

Shorter Notice

The Shahid Javed Burki Institute of Public Policy. The State of the Economy Annual Report. *Agriculture and Water* (Ninth Annual Report). Lahore, Pakistan: The Shahid Javed Burki Institute of Public Policy. 2016. xiv+135 pages.

In its ninth annual report on the state of Pakistan's economy, the Shahid Javed Burki Institute of Public Policy has presented an in-depth analysis of agriculture and water in Pakistan. According to the report, although the economy of Pakistan on the whole has performed well over the last few years, the agriculture sector has been disappointing. The report holds both random shocks and structural weaknesses responsible for the disappointing performance. Although the focus of the report is on agriculture and water, the report presents an overview of Pakistan's overall economy in the first part. In analysing the problems faced by the agriculture sector currently, the report presents an historical overview of the agriculture sector's performance and the policies adopted for the sector, which is very informative. It is argued that the structural problems are a result of path dependence in forming and implementing the agriculture policy. As per the authors of the report, the path dependence has led to heavy state involvement and failure to make policy changes to meet demands of changing times. The report has identified key areas of concern that have hindered the progress in Pakistan's agriculture sector. These areas of concern are procurement and pricing policies, seed policy, water pricing, research and extension, marketing, and financial services. The report rightly points out that Pakistan is facing a serious water scarcity problem, because of growing demand and limited supply of water. The usage of water resources in Pakistan is not efficient and the governments at the provincial and federal levels do not have adequate asset management plans. As for the demand side issues, the report identifies two main sources of concern, namely wastage of water in conveyance to the farms and wasteful use within farms. The report also highlights the decline in agricultural exports. The revealed comparative advantage methodology shows that the competitiveness of Pakistan's agricultural export commodities is declining. The report also suggests some remedies for the challenges facing the agriculture sector. For example, the report argues that over-generous support prices for wheat and sugarcane should be withdrawn as it prevents diversification of the cropping pattern into higher value-added items like horticulture. Pricing reform is particularly important in the case of water because low price of water leads to its wasteful use. The report advocates increase in R&D expenditures, along with the capacity building of the government bodies that undertake R&D. The report also suggests some out-of-the-box solutions to rejuvenate Pakistan's agriculture sector, which include the use of mobile phones in disbursing finance to the farmers, agri-malls as one-stop shops for farmers, and the development of marketing intelligence and information systems. Overall, BIPP's ninth annual report on the state of Pakistan's economy is a useful overview of the situation of agriculture and water in Pakistan. The report not only identifies problems that the agriculture sector of Pakistan is facing but it also suggests some innovative solutions to these problems. [*Omer Siddique*].