

AGENCY FOR INTERNATIONAL DEVELOPMENT WASHINGTON, D. C. 20523 <b>BIBLIOGRAPHIC INPUT SHEET</b>	<b>FOR AID USE ONLY</b>
---	-------------------------

1. SUBJECT CLASSIFICATION	A. PRIMARY <b>Social Science</b>
	B. SECONDARY <b>Development Planning</b>

2. TITLE AND SUBTITLE  
**Local Institutions and Rural Development in Pakistan**

3. AUTHOR(S)  
**Nicholson, Norman K. and Khan, Dilawar Ali**

4. DOCUMENT DATE <b>November 1974</b>	5. NUMBER OF PAGES <b>106p.</b>	6. ARC NUMBER ARC <b>PK-301.35-10627</b>
--	------------------------------------	---

7. REFERENCE ORGANIZATION NAME AND ADDRESS  
**Cornell University  
 Center for International Studies  
 Ithaca, New York 14853**

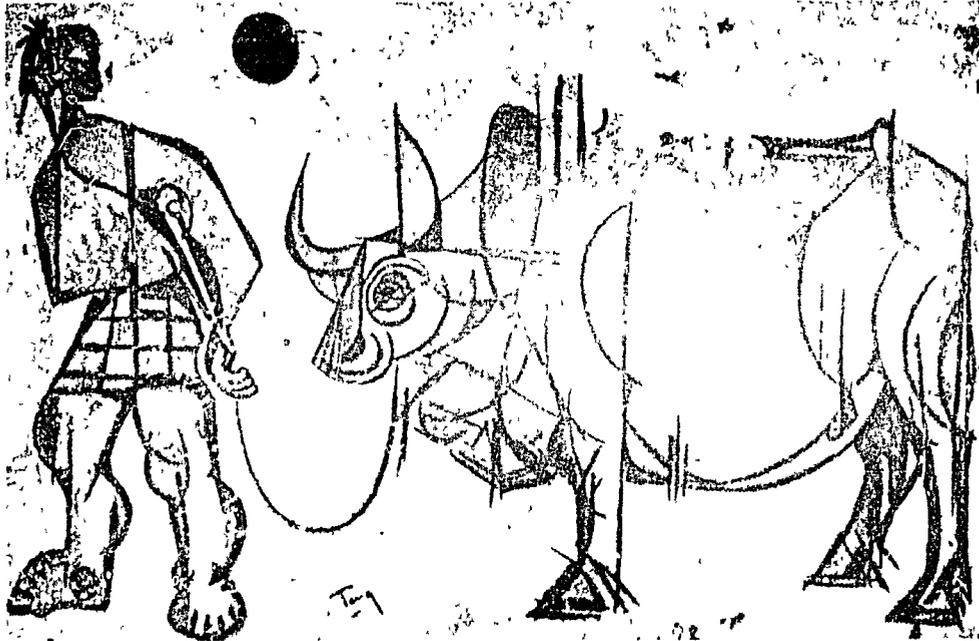
8. SUPPLEMENTARY NOTES (*Sponsoring Organization, Publishers, Availability*)

9. ABSTRACT  
 Our task as we set out on this project was to investigate what relationship existed between the structure and functioning of local institutions in Pakistan and the success which at least certain areas of the country have experienced in the "green revolution". Our conclusions generally have been that the institutional structure of the Pakistan countryside has been extremely weak. Village-level institutions for organizing the village for collective action and for raising resources to perform new developmental functions have been lacking or ineffective. To some extent and for a limited period, the Union Councils functioned as agents for the Rural Works Program in the rural development effort, but the program soon returned to administrative domination and at no time did the Councils' initiative appear to have been critical to the success of the works program. As organizations intermediate between the farmer, on the one hand, and government and the market, on the other, neither the Basic Democracies nor the cooperatives have proven viable. Local institutions in Pakistan, then, can claim little success in facilitating public action at the local level, in improving rural infrastructure, or in facilitating the farmers' economic activities.

10. CONTROL NUMBER <b>PN-AAB-202</b>	11. PRICE OF DOCUMENT
12. DESCRIPTORS <b>Green Revolution, Institutional Structure, Resources, Rural Works Program, Government, Market, Cooperatives</b>	13. PROJECT NUMBER <b>298-11-995-037</b>
	14. CONTRACT NUMBER <b>AID/ASIA-C-1102</b>
	15. TYPE OF DOCUMENT <b>Research Study</b>

CORNELL UNIVERSITY

# RURAL DEVELOPMENT COMMITTEE



*Special Series on Rural Local Government*

## **BASIC DEMOCRACIES AND RURAL DEVELOPMENT IN PAKISTAN**

**Norman K. Nicholson and Dilawar Ali Khan**

LOCAL INSTITUTIONS AND  
RURAL DEVELOPMENT  
IN PAKISTAN

Norman K. Nicholson  
Department of Political Science  
Northern Illinois University

Dilawar Ali Khan  
Head, Department of  
Cooperation and Credit  
Pakistan Agricultural University  
Lyallpur

Rural Development Committee  
Center for International Studies  
Cornell University  
Ithaca, New York 14853

Published by the Rural Development Committee, Center for  
International Studies, Cornell University, Ithaca, New  
York 14853. November 1974.

Copies may be obtained by writing to the Rural Development  
Committee. A charge will be made for the cost of reproduc-  
tion.

## FOREWORD

This monograph was written as part of a comparative study of Rural Local Government organized by the Rural Development Committee of Cornell University. The study aimed at clarifying the role of rural local institutions in the rural development process, with special reference to agricultural productivity, income, local participation and rural welfare. An interdisciplinary working group set up under the Rural Development Committee established a comparative framework for research and analysis of these relationships.<sup>1</sup> A series of monographs, based in most cases on original field research, has been written by members of the working group and by scholars at other institutions and has been published by the Rural Development Committee. An analysis and summary of the study's findings has been written for the working group by Norman Uphoff and Milton Esman and has been published separately.

This study of Rural Local Government is part of the overall program of teaching and research by members of the Rural Development Committee, which functions under the auspices of the Center for International Studies at Cornell and is chaired by Norman Uphoff. The main focuses of Committee concern are alternative strategies and institutions for promoting rural development, especially with respect to the situation of small farmers, rural laborers and their families. This particular study was financed in large part by a grant from the Asia Bureau of the U.S. Agency for International Development. The views expressed by participating scholars in this study are their own and do not necessarily reflect the views or policies of USAID or Cornell University.

### Special Series on Rural Local Government

1. THE ELUSIVENESS OF EQUITY: INSTITUTIONAL APPROACHES TO RURAL DEVELOPMENT IN BANGLADESH, by Harry W. Blair, Department of Political Science, Bucknell University, and Visiting Fellow, Rural Development Committee, Cornell, 1972-73.
2. PEOPLE'S COMMUNES AND RURAL DEVELOPMENT IN CHINA, by Benedict Stavis, China-Japan Program and Rural Development Committee, Cornell.
3. LOCAL INSTITUTIONS AND EGYPTIAN RURAL DEVELOPMENT, by James B. Mayfield, Department of Political Science, University of Utah, Salt Lake City.
4. PANCHAYATI RAJ AND RURAL DEVELOPMENT IN ANDHRA PRADESH, INDIA, by G. Ram Reddy, Department of Political Science, Osmania University, Hyderabad, India.
5. THE DYNAMICS OF INSTITUTIONAL CHANGE AND RURAL DEVELOPMENT IN PUNJAB, INDIA, by S.S. Johl, Department of Economics and Sociology, Punjab

---

<sup>1</sup>The members of the working group were Ron Aqua, Douglas Ashford, John Blackton, Harry Blair, Milton Esman, Mohinder Mudahar, Norman Nicholson, David Robinson, Benedict Stavis, and Norman Uphoff.

Agricultural University, Ludhiana, India, and Mohinder S. Mudahar, Department of Agricultural Economics, Cornell.

6. RURAL ELECTRIFICATION AND DECENTRALIZED DECISION-MAKING IN RAJASTHAN, INDIA, by Susan G. Hadden, Department of Political Science, Oakland University.
7. RURAL LOCAL GOVERNMENT AND AGRICULTURAL DEVELOPMENT IN JAVA, INDONESIA, by Gary E. Hansen, East-West Technology and Development Institute, University of Hawaii.
8. LOCAL INSTITUTIONS AND RURAL DEVELOPMENT IN JAPAN, by Ronald Aqua, Department of Government, Cornell.
9. LOCAL INSTITUTIONS AND RURAL DEVELOPMENT IN MALAYSIA, by Stephen Chee, Faculty of Economics and Administration, University of Malaya.
10. BASIC DEMOCRACIES AND RURAL DEVELOPMENT IN PAKISTAN, by Norman K. Nicholson, Department of Political Science, Northern Illinois University, and Visiting Professor, Department of Government, Cornell, 1972-73; and Dilawar Ali Khan, Department of Cooperation and Credit, Pakistan Agricultural University, Lyallpur.
11. AGRICULTURAL GROWTH AND LOCAL GOVERNMENT IN PUNJAB, PAKISTAN, by S. Javed Burki, International Bank for Reconstruction and Development.
12. LOCAL GOVERNMENT AND RURAL DEVELOPMENT IN THE PHILIPPINES, by Santiago S. Simpas, Ledivina Carino, and Arturo G. Pacho, College of Public Administration, University of the Philippines.
13. LOCAL INSTITUTIONS AND RURAL DEVELOPMENT IN SOUTH KOREA, by Ronald Aqua, Department of Government, Cornell.
14. LOCAL GOVERNMENT AND RURAL DEVELOPMENT IN SRI LANKA, by John S. Blackton, Department of Government, Cornell.
15. RURAL LOCAL GOVERNANCE AND AGRICULTURAL DEVELOPMENT IN TAIWAN, by Benedict Stavis, China-Japan Program and Rural Development Committee, Cornell.
16. LOCAL GOVERNANCE AND RURAL DEVELOPMENT IN THAILAND, by Marcus Ingle, Maxwell School, Syracuse University.
17. LOCAL GOVERNMENT AND AGRICULTURAL DEVELOPMENT IN TURKEY, by Douglas E. Ashford, Department of Government, Cornell.
18. LOCAL GOVERNMENT AND RURAL DEVELOPMENT IN YUGOSLAVIA, by Zdravko Mlinar, Department of Sociology, Political Science and Journalism, University of Ljubljana, Yugoslavia.
19. LOCAL ORGANIZATION FOR RURAL DEVELOPMENT: ANALYSIS OF ASIAN EXPERIENCE, by Norman T. Uphoff and Milton J. Esman, Department of Government and Center for International Studies, Cornell.

## TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION.....	1
II. THE GENERAL PATTERN OF ECONOMIC GROWTH.....	3
III. THE ORIGINS OF THE GREEN REVOLUTION: PUBLIC AND PRIVATE INITIATIVES.....	8
IV. CENTER-PROVINCIAL RELATIONS.....	26
V. RELATIONS BETWEEN LOCAL GOVERNMENT AND ADMINISTRATION.....	32
A. Ayub Khan's New Constituency.....	39
B. Closing the Gap.....	49
VI. THE BASIC DEMOCRACY SYSTEM IN OPERATION.....	52
A. The Union Councils.....	57
B. Union Councils in Lyallpur District.....	64
VII. SUPPLYING THE FARMER'S NEEDS.....	70
VIII. LOCAL INSTITUTIONS AND RURAL DEVELOPMENT IN PAKISTAN.....	77
IX. CONCLUSIONS.....	85

## LIST OF TABLES

Table		Page
1	Age Structure of Union Councillors.....	43
2	Educational Background of Union Councillors.....	44
3	Size Distribution of Land Holdings of Members of Union Councils.....	45
4	Caste-Structure of the Union Councils' Members and Chairmen.....	47
5	Development Work Undertaken by Sampled Union Councils in Lyallpur District during 1964-65 to 1968-69.....	65
6	Taxes and Fees Collected by the Sampled Union Councils in Lyallpur District 1964-65 to 1968-69.....	67

## I. INTRODUCTION

It should be understood from the outset that the purpose of this analysis is to place the past Pakistani experience with agricultural development and rural institutions over the past decade into the analytical framework developed by the Rural Development Committee at Cornell University. It is anticipated that this exercise, repeated for a number of countries, will permit the Committee to address itself to a number of basic questions about the relationship of such rural institutions to rural development.

Now that the Basic Democracy experiment is over and many of the key documents and personnel have been scattered and are otherwise unavailable, one is dependent upon a handful of available empirical field studies plus the recollections of individuals of an era of rural experimentation which many prefer to forget. It should be recognized that association with the Basic Democracies is at present something of a political liability in Pakistan, associated as they were with Ayub Khan's regime, and that the utilization of the Union Councils for essentially partisan national politics (in the Presidential elections) has tended to discredit them in the eyes of many. The passage of time has not, therefore, served to make opinion less biased--rather the reverse.

Nevertheless, the successes of Pakistan, especially in the Punjab, in the spread of the new "green revolution" technology make a reassessment of that experience essential for our purposes and at this time. With Pakistan standing on the verge of a new "second generation" of efforts in

rural development, the lessons of the past in the context of the future may well have some value. For such insights as the study has provided, the authors acknowledge their debt to those at the Pakistan Academy for Rural Development at Peshawar, the Local Government Training Center at Lalamusa, the Pakistan University of Agriculture at Lyallpur, and to the officials of the Agricultural Department and Local Government Department, Punjab, for their cooperation and assistance.

## II. THE GENERAL PATTERN OF ECONOMIC GROWTH

During her first thirteen years as a nation, Pakistan's economic performance was indeed disappointing. With a heritage of poorly developed institutions, a dislocated economic system, and meager industrial and commercial endowment both in terms of activity and personnel, the limited resources were consumed in putting the nation in order. During this period the Gross Domestic Product (at factor cost) barely registered a growth rate of 2.5 percent, that was just equal to the growth in national population. The slow-moving farm sector, which grew only at an annual rate of 1.3 percent, was responsible for the nation's stagnation. In consequence, the citizenry had to bear a loss in real income during the period and government policy promised little relief. A strife-ridden and inefficient political and administrative hierarchy paid little attention to development programs and failed either to mobilize domestic resources or to attract foreign investment. Not until 1955 was the First Five Year Plan launched--perhaps too late to turn the tide.<sup>1</sup>

---

<sup>1</sup>In view of the separation of the Eastern Wing (now Bangladesh), the material in this paper refers to West Pakistan alone. A detailed and scientific coverage of Pakistan's development experiences is available in Gustav E. Papanek, Pakistan's Development: Social Goals and Private Incentives (Cambridge, Massachusetts: Harvard University Press, 1967); F. Kahnert, et.al., Agriculture and Related Industries in Pakistan (Paris: Development Centre of the OECD, 1970); Mahmood Hassan Khan, The Role of Agriculture in Economic Development: A Case Study of Pakistan (Wageningen: Center for Agricultural Publications and Documentation, 1966).

With the advent of the Ayub Khan regime in 1958, the national economy began to revive. The annual growth rate rose to the level of 5.5 percent, which was, more or less, sustained up to the mid-sixties. This performance was mainly due to healthy developments in the construction, manufacturing and farm sectors. Rapid improvements in private investment, in spite of poor performance in the public sector, played a catalytic role in this transformation. Government decisions to minimize direct controls on the economy and to rely increasingly on market mechanisms, together with sound fiscal and monetary policies, encouraged this private investment. Additionally, large public spending on the development of infrastructure, transport, irrigation and power facilities, when supplemented by the new farm technologies of the mid-sixties, made private investment in the industrial, agricultural, and commercial sectors much more attractive and rewarding.

This improved growth performance continued up until 1965 when the war with India, poor weather, and a reduced flow of foreign capital disrupted the development process. Consequently, the economic growth rate declined to 4.7 percent in 1965-66, though it improved slightly to 5.3 percent in 1966-67. The major setback was experienced in the agricultural sector which yielded depressingly low growth rates of 2.0 percent and 0.9 percent in these two years respectively. Increased emphasis on agriculture in the revised Development Plan, necessitated by the recent performance, revived the national economy, however, and resulted in a growth rate of 8.0 percent in the Gross Domestic Product during 1967-68. Improvements in the farm sector accounted for most of this upsurge.<sup>1</sup>

---

<sup>1</sup>Government of Pakistan, The Fourth Five Year Plan: 1970-75 (Islamabad: Planning Commission, July 1970).

The over-all crop production index (1951-52=100) jumped from 128 in 1964-65 to 186 in 1969-70. The productivity indices of food, non-food, and fibre crops gained 57, 19, and 55 percentage points respectively during this same period. This sudden upward shift in crop productivity occurred because of the rapid adoption of new farm technologies--improved crop varieties, fertilizer, tube-well irrigation, pesticides, and tractors. We will explore below the underlying causes for this rapid expansion and the role of government policy in the success of the "green revolution" but let us first indicate the over-all magnitude of the farm sector's achievements.

The wheat crop, for which only 12,000 acres were under the improved Mexi-Pak variety in 1964-65, by 1969-70 included 7,129,000 acres under this variety and the newly-released Chenab-70 variety--or 48 percent of the wheat area of Pakistan. In the case of rice, a beginning was made with the Irri-Pak variety in 1965-66 when some 5,000 acres were planted. This was increased to 1,239,000 acres (31 percent of the rice area) by the year 1969-70. Farmers were reported to have planted new maize varieties on 375,000 acres in 1969-70 as against a small area of only 1,000 acres in the year 1965-66 (25 percent of total maize acreage).<sup>1</sup>

---

<sup>1</sup>The data in this and the following paragraph are drawn from Government of the Punjab, Development Statistics of Punjab, Sind, and N.W.F.P., and Baluchistan, vol. 3, no. 3 (Lahore: Planning and Development Department, Bureau of Statistics, 1971); and Government of Pakistan, Year Book of Agricultural Statistics 1970 (Islamabad: Ministry of Food and Agriculture, 1971).

The acreage under wheat, rice, maize, sugarcane, and cotton (major food and fibre crops) moved from 13,198, 3,409, 1,225, 1,224, and 3,752 thousand acres in 1964-65 to 19,393, 4,008, 1,602, 1,532, and 4,338 thousand acres in 1969-70. The production of wheat, rice, maize, sugarcane,

The accelerated adoption of new seeds gave a further boost to the use of other complementary technologies because the cumulative effect made crop production a more rewarding activity. The use of chemical fertilizers which, spite of liberal subsidies, had only risen between 1961 and 1964-65 from 31,400 nutrient tons to 87,200 nutrient tons, recorded a sudden increase and by 1969-70 had attained a level of 310,000 nutrient tons.<sup>1</sup>

Even the technology of the tubewell, which is not neutral with respect to scale--having significantly larger returns to scale, showed a stunning rate of growth. In 1959-60, West Pakistan had only about 8,000 private tubewells and a handful of public ones. By 1969-70 there were about 81,000 tubewells in the private sector pumping an estimated 14 million acre-feet and about 8,500 wells in the public sector pumping about 5.3 million acre-feet. By 1971-72 public capacity had risen to 5.7 million acre-feet (9,020 wells) while private capacity was up to 18.3 million acre-feet (105,900 wells).

---

and cotton surged up from 4,526, 1,361, 530, 18,029, and 373 (2,124 bales) thousand tons in 1964-65 to 7,179, 2,346, 657, 25,952, and 529 (3,015 bales) thousand tons in 1969-70. See Government of Pakistan, Pakistan Economic Survey, 1972-73 (Islamabad: Economic Advisors' Wing, 1973).

<sup>1</sup>See S. Hirashima, "Interactions between Institutions and Technology in Developing Agriculture--A Case of West Pakistan," in the Papers and Proceedings of a Conference on Agriculture and Economic Development Structural Readjustment in Asian Perspective (Tokyo: Japan Economic Centre, 1972); Dilawar Ali Khan and Haider Ali Chaudhry, "Income Impacts from New Farm Innovations: Implications for Planning," in the Papers and Proceedings of the 1972 CENTO Seminar on Agricultural Planning (Ankara: CENTO Secretariat, 1973).

Farm operators and regions with the necessary endowments to utilize the complete technological package found their returns mounting by as much as 100 percent. Farm laborers found a new opportunity too for employment, and the in-kind payments received in return for work were large enough to fill their empty food bins. The nation's export earnings, with the largest share still originating in the farm sector, touched new heights, significantly improving foreign exchange reserves.<sup>1</sup> In the words of Papanek: "Pakistan became one of the very few underdeveloped countries where the increase in agricultural production significantly exceeded the growth in population."<sup>2</sup> Even more unique, however, was the fact that the improvement in Pakistan's domestic and international economic position had been accomplished primarily by the agricultural sector. This double accomplishment makes the origins of the "green revolution" a matter of considerable interest and importance to the development of Pakistan.

---

<sup>1</sup>In 1971-72, for example, primary commodities represented 44.8 percent of Pakistan's foreign exchange earnings.

<sup>2</sup>See the Foreward in Gustav G. Papanek, Pakistan's Development: Social Goals and Private Incentives, op.cit., p. viii.

III. THE ORIGINS OF THE GREEN REVOLUTION:  
PUBLIC AND PRIVATE INITIATIVES

The public policies of the Ayub Khan regime insofar as they had an impact on agriculture can be broken down into four basic components: 1) land reform, 2) price policy, 3) public investment in infrastructure, and (4) credit policy. Let us examine each in turn.

It is generally accepted that the 1959 land reforms instituted by Ayub Khan had little direct impact on the redistribution of land. Leslie Nulty comments:

In the event, 5,064 landowners declared excess land. On average, the declared excess per owner was 1,445 acres. Land was actually acquired by the government from only 763 of the declarers, and only 55 percent of the declared excess land was acquired by the government for distribution. For want of further information, it may be assumed that the remaining 45 percent of the total excess land stayed with its owners. After surrendering their declared excess land, the 763 owners were each left, on average, <sup>1</sup> with 2,100 acres and Rs. 120,000 in compensation.

In total, Nulty reports, 2.2 million acres were acquired by the government. Of this one-fourth were "areas unfit for cultivation," and of the remaining 1.64 million acres, just under one-half was classified "culturable waste" which would require considerable investment to bring it under the plough. By 1966, only 840 acres had been distributed and of this an undisclosed amount had been made available for purchase to civil servants. Nulty concludes:

---

<sup>1</sup>Leslie Nulty, The Green Revolution in Pakistan: Implications of Technological Change (New York: Praeger, 1972), p. 31.

From the point of view of agricultural productivity and output, this attempt at land reform does appear to have awakened the interest of formerly absentee landlords in running their land on more commercial lines, largely out of fear that their tenants might otherwise be accorded proprietary rights to the land. Aside from this indirect influence, the generous provisions of the law with respect to the maximum size of individual holdings and the limited extent of its implementation indicate that it has had only marginal, if any, effect on the traditional systems of land tenure.<sup>1</sup>

In assessing the impact of land reform on the green revolution it is relevant to ask to what extent land ownership patterns have influenced the response of cultivators to the new technology. Burki presents in his paper extensive data on landholding patterns in Punjab. His conclusion that the quick response of the seven best districts to the opportunities of the green revolution is related to the predominance of middle-sized holdings is reasonable and convincing. Size of holding may generally be taken as an index of the total resources available to a farmer and is important in determining the surplus available for investment and ease of his access to credit. Nevertheless, one should be cautious in using this variable for analysis. In Rawalpindi district, for example, although the average farm size is around 65 acres, the average cultivated

---

<sup>1</sup>Ibid., p. 32. There are alternative interpretations to be given the data on land tenure and size of holding in Table 8 of S. J. Burki, Rural Development and Local Government in Pakistan: The Punjab Experience (Ithaca, New York: Rural Development Committee, Cornell University, 1974). In view of Nulty's analysis, it is unlikely that the increasing proportion of "middle-sized" farms in the post-green revolution period resulted from land reform efforts, and Burki acknowledges this. His alternative explanation that the transfer has been from smaller farmers to middle-sized ones is more likely and would conform to the experience in Indian Punjab where similar economic forces have been at work.

holding is only 13 acres.<sup>1</sup> In the canal colony districts, such as Lyallpur and Sahiwal, the actual cultivated holding averaged between 30 to 40 acres. Thus the difference between "progressive" Lyallpur and "backward" Rawalpindi was that the former had, in fact, a larger land resource base from which to finance investment.

The importance of the size of the resource base is dramatized by Max Lowdermilk's study of the "green revolution" in Multan. He reports that the small farmers have not been slow in adopting the new dwarf wheat varieties. However, all but the larger farmers tend to lack access to reliable sources of water (i.e., tubewells) and farm power (i.e., tractors) as well as information and/or cash to use the proper "package" of inputs and practices required by the new varieties. The smaller farmer's utilization of nitrogen, for example, is as much as 50 percent below recommended dosage.<sup>2</sup>

There is evidence, however, that tenancy has not per se excluded farmers from the "green revolution" in Pakistan. In the first place, as Hamza Alawi explains, "It is not often realized, however, that the size distribution of tenant farms is similar to that of owner farms; not all tenant farms are small."<sup>3</sup> This being the case, it is entirely possible that some tenant farms can overcome the investment barriers to adoption of the new technology. It should also be recognized that the irrigated Punjab has been characterized by a relatively commercialized

---

<sup>1</sup>Hamza Alavi, "Structure of the Agrarian Economy in West Pakistan Development Strategy," Pakistan Administrative Staff College Quarterly, VII (3-4), Sept.-Dec., 1968, p. 61.

<sup>2</sup>"Diffusion of Dwarf Wheat Production Technology in Pakistan's Punjab," Ph.D. Thesis, Cornell University, 1972 (especially p. 300).

<sup>3</sup>Alavi, op.cit., p. 59.

agriculture specializing in cash crops for several generations. In these circumstances it is not uncommon for landlords to assist their tenants, at least tenants in "good standing," to overcome some of these constraints.<sup>1</sup>

There are still major questions of equity involved in the distribution of income between large and small farmers and between tenants and owner-operators in Punjab

---

<sup>1</sup>Thus, Burki notes the fact that the "progressive" districts had a higher incidence of tenancy than the "backward" districts. This is a somewhat surprising discovery, but he explains it by suggesting that the landlords may have, in fact, provided the much needed managerial and entrepreneurial talent for their tenants, thus contributing to their progressive behavior, op.cit., p. . Nulty's data suggest that there is little difference in the productivity of owner-operators and tenants, measured in terms of gross margin per cropped acre. Op.cit., p. 36. This may well be, she argues, because landlords assist the tenant to secure credit and other inputs and, in consequences the tenant may be better off than the smallest owner-operators. Lowdermilk, in his study reports that by 1967-68 (i.e., after about two years), 62.6 percent of the tenants in his sample had tried the new varieties compared with 56.6 percent of the owner-operators. By 1970-71, 58.5 percent of the tenants used the dwarf wheat varieties on their entire acreage, compared with 53.8 percent of the owner-cultivators. Op.cit., Tables 18 and 19, p. 137. Unfortunately, Lowdermilk does not present data on the relationship of tenancy to the use of fertilizer and other inputs. Nulty, however, has some indirect evidence which may be revealing. Although there are no differences in productivity between owner-cultivators and tenants, their disposable income is dramatically different. On a farm of 15-25 acres, for example, it is estimated that the disposable income for a tenant is about Rs. 39, compared with Rs. 2,430 for an owner-operator (1965). Op.cit., Table 7, p. 38. Thus, Nulty argues, the tenant farmer has considerably less surplus resources to invest in improvements and inputs other than seed.

as well as other areas of Pakistan. Similarly, further returns from the green revolution will require an improvement in the resource base of the majority of the country's small farms. Nevertheless, the landholding pattern and the generally commercial orientation of Punjab's farmers have meant that landholding patterns have not inhibited the initial stages of the "green revolution" in Punjab as they have in other areas. Nor has tenancy necessarily excluded farmers from access to the new varieties. Both of these factors, landholding patterns and commercialization, are factors which predated the Ayub Khan regime and on which the land reforms of that period had only marginal impact.

Price policy in West Pakistan was simplified by the fact that it was necessary only to manipulate the prices of four main crops--sugarcane, cotton, wheat and rice. Although the details have varied, the prices of these commodities have been regulated throughout the period under consideration, and foodgrains have from time to time been subjected to compulsory procurement. The result has been that on foodgrains especially the prices in Pakistan have been considerably lower than the world prices.<sup>1</sup> On the other hand, the government's policy has been to subsidize fertilizer and other inputs and to make credit as easily available as possible in order to encourage private investment in the rural sector in

---

<sup>1</sup>By 1973 the prices had crept up to Rs. 46/-per maund (82.3 pounds) for the best grades of rice and Rs. 20/-per maund for wheat. The Far Eastern Economic Review (April 24, 1974, p. 55), however, reports that this price, amounting to \$70 per ton for coarse rice and \$112 a ton for fine rice when procured on a compulsory levy in the current year (1973-74), was sold at \$225 and \$470 a ton on the world market.

such improvements as tubewells.<sup>1</sup> The fertilizer subsidy bill for the year 1969-70, for example, was Rs. 11.2 crores (\$11.3 million) and was estimated at Rs. 22 crores (\$22.2 million) for 1972-73.<sup>2</sup>

This combination of policies has been termed by the government an "incentive strategy." The government has placed considerable faith in this method, which relies on the market orientation of the farmers in Pakistan's granary, the Punjab, for its success. Official sources point to rising production (growth rates of 9.7 percent in wheat and 12.1 percent in rice per year since 1964-65) and rising farm incomes (up from Rs. 215 per capita in 1959-60 to Rs. 298 in 1969-70) as evidence of the success of the strategy. Analyses by Nulty and Stephen Lewis both indicate that the terms of trade between the urban and rural sectors have remained fairly stable and slightly in favor of agriculture for the past decade.<sup>3</sup> Thus government expenditures in promotion of agriculture would appear to have been roughly balanced by the price effects of increasing production in agriculture.

---

<sup>1</sup>Much of the data which follows was provided by the Ministry of Agriculture, Government of Pakistan and by the Planning and Development Department, Government of Punjab. The authors are especially grateful to Mubashar Lal Khan, Chief Economist, Agriculture Ministry, for access to two unpublished papers: "Economic Performance of Agriculture: Current Situation and Prospects" (October 8, 1972), and "Agricultural Planning in Pakistan" (October 24, 1972).

<sup>2</sup>One crore = 10 million. The dollar value is calculated at Rs. 9.90 to the dollar, which is the official exchange rate.

<sup>3</sup>Stephen B. Lewis, Jr., "Recent Movements in Agriculture's Terms of Trade in Pakistan," Pakistan Development Review X:3 (Autumn 1970), p. 389; see also Nulty, op.cit., p. 93.

Leslie Nulty, on the other hand, questions the whole rationale of the so-called "incentive" strategy.<sup>1</sup> First, poorly developed and poorly regulated markets tend to dampen the interaction between "incentive prices" and farm behavior by reducing the amount of the incentive that actually reaches the farmer. Second, once the farmer achieves self-sufficiency in grain production, he is more likely to respond to prices by changing the composition of his output than by increasing production. Third, the advantages of a tubewell and of the new seeds are so great in and of themselves that they would probably be adopted regardless of price shifts within fairly wide ranges. Fourth, she makes a convincing case that the distribution of acreage between cash crops and grain (i.e., between summer and winter crops) is not determined by price (even after increases of procurement prices in 1967-68) but by the availability of water. Her final evaluation of the government's "incentive" strategy is:

Government price policy with respect to agriculture in West Pakistan cannot in any sense be construed to be a conscious macroeconomic attempt to improve real agricultural income, although the consequent response of agricultural output to what was assumed to be a favorable constellation of prices has in part been used as an ex post indication of "success" that justifies past policies.<sup>2</sup>

What success the "market strategy" or "incentive strategy" achieved depended in any case on a highly price-sensitive and rational farm population, in particular Punjab's medium and larger farmers (roughly those with holdings above 12 acres of irrigated and cultivated

---

<sup>1</sup>Nulty, op.cit., pp. 88-97.

<sup>2</sup>Ibid., p. 95.

land).<sup>1</sup> It is generally accepted that it is this class of farmers, who constitute about 15 percent of the farm families (or possibly as many as 30 percent if one includes tenants with viable irrigated holdings) that have reaped the main benefits from this increased income. It is also clear that it is the adequately watered areas of Punjab (either with canal irrigation or tubewells or both) that provided the bulk of this increased productivity. Thus, there is ample evidence from Punjab, as elsewhere in the world, that the "incentive strategy" can be highly effective but produces somewhat severe class and regional disparities.<sup>2</sup> Furthermore, it is basically a permissive policy, one which removes constraints and permits farmers with resources to employ those resources more effectively. In short, it is a public policy which reaps the advantages of already existing entrepreneurial talent, resources, and investments. Once these advantages have been exploited, the government is then left without a viable policy for expanding the agricultural "revolution" or directing public investment.

---

<sup>1</sup>Some authors would place the division between small (i.e., marginal) and medium farms at 7 or even 5 acres, but 12 seems to be the most widely used figure. The author here depends heavily on work by Agha Sajjad Haider and Frithjof Kuhnen, "Land Tenure and Rural Development in Pakistan," Report of the International Seminar on Integrated Rural Development, November 3-10, 1973 (Islamabad: Ministry of Food, Agriculture and Rural Development, Rural Development Wing, 1974), pp. 165-75, and on the work of Herbert Albrecht in the Peshawar area. In addition, a most useful analysis of the tenure situation can be found in Hamza Alavi, "Structure of the Agrarian Economy in West Pakistan and Development Strategy," Pakistan Administrative Staff College Quarterly VII (3-4), September-December, 1968, pp. 57-76.

<sup>2</sup>On this point, see paper by Karl von Vorys and Francine Frankel, The Political Challenge of the Green Revolution: Shifting Patterns of Participation in India and Pakistan, (Princeton, NJ: Center for International Studies, Policy Memorandum No. 38, 1972).

It should be kept in mind, however, that in the scarcity environment of the fifties and sixties, the government's strategy was perforce a policy oriented toward rapid expansion of marketed foodgrains and export commodities (e.g., cotton). After the demise of the Village Aid Program in 1958 until the initiation of the Integrated Rural Development Program fifteen years later, the Pakistan Government could hardly be said to have had a "rural development" program. Now that there is some confidence that the food situation is under control, it is possible to devote some attention to the economically and administratively more expensive job of distributing the gains more equitably.

Perhaps the most successful aspect of public policy in the Ayub Khan era was the expansion of public investment in rural infrastructure--roads, irrigation, land reclamation, etc. Extensive government efforts proved effective in fighting the problem of water-logging and salinity and at least 1,450,000 acres of land that had been uncultivable were brought into production. Additionally, soil conservation efforts helped in checking soil erosion, and between 1964-65 and 1969-70 an area of 195,000 acres was recovered and brought under production. The world's largest irrigation network was further enlarged by constructing new dams and barrages and small scale irrigation dams in the mountainous regions. These undertakings, together with the network of new canals and distributories, consumed Rs. 6,458 million out of the total public sector development allocations of Rs. 25,147 million in the Third Five Year Plan (1965-70). In return the nation had additional supplies of 3.5 million acre-feet of irrigation water and 20,210 KWH units of electricity. New irrigation supplies brought into cultivation an additional area of 2,720,000. According to one report, the new local governments--the Union Councils--contributed Rs. 4,598,400 out of a total of Rs. 28,740,000

for some 8,690 local irrigation projects during the period of 1963-64 to 1968-69.

The public sector also attended to the colonization of new areas, particularly in the province of Sind, and in the Third Plan period generated 5.7 million acres of farm land. The settlement on the newly opened-up areas was accomplished through government efforts which included, besides revenue remissions and subsidized inputs, the provision of heavy earth-moving equipment, tractor-tillage facilities, technical advice. Efforts were also made to link these new areas with the nearest urban-industrial centers. It is, however, disheartening that in spite of all these efforts, only 20 percent of the 200 million acres of potentially arable land was brought under the plough and the average cropping intensity for the farm economy as a whole just approached the 100 percent level.<sup>1</sup> Furthermore, it should be recognized that the major gains of the green revolution occurred not in these areas where the area of cultivation was being extended, but in the more intensively farmed and older settlements of the Punjab. On the other hand, these efforts did serve to arrest a declining man/land ratio and may have had some impact on rural land pressures.<sup>2</sup>

---

<sup>1</sup>Out of this 82.5 percent (31 million acres) is irrigated to varying degrees from surface and sub-surface sources. See Government of Pakistan, Fourth Five Year Plan: 1970-75, op.cit.

<sup>2</sup>Nulty, op.cit., Table 3, p. 27.

Another significant contribution of the public sector was manifested in the rapid development of transport and communication facilities. Available data show the availability of 10,809 miles of high type and 8,989 miles of low type roads by the end of 1968-69. To service these roads, the nation had by 1969-70 more than 14,204 buses and 35,455 trucks. Local governments, both from their own resources and with funds provided by the Rural Works Program, participated in 13,966 road construction projects involving a sum of Rs. 126,508,000 over the period 1963-64 to 1968-69. This resulted in the construction of over 700 miles of metalled road, 2,000 miles of treated road, and over 6,000 miles of dirt roads. In addition, over 2,000 miles of roads were repaired and 250 bridges and culverts were constructed. It should be noted that road construction was given very high priority in the prosperous agricultural districts such as Lyallpur where it is now projected that within five years every village will be connected to a metalled road. The work on the renovation and expansion of the railway transportation system was completely undertaken in the public sector.

Agricultural credit has appeared as a major constraint on the green revolution. Although the new technology is in theory neutral to scale, it has proven difficult for farmers without access to credit to find the ready cash to buy fertilizer or the resources to invest in the all-important tubewell. This accounts for the difficulties of the smaller farmer and for the insecure position of many tenants vis-a-vis the new technology. Until the past two years, the cooperative played a central role in the government's strategy of supplying credit to the rural sector. Although we shall deal with the cooperatives as an institution more extensively later, a brief statement of Pakistan's experience with cooperatives is useful in order to illustrate the government's lack of initiative in this area.

Towards the turn of the 20th Century, cooperatives were transplanted into the economically and institutionally barren rural environment of the sub-continent. The contribution of these cooperative institutions to the economic salvation of the region is, by and large, dismal except for scattered and rare cases. In the post-independence era, cooperatives received attention from the government only in terms of policy pronouncements, which were not transformed into concrete actions. The numerical expansion of cooperatives and the inclusion of more and more activities into the domain of these organizations occurred, but with little result. The share of the nation's largest component of the cooperative sector--the agricultural credit cooperatives--is still no more than 3 percent of the institutional credit flowing into the farm sector. The effectiveness of these credit cooperatives in mobilizing rural savings is meager.<sup>1</sup> The overall performance of the cooperative sector in promoting rural development is reflected in the fact that the Bhutto government had to promulgate a Martial Law Order to recover outstanding payments from members and executives of more than Rs. 300 million and to initiate a complete overhaul of these institutions.

So far as can be determined, then, the national policies of the Pakistan government during the Ayub Khan regime, with the possible exception of the expansion of transportation facilities and irrigation infrastructure, had affected the success of the "green revolution" mainly by providing needed incentives to medium and large farmers and the entrepreneurs serving the agricultural sector. The major part in the promotion of "green revolution" was, however, played by private initiative.

---

<sup>1</sup>Mahmood Ali Khan, Cooperative Dilemma (Lyallpur: Agriculture University Press, 1971); also Mahmood Ali Khan, Dilawar Ali Khan, and Muhammad Hussain Bhatti, Farm Credit Profile and Supervised Credit in Rural Pakistan (Lyallpur: Agriculture University Press, 1972).

This is best seen with respect to water supply for irrigation. Nulty reports that when figures were first collected on tubewells in 1953-54 there were only 1,000 in West Pakistan and that these had been drilled by the Irrigation Department.<sup>1</sup> By 1963, there were 16,280 tubewells and only 22 percent of these were being drilled by the government. The remainder had been drilled by newly emerging private companies. The wells began to expand first in Gujranwala and Sialkot districts where the cost was low due to the high water table and they were generally powered by electric motors, which obviously depended on the government sanctioning electric connections. Very soon, however, farmers began to free themselves from this constraint by using diesel pumps, even though they are more expensive to install and less efficient to run. Thus the expansion in water supply, that we have already noted, occurred primarily in the private sector, was privately financed, and took place without the need of public drilling facilities or the need of difficult-to-attain electric connections. The critical factor in the expansion of the new technology--seeds, fertilizer, etc.--has been the availability of assured water supplies.<sup>2</sup> Thus the success of the new varieties was in those areas

---

<sup>1</sup>Nulty, op.cit., p. 57.

<sup>2</sup>Nulty argues:

...it becomes clear that the increase in total provincial output must be largely attributable to increasing productivity in irrigated agriculture. This in turn can be traced directly to the spread of new inputs, chemical fertilizer and seed, in turn related to improved irrigation supplies. op.cit., p. 70.

and among those farmers who had assured and controlled supplies of water.<sup>1</sup>

The importance of tubewells was dramatically illustrated in 1970-71 season when Pakistan agriculture experienced a negative growth rate and wheat production fell by 11 percent, rice by 8 percent and sugarcane by 12 percent. This reduction was almost entirely due to the bad rains and the inadequate supply of water in the canal system (and, of course, in the traditional rain-fed areas). As studies of the Punjab water system have indicated, it was a system designed for security (i.e., to guarantee everyone a minimum supply of water). It was never intended to maintain production levels in drought years and it has been of limited help in permitting the cropping intensity that is now demanded (e.g., cotton followed by wheat).<sup>2</sup>

To supplement water supplies and the new seeds, fertilizer is needed. In full realization of this fact, fertilizer and pesticides production received sizable allocations from the government during the period under consideration. The joint efforts of the public and private sectors added additional production capacity of 37,574 tons of nitrogenous and phosphatic fertilizers.

---

<sup>1</sup>Nulty presents data on differences in size of holding, average cropped area, cropping intensity, use of fertilizer, and farm income on tubewell and non-tubewell farms. See op.cit., Table 18, p. 79, and Table 19, p. 83.

<sup>2</sup>S. Marglin, "Problems of Irrigation Planning and Research in India and West Pakistan," in W. Morehouse, ed., Science and the Human Condition in India and Pakistan (New York: Rockefeller Press, 1968), p. 188.

The weak performance of the public sector in the distribution of fertilizers, pesticides, and the new seed varieties, however, left the national government with no choice but to seek the services of the private sector in these important tasks. Urban-based commercial and industrial entrepreneurs soon established their effectiveness by reaching distribution points located as deep as the small market towns and important transport-crossings which in turn linked up with the individual farmers.

Thus, contrary to the assumptions of many of Pakistan's development administrators, the private trade has not been slow to exploit the new rural markets. In fact, the vigorous popularization efforts on their part have proved highly instrumental in accelerating the use of new farm inputs. Furthermore, these entrepreneurs have relied for the most part on the existing institution of market functionaries--thereby accomplishing their task without much additional social cost in terms of institutional infrastructure.<sup>1</sup>

---

<sup>1</sup>For details, see Diethard Mai, "Marketing and Rural Development: Empirical Reflections on Agricultural Marketing Situation in Pakistan," Paper presented at the International Conference on Marketing Systems for Developing Countries, Tel Aviv, January 1974. This view does not take into account the service which cooperatives provided prior to the privatization of fertilizer trade. For several years in the mid-1960's, coops distributed fertilizer on credit and were notoriously ineffective in getting repayment, at which point the way was opened for private traders to take over distribution. In fact, farmers had been given several years of virtually free use of fertilizer to acquaint themselves with its productivity and value, at which point they were also more ready to pay commercial (or quasi-commercial subsidized) prices for it, and fertilizer usage "took off." Had the government started with private outlets at the outset, usage would most probably not have expanded so rapidly as it did, so the "inefficient" cooperatives deserve some credit for making a contribution.

Promotion of agro-based industries during the period 1965-70 occurred mainly through the initiative of private entrepreneurs. The private sector played an important role in furthering the growth of the rural sector by undertaking marketing of farm inputs and continued also the age-old functions of marketing of farm products. Except for the procurement of foodgrains during periods of national emergency and the marketing by sugarcane marketing cooperatives of approximately 20 percent of the sugarcane produced, the remaining marketable farm surpluses found their way to processing plants and consumers, both local and foreign, through the private marketing functionaries. In the area of credit, publicly sponsored and supported agencies like the Agricultural Development Bank, the cooperatives, and the Revenue Department (which made taccavi crop loans) managed to capture only a meager 12 percent share in the total credit supplied to the farm sector. The private sector, embodied in market functionaries and village shop-keepers, emerged as the major source of cash and in-kind credit for the "green revolution."

Whereas the private sector had only a slight opportunity to contribute to the expansion of tractors and farm machinery--manufacturing domestically only a few simple replacement parts--its performance in the manufacture of tubewell engines and related components was extensive. In the words of Falcon:

"virtually all of the diesel engines and pumps for the wells were manufactured locally, mainly in small scale shops. Towns where it was impossible to buy the proverbial pot in the mid 1950's had by 1965 become centers of diesel engine and pump manufacture.

The small town of Daska, for example, had only a few major shops as late as 1961; but in 1965, over 120 shops were engaged in engine manufacture."<sup>1</sup>

The performance of the private sector in the manufacture of other farm implements--spraying and dusting equipment, harvestors--is equally remarkable. Places like Sialkot, Daska, Gujranwala, Lahore, Okara, Gujrat, and Lyallpur have now a thriving business in these items. Repair services extended by the private and often small-sized entrepreneurs have been of great help in continuing the process of agricultural modernization. In contrast, for example, the government-supported Cooperative Karkhana Alate-Zari (Bahawalpur), which was expected to become a leading concern in the manufacture of modern farm implements suited to local Pakistani conditions, is a model of misappropriation of public funds and of inefficient resource use.

One is tempted to the conclusion that it was the generally permissive atmosphere of the Ayub Khan era and the absence of many governmental constraints which permitted the progressive farmers to respond to the "green revolution." The technology, in its initial stages at least, was simple and basically an extension of traditional practices--for traditionally commercialized farmers. Though adequate credit may now be a constraint on the response of smaller farmers, it was not a constraint in the initial stages for the larger farmers. Similarly, although adequate information and extension services may now be a constraint for all farmers in a period of "second generation" problems and growing technical complexity, it represented no constraint for larger farmers

---

<sup>1</sup>Walter P. Falcon, "Agricultural and Industrial Relationships in West Pakistan," American Journal of Farm Economics, 49, December, 1967, p. 1151.

who had merely to have a well drilled, plant some new seeds, and apply some larger doses of artificial fertilizer in place of traditional natural fertilizers. The economics of the "green revolution" in Pakistan appear to have operated relatively independently of the government in the sixties, allowing for its role in the infrastructure creation and agricultural policy formation cited already.

#### IV. CENTER-PROVINCIAL RELATIONS

In the political history of British India the status of local governments has never been a central political issue. Rather it has been on the relationship of central and provincial governments that constitutional debates have traditionally focused. British civil servants and nationalist politicians alike shared an interest in substantial provincial autonomy. Given slow communications and the cultural diversity of the sub-continent, field administrators have always been convinced that decentralization of decision making and authority was essential and that the Empire could not be effectively governed from Delhi. For the politician also, the province served as the natural center of his activity. Roughly paralleling linguistic and cultural boundaries, the provinces set effective limits to political organization. It was at the provincial level that responsible government was first won from the British and political life began in the sub-continent. Finally, it was in the provinces that nationalist activity and reform first began for both Hindus and Muslims. Indeed, with a much shorter experience of integration in a single national struggle, provincial identification remains somewhat more important for the Muslim politician of Pakistan. Conversely, Governors General, bearing the responsibility for the security and stability of the Empire within an essentially authoritarian colonial tradition, perceived the necessity of retaining the ultimate authority in their own hands. Prior to independence, then, the major problem was one of clarifying central and provincial responsibilities. Along side this, local autonomy was a peripheral issue and local institutions varied according to the vagaries of administrative convenience or official ideology.

Basically, local government was seen either as an administrative convenience or as a training ground for eventual self-government. Throughout, however, power and authority remained with the Government--which for the villager meant the Provincial government.

Even the briefest glance at the post-independence politics of Pakistan will reveal that the constitutional issue was unchanged by the change in government. It is, in fact, the central-provincial issues which have been the main concern of Pakistan's politicians and it has been the maintenance of powerful provincial administrations capable of assuring security and stability (in contrast with the decentralized local governments) that have been the political priority.

One should realize, therefore, that although there has been for some time in Pakistan an appreciation of the importance of decentralization of development decision making--especially in agriculture--and although much attention has been given to the difficulties of pursuing development through the vehicle of a "traditional" or "colonial" administration, this perspective has never prevailed. If indeed flexibility and decentralization are required for development administration, these are trends which violate the whole constitutional tradition of the sub-continent as well as its political realities. Law, order and unity still remain key issues--as they did in the colonial period. Political power still centers in the provincial capitals in the struggle against the growing central influence of Islamabad. In such circumstances, the administrative and institutional reforms which the enthusiasts and scholars of rural development have suggested are certain to be compromised by the political necessities of the more fundamental confrontations which make up the structure of Pakistan politics.

Such devolution as has occurred and such experimentation with new institutions as has taken place have been a response to the perceived needs of development and not to the political demands of local communities and politicians for autonomy from provincial interference. Local institutions are simply not a hot political issue.

#### Agriculture in the Federal Structure

Agriculture in the sub-continent evolved as a provincial concern and remains so in Pakistan after independence. The consequence of this is simple. All day-to-day administration of agriculture is in provincial Departments--including extension, the distribution of agricultural inputs (whenever in government hands), regulation of markets and most rural public works. The constitutional and administrative position is reinforced by the diversity of conditions, which vary from the sparsely settled and arid Baluchistan populated by tribal peoples to the dense canal-irrigated peasant areas of Punjab. Even within a province such as Punjab, conditions vary from the rain-fed (barani) areas of Rawalpindi and the canal irrigated districts of Lyallpur or Multan to the near-desert conditions of Mianwali. Such diversity in ecological, settlement, cropping and market conditions makes it almost impossible for the central government to effect any detailed physical planning of the rural sector. The central government's impact on agriculture is indirect--either through provincial administration or by the manipulation of basic economic parameters.

The weakness in Pakistan's agricultural policy has been in the link between the market-manipulation and incentive strategies of the national government and its field-level extension and distribution programs. As already indicated, because agriculture is a provincial subject in the Constitution and as an administrative

reality, there is little that the central government can do to influence this aspect of the rural development program. Lowdermilk's excellent study in Multan and numerous individuals involved in the development programs agree that in all areas the farmer is deficient in technical knowledge of how to get the maximum productivity out of land and seed. Without going into the details, it suffices to say that the extension service does not reach the farmer, its advice is deficient when it does, and that delay in the supply of vital inputs and crucial information frequently makes both useless.

It is little comfort to point out that this weakness in field staff and the relative inability of the national government to deal with the problem are not unique to Pakistan. Nevertheless, the departments serving agriculture in Punjab are understaffed (for the job in hand), under-trained (for the degree of technical sophistication required in the new technology), insufficiently mobile and otherwise under-equipped (for the magnitude of the area and population they are expected to cover), and insufficiently coordinated and organized.

For all that was accomplished in the area of production, the decade of the sixties contributed little to the solution of these problems. The "incentive" strategy produced the easiest increment in production with the tools at the command of the national planners. An extensive public works program had similar characteristics. The works program was centrally financed and helped to open up rural areas and support the new local government system but it had no effect on the organization of assistance to the farmer. It is also true that training facilities and agricultural research expanded. But, again, this could be done on central government initiative and it is fairly evident that many of the fruits of this effort were not in fact delivered. To sum up: with the demise of the Village Aid program of the fifties, innovations in the supply and organization of farm services also ended. At the present time, however, the quality and efficiency

of such services have become, next to water (and perhaps the recent world shortage of fertilizer), the second major constraint on agricultural production in Pakistan. The new Integrated Rural Development Program initiated two years ago has the advantage that it at least recognizes this constraint and that it provides the first real attempt to tackle the problem in over a decade. Nevertheless, its slow start and meager resources bear testimony to the difficulties of effecting administrative change from the national level in Pakistan.

The policies which have been outlined above in no way alienated powerful farm interests--quite the reverse. And in so far as the development strategy accepted the constitutional and administrative constraints on the national government, the basic division of federal and provincial responsibilities was not violated (at least in this area). The cost appears to have been, however, a relative lack of central guidance in program administration and a lack of coordination between the investment and market strategies of the national government and the administrative realities of the districts. A brief description of the planning process may clarify this point.

The nexus between central and provincial policy is established in the annual development plans. The parameters of the annual plan are set by the technocrats at the center who form a Central Development Works Party. This body makes recommendations to the Executive Committee of the National Economic Council which in turn passes the plan on to a Ministerial-level meeting of central and provincial governments. As the recurrent budget is fixed by an autonomous Tax Commission every five years, the major flexibility in

---

<sup>1</sup>An ex-ante critique of this programme is contained in a joint paper by Agha Sajjad Haider and Dilawar Ali Khan under the title "Planning for Rural Development: Reflections on Integrated Rural Development Programme," A paper presented at the CENTO seminar on Agricultural Planning held at Islamabad during November 1972. Most of the observations contained in this article on the administrative, institutional and financial limitations of the Integrated Rural Development Programme are finding strong empirical support ex-post.

central-state relations is found in this annual development plan. It is through this process that allocations for development are made to and among provinces.

In fact the bulk of the projects are initiated by the Provincial Governments and funded out of the state allocations in the annual development plan so far as agriculture is concerned. Hence the involvement of the central Ministry is minimal. On occasion, however, central initiative is exerted in the form of specific programs which are either centrally funded or subsidized (e.g., the family planning program). Large projects in the agricultural sector may be entirely centrally funded--for example, the salinity programs. Finally, a major reorganization program such as the current Integrated Rural Development Program may be initiated by the center as part of the provincial development plans largely as the result of political pressure from the top (with some minor subsidy in the form of staff salaries left over from the Basic Democracy period).

The principles of inter-provincial allocation of public investment are difficult to ascertain. Keeping in mind that the bulk of investment in agriculture is in the private sector, that the government has made little effort to influence this private investment, and that a production-oriented policy designed to maximize exports and wage goods has tended to bring scarce inputs into the most productive regions, it is probably fair to say that the agricultural policies of the central government have done little to correct the basic inequalities among the nation's several regions. It is true, however, that the center has initiated programs for the saline areas and the rainfed areas of NWFP and Punjab, for example. Thus the center does evince considerable symbolic interest in these regions and a not inconsiderable public investment. Nevertheless, this appears to be far short of an "equalizing" strategy (even based on per capita expenditure) and there seems to be little prospect of such a policy materializing.

## V. RELATIONS BETWEEN LOCAL GOVERNMENT AND ADMINISTRATION

Keeping in mind our earlier point about the importance of the provincial government in the general scheme of things in Pakistan, it is necessary to recognize that the Deputy Commissioner (D.C.) has traditionally been and remains the embodiment of Government power at the local level. In this instance, "local" means at the level of the administrative district. In West Pakistan the size of the district varies, but in Punjab this typically would mean a population of between a million and a million and a half and would cover 1500 villages. Two key points about rural development strategy result from this administrative organization. First, the D.C. has been the major force for coordinating policy of any kind at the level of administration. He has the authority and power of the Government in his hands, and no effective coordination or initiative takes place without his support and active interest. Second, regardless of what might be said about lower level institutions, all significant development activity is centered at the district level which is the main administrative decision-making unit. It will be quickly recognized that this is a rather large unit for effective development activity. Although there are field workers at lower levels the real distance (in terms of communications within the bureaucracy) between the village and the district headquarters is great.

The consequences of the immense power of the D.C. have been a matter of some debate. Western scholars and their Pakistani students have tended to stress the debilitating effect of the concentration of authority for police, revenue, justice and development in one man. He simply overwhelmed local leadership and local institutions. Certainly, there is evidence to support this position. In Pakistan Punjab one searches in vain for effective village-level institutions capable of public action. Cooperatives

are defunct, village panchayats are defunct, their authority and power sapped and superceded by administrators. The style of administration is also criticized. It is highly personal. The scope of personal discretion of the D.C. is immense and as previously mentioned his personal attention and energy are vital to the success of any complex project or new initiative. Part of the criticism obviously reflects the development theories of the fifties and is a reaction to a tradition which seems far from Max Weber's ideal of "rational" administration.

Pakistan civil servants and politicians, experienced in the affairs of the district, are more likely to support the D.C. on the grounds that he can provide integration, coordination and initiative together with the future-oriented vision of a modern intellectual--all lacking elsewhere in the rural Pakistani environment. It is not clear that such insight should be lightly dismissed. Certainly the Indian experience with Panchayat Raj does not indicate that district politicians would be more acceptable decision-makers to development theorists.

Now that Pakistan is once again wrestling with the question of the structure of local administration it is perhaps worthwhile to restate the problem of the D.C. The problem with the D.C.'s style of leadership is not that he is ineffective--quite the contrary--or that he is somehow "traditionalist"--he is probably the most "modern" in his outlook of anyone one is likely to find at a district headquarters. The problem is two-fold. First, his concept of coordination and integration--a vital function in development efforts--is exclusively one of command. It is his ability to issue orders with immense authority that makes him indispensable in development efforts. But one is struck by the fact that in none of the government reports and in none of the discussions one has with officials is there any sensitivity

to alternative modes of effecting integration (e.g., the market as an institution, or bargaining and "field control" as processes).<sup>1</sup> The inflexibility of the Pakistan administration is not in the person of the D.C. but in its lack of alternative techniques for accomplishing its task.

Similarly, the "personalism" of the D.C.'s regime is not in itself a disaster. It becomes a problem only in that it inhibits the institutionalization of new structures--such as the Basic Democracies or the new Integrated Rural Development Program. It is something of a truism that personal contacts, access, and relationships are the dynamic force in Pakistan public life. The very nature of the D.C.'s leadership style encourages this. For example, the literature on the Basic Democracies and the authors' interviews indicate clearly that the operation of the District Councils depended to a great extent on the attitude of the D.C. and on his relationship with the elected leaders of the Councils. If he was tolerant or preoccupied, the Council might have functioned virtually as a local legislature. Where he chose to dominate proceedings, his expression of the "sense of the discussion" could amount to dictation. Similar reports are heard about the new Integrated Rural Development Program. In one district the D.C. is known to be personally enthusiastic about the People's Works Program and to have little interest in the new experimental I.R.D.P. project in his area. The point is clear. Those programs and people that had the D.C.'s ear moved. Others did not.

In such circumstances it was difficult if not impossible for dramatic new institutional experiments such as the Basic Democracies or the I.R.D.P. to formalize their responsibilities, procedures, and powers. Here we

---

<sup>1</sup>See R. A. Dahl and C. E. Lindblom, Politics, Economics and Welfare (New York: Harper and Row, 1953).

are not referring to their office procedures (books, minutes, logs, etc.), which were strictly regulated according to the best civil service traditions, but to their political and administrative responsibilities. In short, leaving aside the political changes at the national level which made or unmade programs and institutions at the local level, sometimes in ignorance of and sometimes without concern for previous efforts, the very structure of power at the district level made the creation of new authorities--either public or semi-public--difficult.

The administrative center for development activities has been the district and remains so now. During the Ayub Khan regime (1959), however, an experiment was introduced which established elected Councils at four levels.<sup>1</sup> At the lowest level were the Union Councils. These had a population base of from eight to fourteen thousand and were typically composed of from three to four villages. The elected Union Councillors had constituencies of about one thousand. Above this level, paralleling the administrative jurisdictions of the bureaucracy, Councils were established

---

<sup>1</sup>The most comprehensive description and analysis of the Basic Democracies is undoubtedly that by Inayatullah, Basic Democracies, District Administration and Development (Peshawar: Pakistan Academy for Rural Development, 1964). See also Richard S. Wheeler, "Changing Patterns of Local Government and Administration in Pakistan," South Atlantic Quarterly, LXII:1 (Winter 1963), pp. 67-77; L. Ziring, "The Administration of Basic Democracies: The Working of Democracy in a Muslim State," Journal of Asian Studies, 26:5, September 1967, pp. 250-440; Aziz Beg, ed., Grass Roots Government (Rawalpindi, 1963); Government of West Pakistan, Union Councils: Obligations of the Local Government (Lahore: Department of Basic Democracy, Social Welfare, and Local Government, 1966); Haider Ali Chaudhari, Union Councils: A Study of Sahiwal and Lyallpur Districts (Islamabad: Ministry of Information and Broadcasting, Basic Democracy Wing, 1967).

at the tehsil (about 150,000 population) and district levels. Above the district, for coordination purposes, was a Divisional Council. For reasons that will be explained later, these three higher levels of local government combined indirectly elected representatives and government officials in equal numbers.

Considerable attention was given to the Union Councils during the 1960's because they were the lowest level of development authority and, more important, because they were to fill the need for effective local institutions. For this purpose they were given judicial and the usual public services functions (e.g., clean streets) in addition to their development functions. The Union Councils were also the only level in the system where direct election took place. In the enthusiasm of politicians and scholars alike for these new institutions, however, the point has often been understated that in these new representative bodies power remained, as it always has, at the district level and that in their development functions they were designed as much to facilitate administration--overcoming the great gap between farmer and district headquarters--as they were to improve and advance representative government. They were in fact very much of a compromise between the old traditions and a somewhat uncertain future.

The continuing importance of the District administration in the Basic Democracy scheme is reflected both in administrative arrangements (which will be discussed later) and in the authority structure of the local government system. First, the whole system of local councils was regulated by the provincial Department of Local Government, represented in the district by the Assistant Director of Basic Democracies--now Assistant Director of Local Government--a provincial official

answerable both to his Department in the provincial capital and to the D.C. This officer, through the D.C., had the power to regulate the procedures and scrutinize the books of the Councils and, if necessary, to take disciplinary action against them. Such disciplinary action could extend, though it rarely did, to the suspension of a Council or the removal of a Chairman. Furthermore, the secretaries of the Union Councils were officials of the Local Government Department and, in consequence, answerable both to the A.D.B.D. at the district headquarters and to their Council Chairman.<sup>1</sup>

The councils possessed some limited judicial functions--sitting as a conciliation court in both civil and criminal cases. The purpose of this was to reduce litigation and the time involved in disputes before the courts and further, to restore the traditional adjudication role of local leadership. Appeals from the Council decisions were to either the District Civil Courts or to the D.C. in criminal cases.

The Councils also had certain taxation powers. All indications are that they were reluctant to impose taxes and even more reluctant to collect them. Although it is difficult to find much information on the subject in the literature, the impression gained from discussions in two Punjab districts was that in many cases the taxes when actually levied were in fact imposed on the authority

---

<sup>1</sup>Note that in the original legislation, altered in 1962, the D.C. appointed some members of the Union Councils and about half of the non-official members of the District Council. A similar practice was followed for the Divisional Council. Furthermore, the D.C. selected which Chairman (elected) of the Union Councils would serve on the District and Divisional Councils. In 1962, however, the practice was altered so that the elected members of Tehsil and then District Councils formed an electoral college to choose the "elected" (i.e., non-official) members of the next highest council. Cf. Ziring, op.cit., pp. 396-399.

of the D.C. This was probably not a general practice, but it does indicate the authority relationships quite clearly.

Finally, the four tiers of local government were hierarchically arranged, each tier having regulatory authority over the lower in development functions. Given the fact that two tiers--the tehsil and division were largely ineffective and served only as an informal coordinating agency and for information transmission, the two operative levels were the Union Council and the District Council. Thus, the development expenditures of the Union Councils had to be approved by the District Council. Projects were initiated by the Union Councils and passed up to the district through the Tehsil Council, although it was possible to avoid this route either by having the proposal introduced directly by a member of the District Council or by passing it up through the Local Government Department machinery to the A.D.B.D. who might then introduce it in the District Council. In any case, the approval and distribution of Council projects was very much a matter of district level politics. Given the fact that the D.C. chaired the District Council and that a full half of the members were officials under his direct authority, the decisions could well be a matter of administrative politics.

If administrative control remained as great as the above discussion indicates and the district in effect remained the key level of decision making in rural development policy, then what was the purpose of the whole Basic Democracy experiment? The answer to this question can be found in two needs of the Ayub Khan regime. First, Ayub Khan clearly set out to develop a new constituency on which to base his power. Second, administrators and

politicians alike were aware of the great gap between the district and the village and between administration and farmer, and they were convinced that development required that the gap be bridged.

#### Ayub Khan's New Constituency

On the first point it should be noted that the Union Councils were more than simply a system of local government/administration. The elected Union Councillors constituted the electoral college for the President of Pakistan under the 1962 Constitution. It is generally felt that this, in effect, tied in development expenditure with the process of electing Ayub Khan President in a rather unsubtle way. Furthermore, it is argued, local development and politics became enmeshed with national politics to the detriment of both. One very obvious detriment, already mentioned, is that when the national regime changed in 1971, it was essential to demolish the system of local institutions with it--because of the intimate connection between the two.

There is ample evidence at this point that the new system of local institutions did, in fact, generate new local leadership. Furthermore, if the success of Ayub Khan in the Presidential elections, for which the Union Councillors were the electoral college, is any indication, the President was successful in manufacturing a constituency. Let us examine briefly the composition of the Union Councils. Burki in his paper presents data on the background of Councillors on an all-Pakistan basis. Inayatullah presents comparable data for two districts, one in north-west Punjab and another in the North West Frontier Province.<sup>1</sup> Finally Dilawar Ali Khan recently gathered data on 198 Councillors in 21 Union Councils in

---

<sup>1</sup>Inayatullah, op.cit., Chapter V, Section II.

Lyallpur District (a 10 percent sample). The results of these three studies are compared in Tables 1-3.

The results of the three sets of data are roughly comparable, although there are differences. In age structure, one must conclude that the Councillors were a relatively young group, compared to "traditional" leadership, the majority being under 45 years of age. Dilawar Ali Khan's data would not agree at this point, but his data offer a strong argument in support of the slight tendency evident in Inayatullah's data for the Chairman to be younger than the average.

The three studies are also in agreement on the educational levels of the Councillors. Roughly one-fourth of the Councillors are illiterate and hardly 5 percent of the Councillors have above ten years of education. Once again, although the Lyallpur situation is different from the two districts studied by Inayatullah, the two studies agree that the Chairman of the Councils are generally better educated than the average Councillor.

Finally, the three studies are in complete agreement on the occupational composition of the Councils and find that about 80 percent of the councillors are farmers.

In terms of land holding patterns, both Inayatullah and Dilawar Ali Khan find a greater proportion of smaller farmers among the Councillors than does Burki. In no case does the all-Pakistan data show more than 4.4 percent of the Councillors with under 12.5 acres. Inayatullah, on the other hand, finds 38 percent with holdings under 15 acres and Dilawar Ali Khan finds well over half of the Councillors in his sample with holdings of under 12.5 acres. These findings do not contradict Burki's conclusions, however, because the most obvious interpretation of the two other studies is that quite often the smaller farmers were placed in the Councils as clients of larger farmers. This argument is reinforced by the findings of both

Inayatullah and Dilawar Ali Khan that the Chairmen were generally larger landholders than the average Councillors. Thus, Inayatullah concludes:

That the chairmen are relatively bigger landowners shows that the informal hierarchy of power existing in the rural society is being formalized by the institution of local government.... The fact that the union councillors came from medium size landowners and in the union councils they were led by still bigger landowners is likely to influence the nature of interests and problems which are articulated in the council and communicated to the bureaucracy.<sup>1</sup>

It is important to keep in mind here that we are dealing, as Inayatullah suggests, with a hierarchy of power. The middle farmer is well-represented in the parochial Union Councils. The Chairmen of those Union Councils tend to be even larger landowners and on the whole better educated. The size of their holdings and education are, of course, indications of their local prestige and power. More important, however, they also tend to be associated with experience and competence in dealing with officials and with knowledge of the outside world. In Lyallpur, at least, the largest landlords did not control the local Council elections, so that even if those elections were occasionally characterized by violence and dishonesty, they were at least competitive. In these circumstances, the candidate's ability to mediate between the village and the outside was an important consideration. Thus, Dilawar Ali Khan discovered that of 21 Chairmen in his sample, 8 were Lambardars (village revenue officers). This consideration also explains the scattering of advocates, market functionaries, and merchants that turn up in various studies as Council members and Chairmen. These were not "big" men, but of sufficient status to slip naturally into a mediatory role.

---

<sup>1</sup>Ibid., p. 66.

But the hierarchy does not stop with the Union Council. As explained above, the Union Councils were subordinated to the District Councils, which functioned in the most significant arena of government power below the Provincial level. Although fewer data are available on the District Councils than on the Union Councils, Inayatullah's study does present some findings. In the two districts studied, 66 percent of the official members and 41 percent of the non-official members were educated above the 10th grade.<sup>1</sup> Agriculturalists continued to dominate the District Councils (62 percent), but 64 percent of these non-official members had holdings of over 100 acres. As one moves up in the hierarchy, therefore, power shifts to the larger landed interests until in the Provincial and National Assemblies, Burki has no difficulty in identifying a "landlord" rather than a "landed" interest (see his Table 12).

As we shall see below, the Basic Democracy generally prevented the widespread mobilization of the middle farmer interests by effectively cutting off the local government system at the district level where it could be effectively contained by the powerful district administration. Ayub Khan wanted, and got, a new constituency but he also wanted to keep it under careful constraints. The system of indirect election, with its inherent conservative bias, and "official" membership of the higher Councils facilitated this constraint.

Elections to the Union Councils were largely dominated by local, biradaris (caste) considerations. This is illustrated in data gathered by Dilawar Ali Khan. These data identify members and Chairmen of the Union Councils sampled according to the representation of the dominant caste in the area. As presented, the data on caste structure of

---

<sup>1</sup>Ibid., Table 138, p. 223.

Table 1  
Age Structure of  
Union Councillors

	Inayatullah's Analysis for two Districts in 1959 Elections		Burki's All- Pakistan Data		Dilawar Ali Khan's data from 198 members of 21 Union Councillors in Lyallpur District for 1964 Elections	
	<u>37</u> <u>Chairmen</u>	<u>551</u> <u>Councillors</u>	<u>1959</u>	<u>1964</u>	<u>21</u> <u>Chairmen</u>	<u>177</u> <u>Councillors</u>
Under 30	8%	5%	8.5%	7.6%	47.6%	28.8%
30-45	49.2	47.0	52.9	45.2		
Above 45	43.0	48.0	37.4	46.5	52.4	71.2
Don't Know	--	--	1.2	0.8	--	--

Table 2  
Educational Background of  
Union Councillors

	Ilayatullah's Data for Two Districts for 1959 Elections		Burki's All- Pakistan Data		Dilawar Ali Khan's Data on 21 Union Councils in Lyallpur District for 1964 Elections	
	<u>37</u> <u>Chairmen</u>	<u>551</u> <u>Councillors</u>	<u>1959</u>	<u>1964</u>	<u>21</u> <u>Chairmen</u>	<u>177</u> <u>Councillors</u>
Illiterate	--	26%	30.3%	24.4%	--	24.2%
1-10 grades	78.0	69.0	64.0	60.1	19.0	69.0
10 and above	22.0	5.0	5.1	8.0	81.0	6.8
Don't know	--	--	0.6	8.0	--	--

Table 3

Size Distribution of Land Holdings of  
Members of Union Councils

Inayatullah's Data  
from two Districts  
in the 1959 Elections

Dilawar Ali Khan's Data  
from 21 Union Councils  
in Lyallpur District for  
1964 Elections

	<u>37 Chairmen</u>	<u>551 Councillors</u>		<u>21 Chairmen</u>	<u>177 Councillors</u>
None	N.a.	N.a	None	--	--
1-15 acres	14%	38%	0-12.5	--	8.5%
16-50 acres	22	32	12.6-25	23.8	49.2
Above 5 <sup>^</sup> acres	64	30	25.1-50	4.3	26.0
			Over 50	38.1	3.9

the Council members are related to the dominant caste structure of the member's own village. For Chairmen, however, the caste analysis is based upon the caste composition of the individual Union Council. Thus the castes in question are simply identified as "first caste," "second caste," etc. and do not refer to a specific caste but to the fact that the individuals in question represent the "first" or "second" caste in their respective constituency. The use of the Union Council itself for Chairmen is due to the fact that he is indirectly elected by the Council members themselves. The data are presented in Table 4.

Rural voters appear to have preferred the leadership of their own caste members. Among the members, 73.5 percent came from the dominant caste group in their village and among Chairmen, 71.5 percent came from the predominant caste in their Union Council. In cases where the second, third or fourth largest caste groups are represented, it is usually due to the fact that they came from areas where a minority caste was geographically concentrated to the exclusion of the dominant local caste or else where a number of competing caste groups sought a compromise candidate. In these circumstances, a minority caste might gain a plurality.

In the election of the Chairman, minority caste members were elected only in cases where dominant castes were evenly balanced or when a minority caste coalition emerged in opposition to the locally dominant caste. The dynamics of caste competition are illustrated in the two cases of non-confidence moves against Chairmen among the 21 Councils in the sample. In the case of one Union Council the no-confidence move was successful. The maneuver was by an alliance of two minority caste groups with a total of five members in the Council to oust the Chairman, whose faction also included five members. The

Table 4

Caste-Structure of the Union Councils'

Members and Chairmen

<u>Caste Groups</u>	<u>Members</u>	<u>Chairmen</u>	<u>Total</u>
First Caste Group	130 (73.4)	15 (71.4)	145
Second Caste Group	24 (13.6)	3 (14.3)	27
Third Caste Group	6 (3.4)	1 (4.8)	7
Fourth Caste Group	5 (2.8)	0 (0)	5
Fifth Caste Group	12 (6.8)	2 (9.5)	14
Total	177 (100.0)	21 (100.0)	198

key to the success of the move was to attract the support of the single remaining member, a representative of yet another minority caste, to break away from the Chairman, whom he had until then supported. The persuasion was effective and the defecting member became the new Chairman of the Council, now governed by a three caste coalition.

In a second case, the no-confidence motion failed. In this case the Chairman controlled a coalition of five castes totaling seven members in all. Opposing him were three members of another locally powerful caste. According to reports, the opposition tried to effect several defections from the ruling coalition. In this case, however, the ethnic ties among the five coalition members were felt to be much closer than to the opposition and the maneuver was unsuccessful.

In both cases, and in others solicited from informants by the authors in the course of their interviews during the summer of 1973, caste-based descriptions of local politics provided a spontaneous model for local explanations of local politics. Thus, although the political dominance of landed interests was never challenged in the Councils, cleavage and competition generally took place along ethnic lines. The Basic Democracies provided new channels of access to powers outside the village and injected new political resources into the villages, but they did not, over roughly a decade, produce any basic changes in the dynamics of local politics. What the Basic Democracies did appear to do was to link these local power groupings for the first time with the broader system of district, provincial, and national politics. This was, of course, Ayub Khan's intension. Many have argued, however, that it was the bane of local institutions.

### Closing the Gap

The great "gap," the second reason for the Basic Democracy system, has been keenly felt by Pakistani leaders since independence. Whether one talks of extension work, distribution of seed, or planning of public works, there is a sense that there has simply been no one "down there" to talk to. There are no "contact points"--poignant evidence of the dearth of local institutions and leadership. The official field worker cannot deal with the farmer directly--to work efficiently he needs an audience and that must be generated by the community. Seed and fertilizer cannot be distributed from district headquarters--a local agent is needed. Someone locally must take the initiative, must be responsible, must provide liaison and support to the "alien" officials. This the Basic Democracies were to provide.

This is the explanation for the curious confusion of local government functions and structures with those of provincial rural administration. The Councils were essentially similar in their functions--i.e., there was no attempt to link specific development functions to specific levels of government. The Councils were hierarchically arranged. All this because this was the manner in which development administrations were conceived--to be multi-purpose because development had to be an "integrated process" and to be hierarchical because development had to be coordinated and controlled. For similar reasons, representatives of the key "nation building" departments plus the D.C. and the A.D.B.D. all sat on the District Council. The reason for this relationship was that the function of the Council was not that of an autonomous local government but of an adjunct to planning and administration. The Councils were not legislatures in the Anglo-American tradition but rather advisory councils in the tradition of the British Raj.

It should be recognized that in Punjab, the Basic Democracy system represented a substantial change in the conception of local Councils from that which evolved immediately after independence in 1947. Up to independence the District Boards had retained a substantial official membership (about one-third nominated by the D.C.), and the D.C. had typically been the Chairman of the District Board. After 1918, with the institution of "dyarchy" (the transfer of certain powers from the colonial regime to elected provincial governments), there had been some trend toward the reduction of official membership and a provision for elected Chairmen. In Punjab, however, this had not progressed very far. With independence, however, the District Boards were completely democratized with fully elected membership, elected Chairmen and an adult franchise. In addition, these local Boards controlled directly most of their own staff. This system proved unstable, however, as various functions (e.g., health, education, etc.) were taken over by provincial governments for reasons of equity and efficiency. The Boards were rapidly becoming democratic--but functionless. In addition factionalism and corruption appeared to be rife, and at the time of the coup in 1958, most of the District Boards were in fact inoperative, having been superceded by the district administration.

Thus the Basic Democracy system sought to restore and revivify local institutions by substantially changing their function and nature. There was to be more popular participation but less "democracy" in that the system once more involved official membership and indirect representation (only the Union Councils were directly elected). In consequence a long, if uncertain, trend toward local autonomy was reversed. Second, in trying to distinguish between local and provincial functions it

was decided that the major function of such local governments was to be the development and maintenance of public works. In addition, of course, they performed the minimum local government functions of keeping streets clean and maintaining domestic water supplies and ran a few dispensaries. In fact, therefore, the powers of the Councils became fairly narrow and tightly circumscribed. This was especially so in that the general pattern of development expenditure, the technical specifications of projects, and most of the financing came directly from the provincial government.

## VI. THE BASIC DEMOCRACY SYSTEM IN OPERATION

### The District Councils

Richard Wheeler makes the point about the Basic Democracy scheme that for the first time a single common system of local institutions was established for all of Pakistan. Certainly in terms of legal forms, this is true; but in terms of the actual operation of the Councils the statement should be treated with caution. Take several examples. In one District Council, it is reported, votes were almost never taken and the D.C. simply listened to the discussion and then took action. In another, the Vice Chairman (an elected representative) normally held the Chair and voting was the normal procedure. In one district the Council was an active arena for airing complaints against administrators; in another it was not and members were more likely to go directly and privately to the officials involved. Some Councils had substantial development funds from their own resources, others did not. In one council where many of the members were former officials themselves relations between officials and elected non-officials were reportedly smooth. In another district, where many of the elected leaders were lawyers, conflict was endemic. In short, it is somewhat difficult to assess the impact of the Basic Democracies given the lack of systematic detail on their workings.

Local government, like agriculture, has been a provincial subject and the lack of any effective national control over its administration permitted wide variation in practice. We will, therefore, center our discussion on the Council in Lyallpur District and indicate ways in which other districts appear to vary.

We have already made reference to the hierarchical nature of the local government system. It is necessary to return to this point here. During the Basic Democracy period, local development projects were initiated by the Union Councils and then sent up to the District Council for approval. This approval consisted in a approval of the project in general terms by the Council (which is to say the D.C.) and approval of the technical aspects of the project by the technical departments concerned. Thus if the Union Council wished to finance a dispensary, the D.C. would have to agree that this was a reasonable project for that area and it met with his overall sectoral and regional allocation scheme. Second, the provincial Health Department would have to agree that the project fit in with its general plan for the development of health facilities in the province, and district engineers would scrutinize the building plans.

This situation reflects the complex nature of local administration in Pakistan. Burki explains that the whole Basic Democracy period was characterized by an administrative struggle between the technical departments and the more established generalist bureaucracy.<sup>1</sup> This, in turn, meant a struggle between the provincial level heads of the technical departments and the D.C. (as the focus of the generalists' power)--that is, a conflict between centralization and district autonomy. Burki interprets the Basic Democracy experiment as a victory for the D.C. because it channeled development funds through the Councils, largely controlled by the D.C., and placed the initiation of project proposals in the hands of the lower level Councils, controlled by the

---

<sup>1</sup>Shahid Javed Burki, "West Pakistan's Rural Works Program: A Study in Political and Administrative Response," Middle East Journal, 23:3 (Summer 1969), pp. 321-342.

officers of the Local Government Department (not the technical departments). This struggle remains significant in the difficulties of establishing the new I.R.D.P., but for our purposes here the significant fact to keep in mind is that provincial level technical departments continued to have their own programs and to exercise technical control over the Council's development projects though they had no direct responsibility for the latter. It was hoped that the two types of projects could be integrated by the D.C. through the means of the District Council, on which he sat together with both local elected leaders and the district level technocrats. Undoubtedly, in many cases, his authority and political skills were up to the task. The weakness of the whole Basic Democracy system, however, was that it stopped at the district level.

The technocrats, for their part, could be criticized or cajoled in the Council or by the D.C.; but as one official of the Local Government Department pointed out, the Council seldom won. In the face of any suggestion from the Council, the technocrat could retreat behind his technical specifications and his orders from the provincial superiors. Against this the Council was helpless. Thus, in Lyallpur and elsewhere there was agreement that the District Council had served to air grievances against the bureaucracy and to bring problems into the open. But neither in Lyallpur nor in discussions elsewhere in Punjab could anyone recall readily a situation in which the Council had actually managed to reverse an administrative procedure or regulation. One or two individuals on sustained questioning could recall one or two incidents in which, after four or five years of complaints, a minor procedure was altered. But the dearth of such examples and their lack of salience in official or politician's memories are testimony to the "untouchability" of the technical departments. No wonder, then,

that one politician remarked that energies were better spent on personal efforts to reverse individual administrative decisions, rather than on mobilizing BD institutions to affect policy.

Generally speaking, the basic allocation of funds for rural development was set at the provincial level. Efforts were made to distribute the funds in such a way as to encourage the less developed areas and to assure inter-regional equity. Similarly, priorities were set regarding the types of projects which could be approved. This was particularly true after the initiation of the Rural Works Program in 1963-64. Below the district similar practices prevailed. Generally speaking, the D.C. had certain priorities in mind, although they were not necessarily those of the provincial technocrats and tended to be somewhat sensitive to local variations and needs. There is also general agreement among officials interviewed that an effort was made to equalize the allocation of funds among tehsils in a manner similar to that effected by the province among districts.

The District Councils, in contrast with the lower Councils, were in many cases active and effective local bodies. The Lyallpur District Council, for example, had an income of 13.7 million rupees for 1973-74, eight million of which was spent for development purposes (about 90 percent of that for roads). Lyallpur is a fairly wealthy district and since 1963-64, Council income has risen by nearly four million rupees. During this decade government grants have never exceeded 6 percent of Council income (excluding R.W.P. funds). As a percentage of the budget, development expenditure has varied from 5 percent to 40 percent, but over the past six years it has been over 20 percent in all but one year (1972-73). The emphasis in the Lyallpur program has been

on road development ever since 1967-68. A comparison of Rawalpindi and Lyallpur District Council finances can be found in Appendix A.

The Lyallpur District Council, unlike many poorer Councils, maintains its own hospitals and dispensaries, maintains its own road working equipment, and has a well qualified professional engineering staff. It is generally agreed that the Council's level of accomplishment and professional competence is entirely a consequence of the district's excellent tax base. The largest single source of revenue is the local rate. This is a surcharge on the provincial land revenue, collected by the provincial revenue administration and turned over to the district. Like the land revenue, it is fixed on the amount of land held (not its productivity). But as with the land revenue, land is categorized into a number of general types which take productivity into account. In Lyallpur, where a very high portion of the land is in cultivation and is irrigated, the return is quite high when compared with a district like Rawalpindi where a farmer may cultivate only a small portion of a generally unproductive farm. In 1972-73, for example, the Lyallpur District Council lists an income of 13.7 million rupees with over six million rupees from the local rate alone. For the same year the total income listed for the Rawalpindi District Council was Rs. 1.9 million, with a tax income of about Rs. 1.3 million.

At the present time (1974) the situation of the local councils is uncertain. Officially they have been abolished and their functions taken over by their administrative officers under the direction of the D.C. It is expected that eventually local councils will be restored at the district and lower levels but there seems to be no sense of urgency in the matter and the actual structure of the new local governments seems uncertain. In Punjab, the legislation establishing the new District Councils has

been passed but no elections have yet been held. Legislation in the fall of 1973 proposing the establishment of lower levels of local government failed for lack of a quorum in the legislature. At this time no one is prepared to make any predictions as to when local government will once again be functioning in the area.

#### The Union Councils

The contribution of the Basic Democracies in the building of rural infrastructure, though apparently impressive, needs careful examination. Before the initiation of the Rural Works Program, only about 11 percent of the development expenditure of the Union Councils came from the Councils' own budget.<sup>1</sup> The balance was accounted for by contributions from the villagers in cash, material, and labor. Even this 11 percent did not originate in tax and other fund raising activity on the part of the Union Councils. Instead, government grants formed close to 79 percent of the income of the Union Councils.<sup>2</sup> Quite apart from the administrative difficulties of tax collection, Union Council Chairmen were sparing in their use of their statutory powers to raise funds through local taxes and fees as they did not want to annoy their constituents.

The revenue raising performance of the Councils varied, of course, from place to place. In the progressive districts of Lyallpur and Sargodha, the Union Councils collectively raised as much as Rs. 50,000 to Rs. 60,000 per annum (\$5,000 to \$6,000). In one of the largest districts of Sind province, it was reported that out of a total tax assessment of Rs. 1,555,231 for the period

---

<sup>1</sup>Inayatullah, op.cit., p. 175.

<sup>2</sup>Ibid., p. 180.

1961-62 to 1967-68, the collection was Rs. 1,019,323--a very respectable figure. In contrast, many of the Councils in Baluchistan and the N.W.F.P. had no organized tax structure at all. Generally, however, the villagers appeared reluctant to accept these tax demands because they were likely to be used on public goods, which were unappropriate by individual farmers even when spent properly, or lost completely when the Councils misused them. The private benefits from public goods, are usually invisible to a majority of the rural inhabitants whose marketed surplus is rather small, while dishonesty is immediately obvious within the village.

The Rural Works Program was devised to overcome these difficulties. It was instituted to channel development funds into the villages while at the same time utilizing the Union Councils to raise local contributions and to manage the construction projects at the local level. On both accounts, the cost to the government would be reduced. Between 1963-64, sizable investments were made in the countryside through the program, totaling Rs. 334,428,000. The 58,592 projects included activities such as transport and communication, health and sanitation, irrigation, education, social welfare, agriculture, and industry. These projects were of great use in developing rural infrastructure and generating rural employment.

Nevertheless, there was a growing tendency to spend the development funds independently of the Union Councils and control gradually slipped out of their hands into those of the government engineering staff.<sup>1</sup> Starting with 71.6 percent of the development expenditure in 1963-64, the funds spent by the Union Councils declined to 35.7 percent in 1965-66, though they recovered somewhat to

---

<sup>1</sup>In the districts of Jhang, Sargodha, Hyderabad, Dadu, and Multan, however, some excellent road building work is reported to have been completed under the personal supervision of Union Council Chairmen and members.

64 percent in 1967-68. The funds paid to local labor by the Councils declined from 28.7 percent in 1963-64 to only 6 percent in 1965-66. Finally, the government continued to meet about 70 percent of the cost of these projects--10 percent being borne by the Councils and the remainder raised through voluntary contributions. Thus, whatever development effects were produced by the Rural Works Program, became increasingly independent of the activities of the Councils.

After the establishment of the Rural Works Program, Council funds came from four basic sources: 1) local taxes and voluntary contributions, 2) R.W.P. funds, 3) matching grants from the provincial Annual Development Plan for rural development, 4) direct grants to the Councils from the District Councils. Leaving aside the funds specifically earmarked for development projects, the bulk of the Councils' funds were used for maintaining basic services, staff, maintenance, etc.<sup>1</sup> Of the development funds, relatively few were spent for projects directly related to promoting agriculture (irrigation, fish ponds, animal husbandry, etc.). First priority in Punjab appears to have been education, followed by roads. Opinions on performance vary regarding the collection of local taxes by the Councils, but it is clear that they did not possess a large tax base nor an expanding one. Their ability to do more than maintain essential services, therefore, depended entirely on the flow of provincial funds and upon the availability of local contributions.<sup>2</sup>

---

<sup>1</sup>Of those spent for development, the sectoral allocations established at provincial level did not apply, but approval of the Local Government Department was needed, and obviously the Council was aware of district-level priorities.

<sup>2</sup>Inayatullah, op.cit., whose study pre-dates the Rural Works Program, includes data from one district in the

The net result of these circumstances was that the major function of the Councils--development--was bound to be an erratic one. It meant that local activity depended on a host of variables, all of them outside the control of the Council--local factionalism and contributions, district priorities, provincial funding levels and priorities. In this situation the Councils could have no independent existence as a public development agency. Like so many aspects of their situation, this would appear to have inhibited their institutionalization as local bodies.

At this point, two important questions remain. The first relates to the extent to which the Councils did have an impact on the selection and flow of development projects into their areas. The second centers on the rather important role played by local voluntary contributions in the rural development strategy of the

---

N.W.F.P. and one from northwest Punjab. In these thirty-eight Union Councils in 1961-62, government grants amounted to 56 percent of the Councils' income, taxes 10 percent, and voluntary contributions 1 percent (note that the remainder came from "other sources" and from the carry-over balance). In the twenty Punjab Councils sampled, government grants amounted to 87 percent of the total. For the entire sample, 32 percent of income was spent on development but only 24 percent in the Punjab districts.

It is worth noting that although voluntary contributions represented only 1 percent of the Councils' income, they represented nearly 90 percent of the development expenditure. This is because such contributions to specific projects are not listed as "income." It is not clear how these "voluntary contributions" are costed and translated into a budget item. For the entire sample, 64 percent of the development budget went for schools and 19 percent for public works (i.e., roads and culverts). (Op.cit., Chapters XVI-XVII).

The Annual Report of Basic Democracies activities for Multan District for 1963-64 gives the following picture (keep in mind that this was the first year of the Rural Works Program). Income came from three sources:

Ayub Khan regime and the impact this had on the distribution of benefits in the villages. Following this, we will illustrate the more general points we have made above with data collected from a sample of 21 Union Councils in Lyallpur District.

As we have seen above, the powers of the Union Council were really quite limited. A Council had few resources of its own and depended increasingly on the District Council for Rural Works Program funds. Hence, it had to be sensitive to the priorities of higher levels and anticipate them. Second, in dealing with the District Council or government departments, the Council depended to a great extent on the services of its Secretary. The Secretary was a trained official of the Local Government Department and was invaluable in preparing the projects and "managing" the necessary approvals. In Lyallpur, at least, the Secretaries played an important role as intermediaries between the Union Councils and the outside. The Union Council functioned, therefore, as a lobby for securing funds from above and as the local organizing committee for the utilization of these funds.

The extent of village autonomy and initiative in development activities is a moot point. On the one hand, most officials seem agreed that although the Council Secretary had considerable "influence," the Councils

---

a) R.W.P., b) Council Budgets, and c) Provincial matching funds under the Annual Development Plan. Of a total income (exclusive of the R.W.P.) of Rs. 1,975,791 in 1963-64, only Rs. 217,467 was collected in local taxes and roughly Rs. 240,793 is the estimated value of local contributions. The remainder was financed by higher authorities. Of the total income, 37.7 percent was spent on salaries and 15.6 percent on education. Twenty-seven percent remained unspent. Under the Rural Works Program, Rs. 4.2 million was allocated to the local Councils. A local contribution of Rs. 634,131 was anticipated but, in fact, only Rs. 259,981 was realized.

were quite active on their own behalf. Furthermore, the D.C. and the District Council operated as a clearing house rather than an initiator of proposals. On the other hand, the participation of the Union Councils in the planning process, though claimed in government documents as one of the most important achievements of the new political order, is highly questionable. According to the Manual of Instructions issued by the Rural Works Program authorities, the funds allocated to the districts had to be spent in certain prescribed proportions among various sectors. For instance, 50 percent of such funds were to be spent on the development of transport and communication facilities, 25 percent on drinking water supplies, sanitation and drainage schemes, and the balance on other "eligible" schemes. In the face of such rigid directives, it is difficult to believe that much discretion remained with local governments.

The Basic Democracies, therefore, operated largely as a distributive mechanism for projects which fit within patterns established at higher levels. Below the tehsil level the distribution clearly reflected local politics and the energy which a given Union Council was prepared to exert. The more active the Council, the more it was likely to receive. Above the tehsil level the bureaucratic impact was stronger and provincial politics played a greater role. Thus, the political arena of the Union Council was also fairly narrow.

The whole point of the Rural Works Program, as developed at Comilla, was to mobilize local resources for development projects. Recently, one official, quite high in the Local Government hierarchy, was asked in the course of an interview just what officials had expected from the local Councils. The immediate response was: "free labor." The projects were organized at the village level by a project committee chaired by a member of the

Union Council, who bore the responsibility for the local contribution--in cash or labor. Without such local contribution there was typically no project. Thus, areas which were very poor or councils that were badly factionalized were at a disadvantage in being unable to raise funds or reach decisions. On the latter point, there seems to have been a deliberate official effort to discourage factionalism and encourage village harmony by largely ignoring badly divided (hence inactive) Councils.

The importance of local contributions raises an interesting theoretical and factual question. These local contributions were not in the form of taxes and were not in fact raised by the Union Council per se. The local funds were generated ad hoc for specific projects and raised by the individual project committee. The Council then sanctioned the project, managed the official negotiations with higher authorities, disbursed the funds, and supervised execution. But in a sense the project itself was not a public but rather a private effort (many of the members of the Project Committee were not Council members). Our understanding is that although undoubtedly many projects were effectively village-wide with extensive contributions, many were initiated by a few interested individuals who met the cash costs and provided labor from those dependent upon them or through their local influence. The fact that public goods were produced does not alter the private nature of the operation.<sup>1</sup> We would like to point out, however, that the published literature is singularly deficient in information on how these local contributions were actually acquired in West Pakistan and the subject deserves more attention.

---

<sup>1</sup>Mancur Olson, Jr., The Logic of Collective Action (Cambridge, Massachusetts: Harvard, 1965), raises a number of interesting points about the mechanisms of voluntary collective action in small groups.

### Union Councils in Lyallpur District

In order to examine the resource mobilization capacity of the local government institutions data on 21 Union Councils, forming 10 percent sample of the 210 Union Councils in Lyallpur District, were collected. Information so obtained is presented in Tables 5 and 6. It may be seen from Table 5 that major development activities undertaken by the sampled Union Councils during the 1964-65 to 1968-69 period included the construction of school buildings, Union Council offices, sewerage drains, culverts and bridges, veterinary centers, filter-bed water tanks, and civil dispensaries. Roads, drinking water wells, stores, and water-course embankments were included as other activities but were found to have been undertaken randomly. The total investments on schools, Union Council offices, veterinary centers, civil dispensaries, and store buildings for this period were Rs. 643,877, Rs. 98,046, Rs. 71,934, Rs. 66,000, and Rs. 6,500 respectively. The expenses made on drains, culverts and bridges, roads, filter-bed water tanks, drinking water wells, and water-course embankments worked out to Rs. 117,916, Rs. 36,925, Rs. 60,000, Rs. 62,799, Rs. 3,951, and Rs. 6,880 respectively. The major component of these investments came from the public exchequer as grants under the Rural Works Program. Of the total investments local contributions accounted for only 28 percent, whereas the balance was contributed by the government.

In relative terms, local contributions formed a higher component of the investments made on the semi-public goods like watercourse embankments, drinking water-wells, filter-bed water tanks, culverts and bridges, drains and schools; however, the situation is not clear enough to

---

<sup>1</sup>Local contributions were in the form of land, labor, and money.

Table 5

## Development Work undertaken by sampled Union Councils in Lyallpur District during 1964-65 to 1968-69

Period/ Activity	Source of Funds	1964-65	1965-66	1966-67	1967-68	1968-69	Total for 1964-65 to 1968-69
Schools	Government Grant	126,626	95,482	52,487	119,730	97,380	491,705
	Local Contributions	58,001	14,322	20,484	35,540	23,825	152,172
Union Council Offices	Government Grant	39,700	21,650	--	8,900	--	70,250
	Local Contributions	21,543	6,253	--	--	--	27,796
Drains	Government Grant	25,630	12,266	8,891	6,602	31,810	85,199
	Local Contributions	9,784	5,132	1,850	6,271	9,680	32,717
Culverts & Bridges (small-sized)	Government Grants	25,450	--	--	1,000	--	26,450
	Local Contributions	8,035	1,750	100	200	390	10,475
Veterinary Centers	Government Grants	9,000	9,500	9,000	8,000	25,998	61,498
	Local Contributions	580	--	--	3,106	6,750	10,436
Roads	Government Grants	--	--	--	--	--	--
	Local Contributions	--	--	--	--	60,000*	60,000
Filter-bed Water Tanks	Government Grants	8,000	16,000	4,000	--	15,500	43,500
	Local Contributions	--	8,835	7,964	--	2,500	19,299
Civil Dispensaries	Government Grants	12,000	30,000	15,000	--	--	57,000
	Local Contributions	5,000	4,000	--	--	--	9,000
Drinking Water wells	Government Grants	2,500	--	--	--	--	2,500
	Local Contributions	1,451	--	--	--	--	1,451
Other	Government Grants	3,440**	--	2,400***	2,900***	--	8,740
	Local Contributions	3,440**	--	600***	600***	--	4,840
Total All Activities	Government Grants	252,346	184,989	91,778	147,132	170,688	846,842
	Local Contributions	107,834	40,292	30,898	45,717	103,145	327,886
	Local Contributions as percentage of total investments	30%	18%	25%	24%	38%	28%

Note: Lyallpur District as a whole received Rs. 1.3 million and Rs. 1.4 million during the years 1969-70 and 1970-71 respectively. This is much less than the amount of Rs. 7,165,015 contributed by the government during the election year 1964-65. (See, Punjab Development Review and Prospects, op.cit.).

\*Out of this amount only 20,000 rupees were contributed in cash; whereas for the Lyallpur villagers did the earth-work for building the road  
 \*\*watercourse embankments  
 \*\*\*Stores

make rigid inferences.<sup>1</sup> In absolute terms, largest contributions were made by the prospective beneficiaries for schools, roads, drains, Union Council offices, and filter-bed water tanks. As local contributions are by and large made by a few households in each rural community, it is difficult to draw plausible conclusions on the pattern of rural people's participation in development work undertaken by local government institutions as manifested in the Basic Democracies.<sup>2</sup>

Taxes and fees collected by the Union Councils as shown in Table 6 below reveal that even in an agriculturally rich area like Lyallpur, the tax raising performance of the Union Councils was unimpressive. Average taxes and fees collected in any single year ranged between Rs. 724 and Rs. 1,086 over the 1965-69 period. Various types of fees, on an average, formed between 12 to 30 percent of the total revenues (excluding

---

<sup>1</sup>The investments mentioned in this discussion do not cover the spending made by the Union Councils out of their own resources on repairs and up-keep of schools and other buildings.

<sup>2</sup>According to one government document, "The local community is required to contribute 15 to 30 percent of the cost of a project." However, the experience was that such contributions were difficult to obtain. It was also felt that this condition was defeating the objectives of the Rural Works Program. In October 1969, the government decided to waive this condition, though efforts to encourage public contributions would continue. Land, however, would continue to be provided free of cost for the projects by the local community. See Government of the Punjab, Punjab Development Review and Prospects (Lahore: Planning and Development Department, June, 1971, p. 87.)

Table 6

Taxes and Fees Collected by the Sampled Union Councils in Lyallpur District1964-65 to 1968-69

(In Rupees)

Revenue Collections	1964-65	1965-66	1966-67	1967-68	1968-69	Total 1964-65 1968-69
Total Taxes and Fees Collected	20,087	19,378	15,196	18,190	22,799	95,650
Average per Union Council	957	923	724	866	1,086	4,556

Note: These figures got somewhat inflated because of the inclusion of one extraordinarily well-off Union Council in the sample.

government grants and local rates) for the Union Councils included in our sample. However, in the case of three Union Councils, the proportion of fees in total revenues was as high as 70-80 percent. In this case the local leadership preferred to rely on funds raised through various types of fees and showed little eagerness to levy and collect local taxes.

Information on total revenue demands and revenue collections was provided by only 11 Union Councils. According to this information all types of fees were paid regularly by the rural inhabitants. This was true also with regard to the payment of the hawker-tax and the slaughter-tax. Similarly, villagers showed relatively little reluctance in paying marriage and recreation taxes.<sup>1</sup> Yet these taxes are only of random occurrence and the total levies are small in magnitude.

The hearth tax, which is one of the more important taxes and could have been of great help in boosting the resources of the Union Councils was the most frequently defaulted tax. The default rate during any single year ranged between 42 to 50 percent. The birth tax was another tax found to be generally defaulted. The default rate in this case, on an average, ranged between 17 to 19%.

A broad inference may be drawn from the above discussion. Taxes and fees levied on productive and income-generating activities appear more likely to be paid.<sup>2</sup> It is also likely that local Councillors, being

---

<sup>1</sup>At such occasions farmers have the tradition of doling out money among village mueens, who perform various kinds of services for the farmers. However, the default rate even in the case of the marriage tax in certain cases was as high as 22 percent.

<sup>2</sup>For purposes of comparison, a survey of local revenue in Multan District for 1963-64 is presented in Appendix B.

farmers and representing a farm constituency, found fees levied on local commercial activity easier to levy than imposts which hit the farmer directly. It would be advisable, therefore, for local government institutions to lay emphasis on such taxes because the rural inhabitants have shown very little acceptance of hearth and birth taxes. It is also likely that, in addition to being easier to impose, these fees will be passed on indirectly to the farmer in any case.

In effect, then, the Union Councils, as institutional arrangements for reducing the costs of rural development activities, had only a limited impact. Government sources claim a saving of between 15 and 20 percent of costs and a considerable saving of time in implementing projects as a consequence of the activities of the local projects committees. Such claims can only be accepted, however, with regard to those projects in which the local leadership had a direct personal interest and which, in fact, they were able to implement directly.

## VII. SUPPLYING THE FARMERS' NEEDS

To farm effectively, the farmer requires adequate supplies of fertilizer, seeds, insecticides both on short-term credit and in adequate supply. For capital investment the farmer also requires a source of medium and long-term financing on which he can rely and from which he can secure funds at reasonable rates. Three crucial aspects of the previous regime's arrangements for servicing the farmers' needs are currently the subject of intense discussion in Pakistan and will provide the foci for our discussion. First, is the ineffectiveness of previous supply arrangements. Second, is the problem of providing adequate services to the smaller farmer. Third, is the question of agricultural credit and the manner of integrating it with the broader strategy of rural development.

Let us deal first with the question of supply. During the Basic Democracy period, the Government of Pakistan established the Agricultural Development Corporation (1961). This organization was intended to function as an agency for promoting and distributing farm inputs and also as a vehicle for the development of certain backward areas. In practice, however, it emerged as simply a wholesale distribution agent for imported fertilizers and seeds. Private sector fertilizer, produced by ESSO and Daud corporations, moved on the open market until fertilizer distribution was nationalized in October 1973. The price difference between imported fertilizer and public sector fertilizer, on the one hand, and private sector fertilizer, on the other, was reduced by a subsidy on the former and a surcharge on the latter.

The Agricultural Development Corporation was responsible for the regional distribution of fertilizer and appears to have regulated its distribution largely

according to farm demand and the nation's production needs. (Last year, for example, Punjab received 67 percent of the fertilizer distributed.)

The A.D.C. seems to have been fairly flexible in its marketing practices and made supplies available to licensed private traders, coops, and even opened its own distribution shops in areas which did not appear to have other sources. Thus fertilizer was available both on the open market and through public or semi-public agencies--varying from locality to locality. Insecticides and seed (and fertilizer until 1961) appear to have been distributed for the most part through provincial agricultural departments.

In 1972 the Agricultural Development Corporation was abolished and a similar organization, the Agricultural Supplies Organization, replaced it. Its functions are similar, save that it turns over supplies directly to provincial counterparts and has no direct role in distribution to the farmer. In Punjab, at least, the operative principles of the new provincial-level organization do not seem very different. It is willing to use the private dealers and sees its function as regulatory.<sup>1</sup>

The reason for the involvement of government in regulating and distributing agricultural inputs is threefold. First, officials viewed the government's role as promotional--persuading farmers to try new inputs and techniques. The private trade was felt to have little interest in handling farm inputs, and the marketing of inputs was, therefore, organized primarily as an extension function. This situation is still partially true today. Although the farmers now demand fertilizer and the new seeds, the government is

---

<sup>1</sup>Recently the Agricultural Supplies Organization has organized its own disposal network throughout the Punjab Province. The bureaucratic aspects of this arrangement, together with storage capacity limitations, are creating a negative impact on the use level of chemical fertilizer even in this irrigated part of the country.

convinced that they will not use insecticides and fertilizers other than nitrogen without active government encouragement.<sup>1</sup>

A second reason for the active government role in input distribution, and one which helps to explain the continuing public interest in fertilizer in spite of an active private trade in the commodity, is a profound mistrust of private trade on the part of administrators. It is assumed that the private trader cannot be trusted to maintain the quality of the product and to follow price guidelines set by the government. In consequence, he is deemed a nuisance to both the farmer and the official.

Third, government involvement is necessitated by its emerging strategy of rural development--although this explanation is more relevant in discussing the past three years than previously. The trade, it is argued, is inclined to seek out the easiest and most profitable markets, essentially the larger farmers who go to market themselves and the areas close to markets. Because they have been dealing in scarce commodities, it is argued, the trade has had little incentive to practice aggressive distribution techniques and the small farmer is left out. In addition, however, there is an awareness that the bulk of Pakistan's farmers are still reluctant to adopt the full range of inputs and techniques which are considered essential to boost production. Government control of fertilizer, then, permits not only an opportunity to

---

<sup>1</sup>The authors are of the view that these opinions do not give adequate weight to the active role played by commercial traders in supporting the "green revolution." The recent slump in fertilizer use and the swelling Government stocks of fertilizer, at places lying in the open, provide ample testimony to this observation.

mitigate the welfare effects of scarcity but also an opportunity to put the farmer in direct touch with extension agents. This, in turn, assists the extension workers in promoting their "package" of inputs and practices. To put it less subtly, the seeds and fertilizer are the "come on" or the "quid pro quo" for cooperation with government extension workers in new program, institutions, or ideas. For both ideological and practical reasons, therefore, the administration has an interest in superseding the trade in services to the farmer.

The problem in the past and today is that the Agriculture Department has simply not been up to the task. Typically, the Department in Punjab has five Agricultural Assistants (Agricultural Graduates) in each tehsil, and one Field Assistant (matriculate with two years training in agriculture) in each Union Council area with an agricultural laborer to assist him. This is not a large staff if it really intends to provide extension and to manage distribution as well. Furthermore, the field staff is typically without either transportation or telephone. Thus, the Agriculture Department has not really managed to reach the villages. Lowdermilk reports that, in fact, the spread of H.Y.V. and fertilizer cannot really be attributed to the government at all, but to the inherent profitability of the innovation and word-of-mouth communication. Many of the larger and more progressive farmers do have fairly frequent contact with the Agriculture Department, but this is more likely the effect rather than the cause of their progressiveness. In these circumstances, we should explore what role, if any, local institutions such as cooperatives of the Union Councils have played in correcting or compensating for this administrative weakness. We shall turn to this question after a brief examination of the system of supplying rural credit.

The state of agricultural credit has not been encouraging. "Institutional" credit is available from four sources: 1) Government taccavi loans, 2) cooperative loans, 3) Agricultural Development Bank, 4) private banks.<sup>1</sup> According to one source, only about 15-20 percent of all farmers take advantage of any of these sources. Furthermore, the share of credit extended through these agencies to smaller farmers or even medium-sized farmers (i.e. less than 25 acres) hardly exceeds 30 percent. As credit has generally been extended on the basis of a land mortgage, tenant farmers or very small farmers have always faced difficulty in securing adequate credit and have depended upon the personal surety offered by larger farmers.<sup>2</sup>

The Agricultural Development Bank was quite clearly oriented toward the larger farmer. Its loans were mostly long term for major capital investments. The private banks, in fact, did little lending in the rural sector at all, and their "agricultural loans" were more often than not advanced to middlemen for purchasing crops or for other trade purposes. That, in effect, left the taccavi loans from the Revenue Department and the cooperative. For both of these sources the procedures were complicated and the total amount of credit available was small.

Although the Cooperative Department is an old and established Department in Punjab and reports that 30 percent of the farmers in Lyallpur, for example, are members, it has been widely criticized as being distant from the farmer, "bureaucratic", and decidedly un-energetic. Perhaps not

---

<sup>1</sup>Since the nationalization of the banks on December 31, 1973, this is no longer true.

<sup>2</sup>These figures come from a paper by Muzaffar Hussain Malik and Mostafa K. Elfar, "The Role of Agricultural Credit in Integrated Rural Development," presented to Seminar on Integrated Rural Development, Lahore, November 1973.

all of these criticisms are valid in that they have been shut out of most medium and long-term lending and cooperatives have never had the guarantees available to the Revenue Department or recently to the private banks. Nevertheless, the Government now appears to be intent upon by-passing the cooperatives rather than attempting to revivify the Cooperative Department.

There were also more basic problems with the institutional arrangements for credit during the Basic Democracy period.<sup>1</sup> First, no distinction was made between lending for agricultural purposes and lending to acquire more land. Nor was control close enough to prevent loans from being diverted to non-farm uses entirely (e.g. bullock loans were especially subject to such diversion). In short, there was no way in which the limited amounts of institutional credit could be directed toward maximizing production. Second there has been no relationship whatsoever between the lending institutions and either the supply of inputs or the marketing structures. The cooperatives have for the most part been credit cooperatives working quite independently of the Agricultural Department which supplied inputs. Similarly, farmers have marketed mostly through private traders so that credit has been unrelated to the actual disposition of the crop. Third, the several sources of credit have never been integrated in the field--although ultimately their common source of funds is the State Bank of Pakistan. Finally, the cooperative societies do not appear to have done anything to mobilize rural savings. If

---

<sup>1</sup>Ibid.

the farmers have been prospering and if the terms of trade are at least slightly in favor of the rural sector, as the data suggest, these developments do not appear to be reflected in any increasing assets of the cooperative societies. Even in the arrangements now being discussed, it is assumed by officials and scholars that the cooperatives or other farm associations will be a conduit of government funds and not an alternative to taxes for absorbing and channelling rising rural incomes.

VIII. LOCAL INSTITUTIONS AND RURAL DEVELOPMENT  
IN PAKISTAN

The Basic Democracies

During the Ayub Khan era, the Basic Democracy can hardly be regarded as an independent and important variable accounting for any substantial contributions to the development process. The whole development planning process rested with the high-powered and centralized planning machinery that together with the entrenched civil bureaucracy continued to determine the level and pattern of resource use. Nor did the market-based development strategy, facilitated by the supporting public participation in regulated capitalistic undertakings, leave much opportunity for local governments to play a leading role.

Given the active role of the private sector in the development process, the flow of critical farm inputs was apportioned in response to the demands of the "rupee vote" in the market place rather than to maneuvering on the part of local government functionaries. Publicly-controlled distribution systems--crop spraying, tractor-hiring, credit and extension services--had very limited penetration and remained concentrated in the tehsil headquarters. In these circumstances, lobbying on the part of local leaders could at best result in marginal operational improvements. Authority continued to remain with the officials and continued to emanate from the district headquarters. It was at the district level that corrective action had to be taken. Discussion of grievances and the lodging of charges at the Union Council or tehsil level, common enough, could achieve little. Even at the district level, as we have seen, the District Councils accomplished little beyond the airing

of grievances. Complaints from the Union Councils were commonly overruled or simply ignored.

Members of the national and provincial assemblies were effective in securing benefits from the system. Their effectiveness rested on their ability to cajole or threaten the bureaucracy, and this depended on their ability to intervene at the highest provincial levels. As a result they were able individually to secure easy credit, subsidized inputs (e.g., tractors), around-the-clock attention from the agricultural extension agents, and quick access to new seed varieties. Basic Democrats, on the other hand, were less well educated and were of more modest means. Above all, their activities were restricted to a fairly low level within the bureaucratic hierarchy. Their ability to get benefits for the community was even more restricted, save for the fact that the Rural Works Program had a broadly distributive bias built into its operations. Experience with the system gave rise to the pun "Bekas Democracy" in place of "Basic Democracy"--the word bekas meaning "helpless" in Urdu.

Let us sum up briefly the implications of this system of local government. First, Basic Democrats could have little impact on basic plan allocations. They could not influence the allocation of funds to fertilizer production, the level of credit supplied to the rural sector, nor the interprovincial allocation of inputs. Second, they had no real impact, even at the District level, on administrative procedures and regulations. Political influence remained limited, therefore, to the securing of ad hoc personal favors for those with influence or sufficient energy to pester the bureaucracy. For this a Council Chairman's influence was sufficient. His influence was sufficient to monopolize the attentions of the village-level extension staff. But his influence was limited to this kind of personal benefits. It is

difficult to see how this could be transformed into access to a class of benefits for the whole class of middle farmers.

It is true that the Basic Democracy system did for the first time provide the middle farmer with institutionalized access to the bureaucracy--an access which the larger farmer had commanded by virtue of his higher social standing. But, once again, one must recognize that this meant access for particular middle farmers--and their kin and supporters perhaps--not for the class in general. Furthermore, access was a function of political involvement and a privilege of political involvement. Although this could be viewed as a new opportunity for the middle farmer, it could also be viewed as an added cost of effective farming--insofar as effective farming necessitated access to the bureaucracy. This is a cost that the average farmer might well avoid if he could. As evidence, one might cite the farmers' growing preference for diesel over electric tubewells.

This observation is strengthened when one recognizes that the village community did not generally turn to the Union Councils to perform a wide variety of collective functions associated with the productive process. In the distribution of canal irrigation water supplies at the village level, farmers continued the traditional practice of keeping the watch-clock under the control of a local man of integrity and high repute. No involvement of the Basic Democrats was sought in this area. The cleaning of the main village water courses continued to be done at the behest of the village Lambardar, at whose reminding call all farming families would perform their respective share of the job. The traditional in-kind payments made under the seyp system to village artisans, barber, cobbler, water carrier and others, have been revised independently of

the Councils and generally in accordance with the changing farm productivity and rural cost of living. Finally, in the case of weeding operations or crop treatment with insecticides and pesticides, where the externalities or social spill-overs are of the highest order, no organized operation under the auspices of the Basic Democracies has been reported.

In the sphere of land tenure, it is interesting to note that in the period following the land reforms of 1959, the work of consolidating farm holdings was speeded up--consolidation being crucial to tubewell installation. The Consolidation Department worked in cooperation with members of Advisory Committees consisting of nominated or sometime elected representatives of the farmers. The members of the Union Councils were seldom co-opted for this work.<sup>1</sup>

Only in the area of dispute settlement did the Basic Democracies emerge as a viable local institution. Local disputes relating to both social and economic aspects of rural life were solved through arbitration by the Conciliatory courts working under the Chairman of the Union Council. Inayatullah reported settlement of 3,272 cases, both civil and criminal, by 105 Union Councils in the two districts he studied.<sup>2</sup> A study conducted by the Planning and Evaluation Unit of the

---

<sup>1</sup>See S.M.Z. Rizvi, et.al., Consolidation of Holdings: A Study of the Process of Consolidation of Agricultural Holdings in Selected Villages in Peshawar District (Peshawar: Pakistan Academy for Rural Development, January, 1965), pp. 64-73.

<sup>2</sup>Inayatullah, Basic Democracies, Administration and Development, op.cit., p. 170.

Basic Democracy Wing reported settlement of 5,994 civil cases and 2,757 criminal cases during 1963-64 by a sample of 397 Union Councils in various parts of the country.<sup>1</sup> Dilawar Ali Khan's data on 21 Union Councils in Lyallpur District revealed settlement of 280 civil and 109 criminal cases over the period 1965-69. Although educational levels, lack of legal training, and limited authority restricted the ability of the Basic Democrats to handle complex cases, they were effective in minor disputes. Two factors seem to have been responsible for their success. First, the arrangement saved considerable time and money for the parties involved, as it obviated the need to seek legal advice and permitted the dispute to be settled without travelling to the tehsil headquarters. Second, as the hearings were generally public, the village community could generally protect the proceedings against undue bias and the violation of traditional village norms.

#### The Cooperatives

In addition to credit, cooperatives have been employed for a variety of purposes and many have argued that they are the most effective instrument available for organizing farm services and for organizing the farmers for dealings with the market and the government, being more effective and reliable than local governments or district bureaucracies. Pakistan's experience with cooperatives in areas other than credit has been mixed, but hardly successful enough to present them as the panacea for the nation's rural problems.

---

<sup>1</sup>Government of Pakistan, West Pakistan Union Councils: Evaluation Report 1964-65 (Islamabad: Ministry of Information and Broadcasting, Basic Democracies Wing, 1966).

The poor performance of production cooperatives organized in the nation's most productive farm districts of Multan, Sahiwal, and Lyallpur for the rehabilitation of refugee settlers on State lands is evident from the fact that almost all the members have demonstrated their dissatisfaction with these associations by opting for independent farming. These organizations do claim to have employed both private and public funds to make extensive investments in village roads, irrigation infrastructure, storehouses, schools, and houses. Nevertheless, a comparison with similar, and often better, developments in the surrounding villages that fall outside the scope of these cooperatives leads one to treat these claims with caution.<sup>1</sup>

In the Mardan and Peshawar areas, marketing cooperatives were established to sell sugarcane and sugar beet to the sugar factories, which enjoy a monopsonistic position. These cooperatives do provide examples of effective "self-help" organizations and have provided good returns to their members and performed excellent service in the areas of farm credit and farm supplies.<sup>2</sup> In contrast, however, cooperative commission shops, largely imposed from above, have been tried in some areas but have proven useless and expensive public liabilities, as their members' produce is seldom attracted to the cooperative.<sup>3</sup>

---

<sup>1</sup>Government of the Punjab, Evaluation Report on the Working of the Farming Cooperative Societies, mimeographed (Lahore: Provincial Department of Cooperatives, 1971).

<sup>2</sup>Alois Kuehn, "Absatzprobleme landwirtschaftliche Produkte in Westpakistan," in F. Kuhnen (ed.), Sozialökonomische Schriften zur Agrarentwicklung, 2 (Saarbruecken: Verlag der SSIP-Schriften, 1971), pp. 182-185.

<sup>3</sup>Ali Muhammad Chaudhry, Agricultural Marketing: A Case Study of Sargodha Division (Lyallpur: Agriculture University Press, 1971).

Cooperative ownership and operation of tubewells is occasionally practiced, mainly in the districts of Gujarat, Gujranwala, Jhang, Multan, and a few rural settlements in Sind. However, out of a total population of 75,720 privately-owned tubewells in 1969-70, no more than one percent were reported to be under cooperative management and ownership.<sup>1</sup> In view of the fact that this critical capital input is not neutral to scale, and given the fact that 77 percent of Pakistan's farmers operate holdings below 12.5 acres, the economic advantages of cooperative ownership are clear. Yet the potential benefits have not been realized through new institutional arrangements.

In the early 1960's, the Ayug Khan regime successfully used the newly created service cooperatives, under the executive control of the Union Council Chairmen, for popularizing the use of chemical fertilizer. Integrated vertically with the provincial supply organization, these Union-level cooperatives, numbering 2,569 by 1964-65, had done business in fertilizer worth Rs. 45.8 million over the period 1959-60 to 1964-65.<sup>2</sup> However, such success was short-lived, since by 1965-66, most of these organizations had wound up their operations without settling the claims with equity-owners--a common happening which has not helped to popularize cooperative undertakings.

The government did, however, achieve its goal of carrying fertilizer to the farmer. In addition, by

---

<sup>1</sup>Manzoor Ahmad, "A Study into the Working of Tubewell Cooperatives with Special Reference to Jhang District," unpublished M. Sc. Thesis, University of Agriculture, Lyallpur, 1970.

<sup>2</sup>Khalid Mahmood Chohan, "A Study of the Working of Service Cooperatives in Sahiwal Tehsil," unpublished M. Sc. Thesis, University of Agriculture, Lyallpur, 1966.

employing the Union Councils to facilitate cooperative operations, the regime could bring home to the farmers the advantages of their involvement in the new institutions. As with the Rural Works Program, the Ayub Khan government attempted to set up a direct exchange of benefits for support through the service cooperatives. The operation of these new institutions, indeed their very structure, lead one to conclude that this exchange was the government's primary interest at that time. Such politicization is, however, a heavy burden for new institutions to bear.

At the present time, enthusiasm for cooperative-style organizations continues in Pakistan among development administrators. The Integrated Rural Development Program reports some success with its new "farmers' associations" in its handful of pilot districts. The Pakistan Academy of Rural Development at Peshawar similarly finds non-political farmers' organizations useful, if not indispensable, in its Daudzai pilot project. Clearly, some innovation in local institutional development is needed. Yet in evaluating these experiments one should keep in mind that they have been intensively administered and that incentives for cooperating with the new associations have been rather high. Doubt must still remain as to whether the cooperative is a viable structure for organizing services to the farmer in Pakistan. In view of the individualistic nature of the farm population when involved in any formal economic undertaking, especially in Punjab, and in the light of the capitalistic orientation that has emerged from several generations of commercialized agriculture, cooperatives do not seem well-suited to the Pakistani ethos. When one adds to this the disappointing experiences in the recent past, concrete positive developments on a large scale in the cooperative sector seem no more than a will-o'-the-wisp.

## IX. CONCLUSIONS

Our task as we set out on this project was to investigate what relationship existed between the structure and functioning of local institutions in Pakistan and the success which at least certain areas of the country have experienced in the "green revolution." Our conclusions generally have been that the institutional structure of the Pakistan countryside has been extremely weak. Village-level institutions for organizing the village for collective action and for raising resources to perform new developmental functions have been lacking or ineffective. To some extent and for a limited period, the Union Councils functioned as agents for the Rural Works Program in the rural development effort, but the program soon returned to administrative domination and at no time did the Councils' initiative appear to have been critical to the success of the works program. As organizations intermediate between the farmer, on the one hand, and government and the market, on the other, neither the Basic Democracies nor the cooperatives have proven viable. Local institutions in Pakistan, then, can claim little success in facilitating public action at the local level, in improving rural infrastructure, or in facilitating the farmers' economic activities.

There is a feeling in some quarters that the Basic Democracies encouraged the evolution of a social structure that undermined the power monopoly of large farmers and permitted middle farmers to deal with the civil bureaucracy on a more equal footing. This, in turn, it is argued, greatly facilitated the middle farmers' transformation of the rural economy at the time of the "green revolution." The authors have questioned this viewpoint on two grounds. We have argued that the causes

of the "green revolution" were engendered in the pre-existing structure of resources and attitudes in the Punjab. The Basic Democracies were unquestionably designed by Ayub Khan to bring the middle farmers into the political process and, with some reservations, we can argue that he succeeded. This political role, which was provided the farmer by the regime, was one important component in the transformation of rural social structures. Quite independently of these political developments and to some extent in spite of them, however, the "green revolution" opened up economic opportunities for the middle farmer that strengthened his economic position and reinforced his newly acquired political power. In the final analysis, however, this political power remained parochial and tightly contained by the bureaucracy and higher level authority. Furthermore, at no time did the middle farmers find the new political arrangements adequate to influence public policy to further their immediate economic interests. Luckily, given the nature of the "green revolution," the farmer could function in the short-term relatively independently of the political system, and did so.

It needs to be reiterated that the rural sector in Pakistan had already achieved a high degree of integration with its urban counterpart and the monetization of the rural sector was already well advanced by the time the technical ingredients of the "green revolution" became available. Faced with critical food shortages, the government had initiated efforts to popularize fertilizer technology in the early sixties and tubewells later in the decade. But, because of increased costs and attached risks, these two technologies were not sufficiently attractive to tempt the majority of Pakistan's farmers. The release of the new seeds in 1965-66, however, worked

in a catalytic fashion to make the new package of seed, water and fertilizer a paying proposition. The improved distribution arrangements, largely private, and the demonstration effect combined to spark the "revolution."

The authors are more inclined to credit the commercial and economic policies of the regime with stimulating the changes in agriculture than the new institutional arrangements in local government. The latter undoubtedly contributed to the socio-political changes in the countryside, but not to the economic revolution. That the political and economic revolution appear interrelated is not surprising because both were nurtured in the same social strata. In the final analysis, however, the economic "revolution" was decidedly more complete and long lasting than the political one. The lack of any current pressure to institute new local government structures in Pakistan would suggest that the middle farmer, while prospering, remains disorganized politically.

Access to the civil bureaucracy is undoubtedly useful for a variety of purposes in Pakistan and highly valued by the villager. Such access usually provides added social prestige to those in a position to utilize it. Nevertheless, many of the advantages of bureaucratic access have nothing to do with the farmer's economic activities and all access is likely to have hidden costs. It should be emphasized that fertilizer, new seeds, and tubewells were responsible for more than 80 percent of the increase in agricultural productivity and farm incomes over the past decade. During the period 1964-65 to 1968-69, these farm inputs were mainly distributed by the private sector. In such a situation it was the farmer's own purchasing power that mattered. Access to the bureaucracy may have been helpful in providing a license to carry arms,

getting sugar and rice permits, or perhaps sanction for additional canal water supplies. Such favors were individualized, however, and were likely to require a quid pro quo in the form of cooperation with government programs or various gratuities to the bureaucrat.<sup>1</sup> In such exchanges the largest farmers remained at a distinct advantage. It is a mistake to ignore the hidden costs of dealing with the bureaucracy in the sub-continent when assessing its contribution to development.

Much of the previous discussion has centered on the problem of improving the middle farmer's access to the bureaucracy and of strengthening his position when dealing with that bureaucracy. We should address ourselves directly to this point, having previously expressed our opinion that this problem was not critical for the success of the first stages of the "green revolution." We would agree, to be sure, that as a more general problem and as a constraint on the extension of the agricultural revolution, this can be a very real problem indeed. Pakistan shares with India an "administrative tradition" and both countries have discovered that whenever critical elements of the development are controlled by the civil service or tied up in the hierarchies of the provincial secretariate, that bureaucracy is likely itself to be one of the key constraints or limits on development. This is a harsh but hardly a new judgment.

In evaluating the role of local institutions in the development process, then, it is highly relevant to ask to what extent they provided the progressive farmer with the capacity to pressure the district administration. This is a relevant question because that administration has frequently had an inhibiting effect on farmers' economic behavior and has periodically shown a tendency

---

<sup>1</sup>These may include requests for "ghee," grain, milch animals, etc. all at bargain rates.

to extend its control over the farmers' economic choices through direct bureaucratic control over key inputs. This control has been variously justified by reference to farmers' "backwardness," to machinations of private traders, to efficiencies of coordination, to the requirements of the national planning effort, or problems of income equity, but the tendency to maintain control has remained the same. Were it not for the effects of this bureaucratic tradition, the need for a local government system to balance the bureaucracy's power would be viewed differently. But in the sub-continent--both India and Pakistan--the main function of local government has been as a challenge, though not as an alternative, to district administrative structures.

The argument in favor of local government, then, is not so much that it has an important function to play in the development process directly, but that it may be a necessary condition for removing certain bureaucratic constraints. This is an argument with which the authors would tend to agree, though with caution. One should recognize that this essentially negative function is about all that one can expect of local government in the sub-continent. Local governments have not played much of a positive role in either India or Pakistan. They have not mobilized the farmer to alter national priorities; they have not improved his capacity for local collective action; they have not even been very effective in improving the overall effectiveness of rural administration--as opposed to improving the "responsiveness" of individual administrators to individual complaints. The negative role should not be underestimated, of course. Even if the farmer can depend on the free market for most of his key inputs, as he could in Pakistan, the improvement of his general social status probably does depend on his

righting the balance between the village and the district hierarchy. Where the bureaucracy does directly control key inputs, as it has tended to in India, farm political pressure may become critical.

Positive farm pressure--a direct farm influence on policy--is not likely to appear through the local government system in Pakistan. The critical decision making level in agricultural policy is the Province. If the farmer is to be effective, then, he must apply his influence at that level. The Basic Democracy system, as we have already pointed out, was essentially truncated at the district level and was not directly linked to the provincial legislature. It is difficult to say why the local governments did not develop into a power base for provincial legislators, as they did in India, but one suspects that the weakness of the political party structure had something to do with this failure. Without a well-developed party structure the provincial legislature is likely to be a creature of the landlords--who win election on the basis of personal wealth and prestige rather than organization and brokerage. Insofar as poorer or even middle farmers' interests differ from those of the landlords, they are not likely to be heard without effective horizontal organization and strong vertical links.

In this respect, a comparison with Indian Punjab is instructive. Punjab has notoriously one of the weakest local government systems in India. Equally notoriously, it has one of the most effective farm lobbies in the country. The Congress Party permitted the jat farmer to mobilize his voting power. The "green revolution" added economic power to the political power. The two combined provided the "kulak" farmer with effective control over state-level agricultural policy and a by no means inconsiderable influence on national policies.

The above lesson is instructive. If the problem today is to extend the "green revolution" to the marginal or smaller farmer, as many argue it is, then how shall one provide them with the combination of economic opportunity and political power to make an entry into modern economy and modern politics? One suspects that their route will not be that of the middle farmer. The institutional patterns and political requirements of redistributive efforts in favor of marginal and small farmers are likely to be quite different from those needed for promotional extension work among a backward peasantry, or for active service to an aggressive and commercial middle-class farmer.

In contemplating any of these three goals, we should keep in mind today's altered context. The countries of South Asia reaped the easiest gains from the "green revolution." The marginal returns from its expansion are likely to be less and less as it expands farther and farther. Moreover, the "green revolution" took place in a period of ample supplies of critical farm inputs--especially fertilizer and power. In consequence, government efforts in the past could be permissive and promotional. In a period of rapid inflation and input shortages, the expansion of the "green revolution" is certain to be redistributive and the government is more likely to act as a rationing agent than as promoter of input use. Such changes are certain to have a profound impact on the role of government in rural development, on inter-sectoral balances, and on regional and class inequalities. More important, neither local administration nor local government performs well as a manager of scarcity.

Any further development efforts in Pakistan in current circumstances must take into account at least four problems that the Ayub Khan era left unsolved. The first involved government services to the farmer. As we have already indicated, the initial gains of the "green revolution" were the result of a reasonably simple modernization of existing technology and practices. Because of this simplicity and because of the self-sufficiency of the rural strata that sparked the change, the effectiveness of development administration was not a significant issue. Today, however, the "second generation" problems are technically more complex and the "progressive" farmer is in great need of quick and up-to-date technical services. The need of the smaller farmer, with fewer personal resources, is even greater. Leaving aside all questions of the most effective model for rural administration, two things are clear. The technical competence of that administration will have to be raised substantially and the operative level of that administration will have to be brought much closer to the farmer.

The second problem confronting a government contemplating the extension of the "green revolution" is that such expansion will undoubtedly require a substantially larger public expenditure than in the past. The changes which took place in 1965-66 depended for the most part on the private resources and initiative of Punjab's middle farmers. The development of dry areas, saline areas, hilly areas, or poorly irrigated areas is likely to require a much larger public investment before similar returns can be expected. Furthermore, this investment will have to be supplemented by substantial supplies of credit, which will have to be subsidized and guaranteed by the public exchequer, and by substantial investments in research facilities to tackle the unique problems of these marginal areas.

The third unresolved problem is the inherent conflict between equity and efficiency in rural development strategy. There is a growing conviction in Pakistan today that both local government and the market served to strengthen the rural elite at the expense of the rural poor during the Ayub Khan regime. The authors are not inclined to disagree with this, although there is evidence in Punjab of increasing demand for agricultural labor and, in consequence, rising agricultural wages. Even if this is true, however, this is still likely to squeeze the small landowner, as is evidenced by Burki's data on the increasing average farm size. If neither local government nor the market can be expected to rectify this situation, then only the civil bureaucracy remains as the protector of the poor. To the extent that these redistributive problems are taken seriously, we are sure to see an expansion of bureaucratic influence and control in the countryside. We might note that this also appears to be the trend in India.

The trend toward increasing bureaucratic control in Pakistan is encouraged by the lack of conviction that the small farmer is really a viable economic unit in the current situation. Some economists are aware of the studies which indicate that there are no, or even negative, returns to scale in the use of the new technology; but officials, bankers, and even many economists are inclined to see aid to the small farmer as a welfare program. It may well be, then, that in the absence of any effective political organization, which the present regime seems unlikely to provide, and in the presence of this prevailing attitude, and small farmer's best advocate may well turn out to be the bureaucracy.

The final problem to be overcome in Pakistan is the continuing tendency to confuse the private and public functions of local institutions. This has always been true of the cooperatives, which were expected to serve not only the farmers' economic needs but also to serve the interests of the broader farm community and to function as government agents as well. The farmers' associations of the new Integrated Rural Development Program are a good illustration of this point. Although the new farmers' associations clearly make sense from an economic point of view as marketing and distribution agencies serving their farmer members, the role envisioned for them in more general rural development goes well beyond what one might expect of a private organization. In some discussions, I.R.D.P. officials envisioned them (and appear to have used them) as the equivalent of R.W.P. Project Committees for lining irrigation ditches and providing labor for other small local works. In the N.W.F.P. there was talk of using these associations to maintain local roads. It is also clear that, in addition to the Agricultural Department, the associations will provide the "contact points" for other Departments such as Health and Education.

Because rural development is viewed as a single integrated process, it is automatically assumed that it should be administered by a single integrated administrative agency and implemented by a single set of all-purpose (multi-purpose) local institutions. Leaving aside the fact that it is probably not helpful to view rural development as a single process in any case, it certainly does not appear wise to load a single set of institutions with such a weight of responsibility. In short, making the distinction between the functions of a local government and those of a farm organization may turn out to be crucial to the success of the new program.

There are three obvious sources of such functional confusion. First, there is a somewhat nostalgic view of the village community as an integrated whole within which the various components of village life should be neatly harmonized. Thus, political activity and conflict of interests are seen as pathological and "programmed" out of local institutions rather than being accepted as a fact of life and being provided for in ways that permit constructive resolution of conflicts. Second, there is a willingness to institutionalize the fusion of authority which characterized the colonial administrative state and lingers on in Pakistani bureaucratic traditions.<sup>1</sup> Finally, there is in the administrative tradition an inherent mistrust of "private" motives and a concomitant attempt to endow all officially-sanctioned institutions with the same public-service ethic that pervades the civil service in contrast to the goal of profitability. These attitudes influenced the design of the Basic Democracies and their influence continues now. The design of public institutions at the local level serving rural development can and may be seriously flawed by these conceptions.

---

<sup>1</sup>This willingness seems strange and misplaced to any student of government who follows Madison's cogent analysis favoring separation and balance of powers to make authority most efficient in meeting public needs.

APPENDIX A\*  
INCOME AND EXPENDITURE OF RAWALPINDI DISTRICT COUNCIL  
 1963-64 to 1972-73

	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
<b>1. General Dept.</b>										
(a) General	71,371	46,171	56,488	51,103	59,791	68,257	4,11,169	72,728	53,717	14,000
(b) Taxes	6,19,936	6,62,810	6,56,050	7,03,970	5,77,610	7,17,248	5,94,120	6,06,284	7,19,353	7,57,300
(c) Fees	81,238	84,182	1,07,550	1,52,342	1,75,974	1,89,818	1,97,141	2,93,048	4,02,347	4,10,298
(d) Income from waf account	16,182	602	----	----	145	16	----	870	714	1,200
(e) Income from Properties	16,479	43,984	43,237	1,03,385	1,06,790	1,20,876	75,815	42,972	1,10,131	1,05,111
<b>Total:</b>	<b>8,27,206</b>	<b>8,37,749</b>	<b>8,63,285</b>	<b>10,12,800</b>	<b>9,20,312</b>	<b>10,96,215</b>	<b>11,07,245</b>	<b>10,75,902</b>	<b>17,02,433</b>	<b>14,57,910</b>
<b>Expenditure:</b>	<b>1,63,947</b>	<b>1,45,086</b>	<b>2,16,141</b>	<b>1,77,891</b>	<b>1,71,462</b>	<b>1,74,624</b>	<b>2,25,657</b>	<b>1,35,947</b>	<b>3,33,291</b>	<b>1,35,844</b>
<b>2. Education</b>										
(a) Fees	1,36,715	1,45,908	1,45,683	1,49,519	1,56,226	1,57,408	1,51,539	----	----	----
(b) Contribution	5,30,514	6,00,408	6,43,000	5,99,182	4,78,714	3,02,500	4,31,630	----	----	----
(c) Misc.	----	23	4,060	15	6	1	108	----	----	----
<b>Income.....Total:</b>	<b>6,67,229</b>	<b>7,46,339</b>	<b>7,92,743</b>	<b>7,48,716</b>	<b>6,34,946</b>	<b>4,59,909</b>	<b>5,84,275</b>	<b>111</b>	<b>111</b>	<b>111</b>
<b>Expenditure:</b>	<b>7,79,698</b>	<b>8,08,630</b>	<b>11,58,479</b>	<b>10,83,810</b>	<b>10,30,306</b>	<b>10,54,944</b>	<b>12,09,551</b>	<b>1,77,922</b>	<b>2,50,138</b>	<b>2,19,291</b>
<b>3. Medical</b>										
(a) Fees	2,830	3,981	3,398	5,378	3,900	3,777	2,913	2,699	3,697	3,831
(b) Sale of Medicines	----	----	----	----	----	----	----	----	----	----
(c) Contributions	30,000	30,000	30,790	30,000	5,000	25,000	3,000	5,000	----	----
(d) Misc.	2	66	20	142	8	111	----	----	----	----
<b>Income.....Total:</b>	<b>32,832</b>	<b>34,047</b>	<b>34,208</b>	<b>35,520</b>	<b>8,907</b>	<b>28,888</b>	<b>7,913</b>	<b>7,699</b>	<b>3,697</b>	<b>4,542</b>
<b>Expenditure:</b>	<b>1,72,228</b>	<b>1,57,542</b>	<b>1,72,524</b>	<b>2,02,243</b>	<b>1,84,429</b>	<b>1,78,180</b>	<b>1,81,374</b>	<b>2,24,271</b>	<b>86,612</b>	<b>77,471</b>
<b>4. Public Health</b>										
(a) Sanitation	----	----	----	----	----	----	----	----	----	----
(b) Fees	----	----	----	----	----	----	----	----	5,228	5,361
(c) Contributions	1,486	1,431	----	2,100	2,100	2,100	----	2,282	17,470	17,874
(d) Misc.	947	1,010	615	389	913	1,159	142	27	95	400
<b>Income.....Total:</b>	<b>2,433</b>	<b>2,441</b>	<b>615</b>	<b>2,889</b>	<b>3,013</b>	<b>3,259</b>	<b>142</b>	<b>2,307</b>	<b>22,793</b>	<b>21,624</b>
<b>Expenditure:</b>	<b>65,725</b>	<b>60,873</b>	<b>83,528</b>	<b>87,542</b>	<b>67,182</b>	<b>79,230</b>	<b>1,09,062</b>	<b>1,01,781</b>	<b>2,88,584</b>	<b>4,03,227</b>
<b>5. Veterinary-Hospitals</b>										
(a) Vet. Hospital	2,668	2,308	2,771	2,657	2,655	2,746	3,089	3,049	3,677	3,704
(b) Horse & Mule	----	----	----	----	----	----	----	----	----	----
(c) Cattle Breeding	6,830	6,366	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
(d) Sheep Breeding	1,520	----	86	53	1	----	----	----	----	----
<b>Income.....Total:</b>	<b>11,018</b>	<b>8,674</b>	<b>8,857</b>	<b>8,710</b>	<b>8,656</b>	<b>8,746</b>	<b>9,089</b>	<b>9,049</b>	<b>9,677</b>	<b>9,704</b>
<b>Expenditure:</b>	<b>69,634</b>	<b>87,086</b>	<b>86,794</b>	<b>83,496</b>	<b>72,292</b>	<b>83,393</b>	<b>99,654</b>	<b>1,35,165</b>	<b>1,28,858</b>	<b>1,41,101</b>
<b>6. District Works</b>										
(a) Contributions	67,543	33,270	21,346	21,047	17,630	81,616	24,302	11,977	----	----
(b) Commission	----	----	----	----	----	----	----	----	----	----
(c) Misc.	3,643	3,479	1,582	2,727	66	275	50	906	1,131	1,131
<b>Income.....Total:</b>	<b>71,186</b>	<b>36,749</b>	<b>22,928</b>	<b>23,774</b>	<b>17,696</b>	<b>81,891</b>	<b>24,352</b>	<b>12,883</b>	<b>1,131</b>	<b>1,131</b>
<b>Expenditure:</b>	<b>1,59,936</b>	<b>2,58,181</b>	<b>1,61,476</b>	<b>1,69,308</b>	<b>1,55,333</b>	<b>87,751</b>	<b>1,08,309</b>	<b>1,25,052</b>	<b>1,71,744</b>	<b>1,96,461</b>
<b>7. Suspense Account</b>										
<b>Income.....Total:</b>	<b>3,94,441</b>	<b>11,00,416</b>	<b>3,55,598</b>	<b>3,96,294</b>	<b>5,89,705</b>	<b>72,255</b>	<b>5,26,603</b>	<b>66,649</b>	<b>38,448</b>	<b>50,671</b>
<b>Expenditure:</b>	<b>4,44,404</b>	<b>11,00,348</b>	<b>3,89,833</b>	<b>3,70,923</b>	<b>3,31,816</b>	<b>1,68,674</b>	<b>5,25,976</b>	<b>69,031</b>	<b>22,527</b>	<b>1,15,570</b>
<b>INCOME: GRAND TOTAL:</b>	<b>20,04,345</b>	<b>27,66,415</b>	<b>20,78,234</b>	<b>22,28,503</b>	<b>21,83,236</b>	<b>17,51,203</b>	<b>24,54,619</b>	<b>11,74,490</b>	<b>15,78,585</b>	<b>19,51,555</b>
<b>EXPENDITURE: GRAND TOTAL:</b>	<b>18,55,572</b>	<b>26,17,746</b>	<b>22,68,775</b>	<b>21,75,211</b>	<b>20,14,620</b>	<b>18,26,800</b>	<b>24,62,583</b>	<b>11,59,169</b>	<b>12,81,754</b>	<b>17,01,759</b>

\*Data supplied by Chief Officers, District Council, Rawalpindi and Lyallpur.

ACTUAL INCOME OF THE LYALLPUR DISTRICT COUNCIL FROM  
DIFFERENT SOURCES FOR 1963-64 TO 1972-73 AND  
BUDGET FOR 1973-74

<u>Main Sources of Income</u>	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>	(Budget) <u>1973-74</u>
1. Interest on Investment	3,79,822	4,49,758	6,55,926	5,39,073	6,02,332	6,01,648	5,19,665	5,10,397	3,77,392	4,71,809	1,68,900
2. Local Rate	55,82,168	55,51,396	55,34,815	55,48,508	57,77,097	58,07,831	59,72,422	53,35,022	57,73,890	60,44,340	60,00,000
3. Professional Tax	2,59,954	2,55,564	2,08,203	2,24,625	2,73,382	3,54,367	3,79,764	3,74,061	4,17,639	4,42,352	5,00,000
4. Tax on Transfer of Property	4,08,556	5,00,172	3,17,344	5,20,591	8,68,305	7,33,428	7,24,059	6,44,237	5,77,697	11,77,569	9,50,000
5. Toll Tax on Roads	----	----	----	----	----	----	----	----	----	2,92,355	5,00,000
6. Cattle Fairs and Shows	9,11,242	9,87,939	2,41,714	11,41,650	12,16,878	14,69,051	15,74,493	16,33,463	15,10,097	20,32,889	31,00,000
7. License Fee of Oil Engines, Vehicles & Copying Fees	22,046	28,659	35,825	38,056	7,027	56,074	52,617	53,966	62,375	54,497	61,100
8. Middle/High School Fees	3,66,901	4,01,108	4,19,895	4,60,425	5,18,626	4,22,638	5,33,886	5,19,345	1,274	86	----
9. Pure Food Licensing & Panchi Fee from Hospitals Dispensaries	8,006	4,945	4,870	5,830	57,645	1,53,101	1,06,658	1,07,388	1,10,036	1,31,982	1,37,000
10. Rents & Lease Money of Properties	1,10,179	88,665	1,29,759	1,16,842	1,54,417	1,41,303	1,69,565	1,96,577	2,84,077	2,00,116	2,50,000
11. Dak Bungalows, Sarais and Arboriculture	21,967	26,112	18,427	24,669	20,133	27,807	20,800	15,855	15,006	19,634	47,000
12. Government Grants & Other Contributions	2,22,374	6,52,635	1,98,949	2,50,521	3,71,569	65,719	6,09,162	2,16,817	4,77,150	61,843	53,200
13. Realization of Investments	10,90,667	29,00,000	26,00,000	----	26,00,000	12,25,000	48,60,000	20,75,558	23,37,250	34,77,365	16,39,400
14. Other Misc. Sources	1,61,945	2,61,531	33,973	61,146	57,807	41,108	21,120	1,560	1,22,546	1,42,048	22,600
15. Suspense Accounts	20,666	5,80,942	21,27,778	5,930	83,739	1,07,302	17,276	----	3,00,494	12,60,960	3,53,400
<b>TOTAL:</b>	<b>95,24,861</b>	<b>1,24,89,526</b>	<b>98,71,811</b>	<b>89,47,921</b>	<b>1,26,48,957</b>	<b>1,12,06,379</b>	<b>1,55,62,487</b>	<b>1,16,81,126</b>	<b>1,23,66,923</b>	<b>1,58,09,845</b>	<b>1,37,82,600</b>

TOTAL ACTUAL EXPENDITURE BY DEPARTMENT OF LYALLPUR DISTRICT COUNCIL  
FROM 1963-64 TO 1972-73 AND BUDGET FOR 1973-74

<u>Departments</u>	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>	<u>1973-74</u> (Budget)
1. General	17,10,555	18,86,867	13,90,087	13,26,595	14,55,210	16,71,238	15,38,865	13,65,510	13,82,014	7,27,653	24,47,600
2. Education	37,72,073	34,32,417	40,14,070	40,28,717	46,68,058	38,76,853	44,84,919	44,34,025	24,69,303	31,79,347	32,44,500
3. Medical	10,54,148	11,08,426	9,62,700	9,51,285	15,35,792	18,71,129	22,08,958	14,55,158	5,57,624	4,61,139	7,81,300
4. Public Health	2,15,206	1,75,341	1,67,588	1,69,648	1,90,896	2,03,882	2,61,567	2,88,860	11,55,897	14,54,325	10,91,300
5. Veterinary	5,84,446	5,35,416	4,27,255	6,42,013	6,93,776	8,35,446	9,95,160	9,89,200	6,48,871	8,30,890	10,48,900
6. District Works	13,58,737	13,46,666	6,28,976	14,64,241	8,49,691	22,94,893	58,41,416	25,27,345	25,91,735	26,57,135	85,01,400
7. Extra-Ordinary	5,59,334	34,00,000	26,50,000	24,50,000	33,50,000	4,24,000	91,383	63,635	----	17,42,000	9,91,400
8. Suspense Account	<u>1,00,447</u>	<u>5,57,174</u>	<u>1,84,973</u>	<u>22,108</u>	<u>1,60,111</u>	----	----	----	<u>1,66,972</u>	<u>6,93,729</u>	<u>5,44,000</u>
<b>TOTAL:</b>	<b>93,54,946</b>	<b>1,24,42,307</b>	<b>1,04,25,649</b>	<b>1,00,54,607</b>	<b>1,25,63,312</b>	<b>1,11,77,441</b>	<b>1,54,22,268</b>	<b>1,11,23,733</b>	<b>89,72,416</b>	<b>1,17,46,218</b>	<b>1,95,60,400</b>

DEVELOPMENT EXPENDITURE BY DEPARTMENT OF THE LYALLPUR DISTRICT COUNCIL.

1963-64 TO 1972-73 and BUDGET FOR 1973-74

<u>Departments</u>	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>	<u>1973-74 (Budget)</u>
1. General	2,55,443	3,72,780	1,11,937	1,02,666	1,23,446	2,24,100	1,08,040	58,197	37,215	12,920	8,05,000
2. Education	3,63,291	3,16,524	1,37,358	1,79,291	30,407	38,000	2,33,527	19,859	496	49	12,000
3. Medical	3,66,317	2,76,313	1,33,352	1,27,323	5,17,535	7,16,968	1,49,461	2,59,605	16,100	15,919	20,600
4. Public Health	49,925	----	----	----	----	----	6,500	37,737	11,219	49,507	80,200
5. Veterinary	2,17,197	1,14,940	42,871	1,50,586	1,95,774	2,69,772	2,60,490	2,62,809	6,278	6,180	69,500
6. District Works	<u>1,34,035</u>	<u>4,11,327</u>	<u>1,13,257</u>	<u>11,78,743</u>	<u>4,73,139</u>	<u>12,07,356</u>	<u>49,36,470</u>	<u>15,63,144</u>	<u>20,59,014</u>	<u>17,14,587</u>	<u>72,95,400</u>
	13,86,708	14,91,884	5,38,775	17,38,609	13,40,271	24,56,196	56,94,488	22,01,351	21,30,322	17,99,162	82,82,700

APPENDIX B

COLLECTION OF TAXES AND FEES FOR UNION COUNCILS OF  
MULTAN DISTRICT FOR 1963-64

Taxes

	<u>Birth</u>	<u>Marriage</u>	<u>Community</u>	<u>Feast</u>	<u>Entertainment*</u>
Owed	Rs. 47,995	23,919	1,69,529	3,279	749
Collected	Rs. 38,032	20,619	10,343	2,148	1,026

Fees

	<u>Slaughter</u>	<u>Building Erection</u>	<u>Conciliative Court</u>	<u>2nd Marriage</u>	<u>Copying</u>
Owed	Rs. 5,555	1,992	5,535	34,800	548
Collected	Rs. 3,881	1,294	7,027	43,400	753

Nikah (Marriage)

Zakat Fund

Owed	Rs. 6,530	831
Collected	Rs. 8,325	3,940

Source: Reconstructed from: A Study of Basic Democracies in Multan Districts:  
Annual Report 1963-64, Table III, p. 50

\*The Entertainment tax is strongly supported by the Muslim religious authorities.

*Peasant and Bullock* by Chuah Theah Teng  
From the collection of Dr. and Mrs. Clifton R. Wharton, Jr.