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Role of Agriculture and Government in Rural Development

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Q.1 ONLY 21 PERCENT OF GDP

- Wrong question? With the extraordinary Indus Basin resource grossly underutilized the rate of return is very high.
- With fast growth (not now!) in urban industry accelerating agr. growth from 2.2% to 5.3% adds 0.9% points to the growth rate (15%) and 1.6% points to the employment growth rate (67%). Drives poverty reduction
- Improve rural roads (and electricity) are essential to agricultural growth – but they are essential to social services to the continuing to grow and large rural population.
- Small Commercial Farmers (64% of production) require public services. Targets: 10% of Government expenditure; 3% of Agr. GDP to research.

Q.2 IS PAKISTANS GROWTH PRO-POOR

- NO!
- Poverty reduction driven by the Small Commercial Farmer (25% of rural households 65% of agr. production) rapidly increasing income (it isn't happening now) and spending half that on the employment intensive, non-tradable rural non-farm sector (75% of the rural population, little income from farming, 80% of the poor.)
- Urban industrial growth does not reduce poverty.
- On Safety nets do not take resources away from growth by the SCF.

Q.3 20 YEAR RURAL VISION

- Not appropriate from me, but
- In all high population density rural areas every home within one mile of an all weather road and every home electrified.
- Every child at least starts secondary school education
- Agricultural incomes growing at 5% per year.
- Less than 5% of the rural population relying on safety nets to keep above the poverty line.
- Livestock (and livestock feed) and Horticulture comprising over 80% of agricultural output