiency in the manufacturing sector are also discussed in detail. However, the author does not mention in detail the role of public enterprises in the social welfare of Pakistan. However, several objectives and priorities for Pakistan manufacturing sector have been pointed to with emphasis on export-oriented industrialization. Measures to be taken by the government of Pakistan to overcome the impediments of WTO and environmental criteria have not been considered.

Chapter 6 of the book is devoted to the export sector written by Ijaz Nabi. In this chapter the author discusses the trends in exports, vulnerability of Pakistan's exports, exchange rate management and policy reforms. Commodity concentration and destination concentration (country concentration) are identified as major reasons for a stagnant export sector. He also mentions that poor exchange rate management exacerbated fiscal deficit problems that have adversely affected export growth in the country. Under policy reforms the authors suggests that investment in education and technologies (information technology) are important factors for future growth. The author also suggests some additional reforms for liberalisation of trade.

Chapter 7 of the book is devoted to the description of public finances of Pakistan. The authors Hafiz Pasha and Mehnaz Fatima have indicated several factors which have been responsible for low collections in the early years. Among them are limited institutional capacity, budget preparation in a very remote way, and structural break in time series in 1971. The authors discuss in detail the trends in each of the taxes and expenditure categories.

Bashir Ahmed Khan writes on the trend in financial development of Pakistan, in chapter 8. In this paper the author has discussed the history of financial development in Pakistan in which both short term and long term markets are covered. The

author has also covered in depth the development of capital and money market in the pre-nationalize and post-nationalize periods. The security market and informal markets are also briefly discussed. The author is of a view that the government interventions in the financial market was the reason for high growth of this sector.

Part III of the book is devoted to the contemporary economic issues. The four important issues discussed are: poverty, population, gender inequalities and environment. Most of them got due attention in the recent years and in the forthcoming years they will be the pivotal topics for economists. The inclusion of these topics has increased the importance and academic worth of the book. More importantly, the respective authors have done justice to the various topics and discuss in depth the nature and causes. Possible cure of these problems are also stated elaborately.

In chapter 9 of the book, Haris Gazdar has comprehensively covered poverty issues. He discusses the merits and demerits of different approaches which have been used to estimate the poverty levels in developing countries and in Pakistan. He discusses the methodological issues and the methodological difference which result in different poverty measurements. The excellent review of the literature will provide a good opportunity to the students and policy makers to compare different methodologies and their results. At the same time it will aid the policy markers to make a comprehensive strategy for poverty reduction in the country. This article also identifies different political, economic and social factors responsible for increase in poverty and inequality in Pakistan over the years. Finally the article provides new estimates of poverty for the rural and urban areas of different provinces of Pakistan.

Sohail Jehangir Malik and Hina Nazli discusses the implications of neglecting human development on economic growth. The authors first highlights that the major previous efforts were devoted to the accumulation of physical capital rather than the human capital. Therefore, despite a high economic growth the true potential of the economy have not been realized.

This chapter takes an inventory of the evolution of human development in terms of demographic factors. With the indicators of economic and physical capital growth, the authors reinforce the view that in Pakistan, as in other development countries high economic growth is accompanied by poor human development.

In chapter 11, Shahnaz Kazi highlights the important topic of gender equality and its influence on the economic growth in Pakistan. The author gives a comprehensive historical account of gender issues and its relationship to development in Pakistan. She points out that demographic, social, political, economic, legal and financial factors are responsible for poor Gender Development Index. This very informative paper shows that women in Pakistan are discriminated in numerous ways both before and after marriage. Like human capital index and economic growth, the Gender Development Index and economic growth are also inversely related in Pakistan. This situation is aggravated by the very poor and ineffective

legal coverage provided to women in Pakistan. The author points out that the ministry of Women and Development also failed to bring any significant change in this scenario because of limited allocation of funds and poor training services.

The last chapter of the book is written by the editor, Shahrukh Rafi Khan and Shaheen Rafi Khan on the important issue of environment. The authors try to highlight the fact that it is a multi-dimensional issue affecting and affected by several factors. The discussion indicates that environmental measures imposed by west do not necessarily prove to be a hurdle in the development of developing countries but may be a sufficient instrument in maintaining a stable export base in the total exports of the world. The author highlights the environmental issues in agriculture and trade and argue that there is a strong need to review environmental policies in agriculture as they have exerted negative impacts on productivity in the sectors. Implication of current debates between North and South on Pakistan economy are also discussed. The author also suggests several policy options that may improve Pakistan's position in the new emerging global scenario.

Overall this book is a good addition to the literature on economic history of Pakistan and can be recommended as supplementary readings in the courses on issues of Pakistan Economy.

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