



## 8 Policy implementation

### 8.1 Introduction and background

As noted in earlier chapters, the aim of ACIAR project ADP/2010/091 was to develop enabling policies for improving livelihoods of small farmers. This aim also aligns strongly with a major objective of the Pakistan Vision 2025, namely to bring about inclusive economic development in Pakistan. The importance of achieving inclusive growth in Pakistan as a core national priority is also reiterated in the 'Pakistan Economic Survey 2017-18' (Government of Pakistan 2018), which declares that 'Pakistan has to achieve inclusive economic growth' (p. 1).

Achieving inclusive growth requires a multipronged growth strategy focused on increasing productivity and employment. The key aspects of such a growth strategy must include diversification of the rural economy, increased engagement with global value chains and expanded participation of

small and medium-sized farmers and rural enterprises in international trade. Punjab's SMART Project is also aimed at addressing lagging growth in agriculture in order to lift rural employment and incomes (World Bank 2017b). These growth challenges are not new and have been discussed in Pakistan for quite some time. For example, in its report to the Planning Commission in 2010, the Working Group on Agriculture and Food Security (WGAFS) argued that Pakistan's agricultural sector had developed a dualistic structure, as 86% of farm households owned less than 50% of farmland, and the need for improving the viability of smallholders was urgent. It said that agricultural growth in Pakistan had not benefited the rural poor to the extent it was expected (WGAFS 2010).

Until recently, agricultural policies remained focused primarily on major crops, and most of the benefits of policy support accrued mainly to large farmers and industrial enterprises

associated with major crops. Diversification of Pakistan's agriculture has been limited.

The policy challenge has been how to revitalise smallholder agriculture, in which small farmers have little effective voice in governance structures and policymaking. Given this background, the discussion and the recommendations made in the previous chapters are highly important for the future growth trajectory of Pakistan's economy, the revitalisation of its agriculture, and the diversification of its rural economy. Supported by the right policies, small farmers can play a crucial role in achieving these goals. As discussed in the previous chapters, the main objectives of government policies must be to increase small farmers' incomes, generate rural non-farm employment, increase agricultural productivity, and increase export of agricultural commodities, especially dairy products and citrus and mangoes.

This chapter deals with the challenges of implementation of policies recommended in the previous chapters. The importance of the following two points has persuaded us to devote a separate chapter to the implementation of our recommendations. The first point is that government policy interventions are crucial for improving small farmers' access to formal credit, extension services, agricultural markets and producer organisations. It is not possible to make progress without the implementation of policy interventions recommended here. The second point is that no matter how good any policy looks on paper, its benefits would always depend on the effectiveness of its implementation. The literature on public policies is replete with examples of excellent policies that failed to deliver the promised outcomes, because of ineffective implementation. With this belief, we proceed in this chapter to outline the key features of effective implementation of our recommendations.

The rest of the chapter is organised as follows. In Section 8.2, we point out that there is a high

degree of synergy between our recommended policies and the focus of several other existing agricultural initiatives of federal and provincial governments in Pakistan. This complementarity suggests that policies recommended in this monograph would also help in achieving the goals of, for example, the Pakistan Vision 2025, the National Food Security Policy, the Punjab Growth Strategy 2018, the Punjab Livestock and Dairy Development Policy 2015, and the Sindh Agricultural Growth Project. In Section 8.3, we outline the desirable features of an effective policy implementation framework. In Section 8.4, we discuss the expected benefits that could flow from successful implementation of our recommendations. In Section 8.5, we explain why it would be important to implement these recommendations as one package, not separately or selectively. We believe implementing all recommendations as a package would maximise their potential benefits. Section 8.6 concludes with a brief summary.

## 8.2 Complementarity with other major policy initiatives in Pakistan

ACIAR project ADP/2010/091 has a high degree of complementarity with several other agricultural policy initiatives in Pakistan, Punjab and Sindh. Therefore, the aims and objectives of these projects and policy initiatives are likely to be supported by the recommendations made in this monograph. In particular, implementation of our recommendations would be beneficial for the following initiatives:

- Pakistan Vision 2025
- National Food Security Policy
- Socio-economic goals of the 12th Five Year Plan
- Punjab Growth Strategy 2018
- Strengthening Markets for Agriculture and Rural Transformation in Punjab (SMART Punjab) Project

- Punjab Livestock and Dairy Development Policy of Virtual Governance 2015
- Sindh Agriculture Policy
- Sindh Agriculture Growth Project.

### 8.2.1 Pakistan Vision 2025

The Pakistan Vision 2025 is a people-centric initiative aimed at reducing poverty and enhancing people's well-being by providing an enabling environment for all citizens to realise their full potential in contributing to the country's economic and social development. An important aspect of the Vision 2025 is to raise yield and productivity of small farmers by utilising multiple channels, including affordable credit for investment, and agriculture extension services for educating small farmers to adopt new technologies and marketing strategies. Economic development according to this Vision will promote inclusion and social justice by ending the discrimination faced by women and by increasing female participation in the workforce. 'Pakistan cannot be competitive without utilizing the work potential of half its population', the Vision proclaims.

Recognising the challenges that are likely to be faced—including the anticipated pushback from vested interests—the Government of Pakistan has made successful implementation of Vision 2025 a top priority for all levels of government. Accordingly, it has developed a performance monitoring and evaluation framework to ensure effective implementation of all government initiatives. This framework consists of: (a) sustained executive commitment and support; (b) private sector engagement; (c) mobilisation of diaspora; (d) unleashing the power of collaboration and communities; (e) improvement in productivity; (f) developing a network of vision champions; and (g) knowing-to-doing approach to research and development (Planning Commission 2014).

### 8.2.2 National Food Security Policy

The overall aim of the National Food Security Policy (NFSP) is to ensure a modern and efficient food production and distribution

system that can best contribute towards food security and nutrition, in terms of availability, access, utilisation and stability. Its specific objectives include achieving an agricultural sector growth rate of 4% per annum, reducing poverty and hunger according to the Pakistan Government's commitment to the SDGs, bridging the yield gaps, and strengthening coordination between federal government and provincial governments for rural transformation.

For livestock and dairy, the NFSP seeks to improve local animal breeds for higher milk and meat productivity, create conditions for higher private sector investment in dairy farming and processing of milk, and improve the legal and regulatory framework for compliance with food quality and hygienic standards set by export markets.

### 8.2.3 Socioeconomic objectives of the 12th Five Year Plan

The socioeconomic objectives of the 12th Five Year Plan are:

- increasing agriculture growth rate to 4%
- increasing farmers' income or terms of trade
- making Pakistan a net food exporting country
- achieving food security
- increasing non-farm incomes for rural transformation.

### 8.2.4 Punjab Growth Strategy 2018

The Punjab Growth Strategy 2018 aligns Punjab's development priorities with those of the Federal Government's Vision 2025. The focus of the Punjab Growth Strategy 2018 is on promoting industrial development, cities and urban development, agriculture, livestock, skills, education, demography and population planning, and health in the Punjab. The Strategy reaffirms that agriculture is central to economic growth and development in the province and in the country. As agriculture is the most pro-poor sector, growth in the

agricultural sector will also benefit poor households, including small farmers. The specific aims of this Strategy are to increase agricultural productivity by:

- improving the quality of agriculture research
- improving connectivity of farms with markets
- promoting high-value agriculture
- increasing per animal productivity
- increasing the coverage and effectiveness of extension services
- transforming livestock businesses from subsistence to commercial ventures
- developing a Livestock Export Strategy
- bringing livestock farmers into the formal sector through collective services.

Underpinning the Punjab Growth Strategy 2018 is the Punjab Skills Strategy, which aims at strengthening the knowledge foundations of Punjab's livestock and dairy subsector. Developing best-practice curriculum, teaching, and learning resources through 'knowledge partnerships' with the private sector is the primary aim of this strategy. Growth clusters and value chains are to be developed and efficiency of public sector institutions is to be increased. The aim is to reduce the cost of accessing training, and to strengthen market linkages and employment opportunities.

### 8.2.5 SMART Punjab Project

In 2018, the Pakistan Government launched a major strategy for strengthening markets for the transformation of agriculture and diversification of the rural economy of Punjab under the banner of SMART Punjab. Supported by the World Bank, this project is being implemented by the Department of Planning and Development, Government of Punjab. The basic premise of SMART Punjab is that 'Punjab's agriculture sector needs a paradigm shift to unlock future opportunities for growth'. The focus of SMART Punjab is also on the development of the rural non-farm sector of the province, which is currently

underdeveloped because of a weak enabling environment. The key objectives of SMART Punjab are to make Punjab's crop and livestock sector more productive, with more value-adding, and more resilient for the benefit of smallholder farmers and agroentrepreneurs (including women).

### 8.2.6 Punjab Livestock and Dairy Development Policy of Virtual Governance 2015

The Punjab Government's Livestock and Dairy Development Department (PLDDD) made a paradigm shift in 2015 in livestock policy by introducing a highly innovative ICT-based 9211 virtual governance system that shifted the policy focus from the traditional 'animal disease control' to a more proactive system of 'livestock asset management'. The aim of the virtual governance system was to overcome the long-standing disadvantages of distance-related isolation of dairy farmers in most of the 25,892 villages of the Punjab. These farmers had little or limited contact with urban markets and with the provincial or district administration; public extension workers rarely visited small farmers in the villages. The virtual governance system has made it possible to gain access to market information and extension services over the phone. All animals kept by these households are now enumerated in the provincial database, which also maintains records of their health and vaccination status. Many villages that had been isolated for years are now connected with the provincial Livestock and Dairy Development Department. Recently, this department has completed its '2018 door to door' livestock census, the first such census in any part of Pakistan. According to the PLDDD (2018), the new data will go a long way in ameliorating the conditions of millions of poor farmers.

### 8.2.7 Sindh Agriculture Policy

Sindh accounts for 18% of the country's land, 16% of its total cropped area and 23% of national agriculture output. However, the agriculture sector in Sindh has not performed

to its potential, and agricultural growth in 2016–17 was negative for the first time in the country's history. Sindh has relied in the past on expansive use of land, water, fertilisers and livestock numbers for growth in its agriculture. Acknowledging that this approach is unsustainable over the longer term, the new agriculture policy, which will be in force until 2030, focuses on achieving higher productivity as the principal source of growth. Specific approaches to make this possible include increasing credit flows into crop farming, livestock and fisheries, and reforming the legal and regulatory system governing land use, land transfer and land lease for rural enterprises, agriculture and livestock marketing and the agricultural price support system.

### 8.2.8 Sindh Agricultural Growth Project

Launched in 2014, the Sindh Agricultural Growth Project (2014–19) is implemented by the Sindh Department of Agriculture and the Sindh Department of Livestock and Fisheries. The main objectives of this project are to improve productivity and market access of small and medium producers in important commodity value chains by investing in knowledge and technology for farmers in the subsectors of crops and livestock; and strengthening public sector institutions to enhance the enabling environment for sustained sectoral growth. Project services also benefit women in agriculture, as a particular focus of this project. Thus, by focusing on smallholder farmers and women, the project is expected to contribute to making Sindh's economic development more inclusive.

## 8.3 Implementation strategy for enabling policies

Implementation of this monograph's recommendations will require active involvement of federal, provincial and district authorities, and within each province similar involvement of several ministries (e.g. agriculture, livestock and dairy development, cooperatives, extension departments,

education, social welfare, provincial commissions for women's development and agricultural research institutes, including certain universities). In addition, certain federal ministries and institutions will also be involved, i.e. National Ministry of Food Security and Research, Planning Commission, State Bank of Pakistan, Department of Foreign Affairs and Trade, Pakistan Animal Quarantine Department and the Department of Plant Protection. Continuing liaison with the private sector, NGOs, and farmers' organisations would also be required for optimal outcomes.

### 8.3.1 Leadership

Effective implementation requires genuine leadership to coordinate efforts of all stakeholders and to harness cooperation from clients and competitors.

As the purpose of ACIAR project ADP/2010/091 is to improve the livelihoods of smallholders in specific subsectors of agriculture, the primary focus during the implementation phase must remain on smallholders—a section of the rural population that has not been prominent in Pakistan's agricultural discourse until now. The authorities in Punjab and Sindh would need to ensure that vested interests (e.g. the middlemen or elite farmers) are not able to frustrate or derail the implementation process.

Smallholders lack political influence and have little active participation in the political processes, unless they are organised in larger groups such as farmers' cooperatives or producer organisations. In Pakistan, rural support programs may also be able to empower small farmers. Alternatively, small farmers' participation in contract farming may also enable them to access those inputs and services that they were not able to access or afford individually. Thus, there are several pathways for encouraging smallholders to participate in the advocacy and implementation of the recommendations made in this monograph.

### 8.3.2 Budgetary resources

The nature of the policies recommended here is such that it will take three to five years of sustained implementation before all potential benefits are realised. Adequate funding and proper resourcing with well-qualified teams of experts throughout this period would be necessary for the success of the project.

There has been some criticism of Pakistan, for example by the FAO, that although authorities in Pakistan tend to exhibit a high degree of commitment to new reform policies during the tenure of externally funded projects, the same degree of commitment is not often maintained once those projects have been completed (FAO 2012). This means that although outcomes of a project may be excellent, these do not always mature into continuing programs. Largely, this may be the effect of continuing budgetary pressures.

### 8.3.3 Commitment, coordination and cooperation

No policy can achieve its goals until it is implemented properly and effectively. Effective implementation has been described as the science of ‘making it happen’ rather than ‘letting it happen’ (Greenhalgh et al. 2004). Strong leadership and effective coordination are paramount for ‘making it happen’. The ‘World Development Report 2017’ (World Bank 2017a) emphasises the following three institutional drivers of policy effectiveness:

- commitment
- coordination
- cooperation.

‘Commitment, coordination and cooperation are, therefore, essential institutional functions for making policies effective and thereby able to achieve development outcomes.’ (World Bank 2017a, p. 6).

Commitment to a certain policy embodies strong conviction for its aims and potential benefits. Conviction, in turn, reflects a high degree of confidence in the ability of a policy to

deliver the expected benefits. Firm and credible commitment to a certain policy automatically generates confidence among other stakeholders, leading to a virtuous snowballing of support. Such broad-based support of stakeholders would become durable only if commitment to the implementation process is maintained. Thus, durable commitment is fundamental to the building of coalitions of support for a policy.

As noted above, the policies recommended in this project will require involvement of many stakeholders—both from within and outside the public sector. Successful implementation of these policies will require coordination among partners (Figure 8.1). Effective coordination can deliver economic benefits by eliminating friction, delays and wastage. A good example of flawless, and highly beneficial, coordination is the famous Japanese innovation of ‘just-in-time’ manufacturing, which saved on both warehousing costs and delays by coordinating effectively across a wide range of suppliers of components and parts of machinery.

The third driver of effective implementation is cooperation across stakeholders who become supportive of the whole enterprise of policy reform. Absence of cooperation would raise issues of dissent, conflict, opposition, capture or corruption—all of which are sources of inefficiency, waste and exploitation. It is extremely important, therefore, to build and maintain a cooperative environment of supportive stakeholders. Rules and regulations are more likely to be observed in an atmosphere of cooperation.

Continuing fiscal commitment over at least three to five years would be required for the implementation of recommendations of this project. Creating fiscal space for the required funding is likely to require some degree of fiscal churning—reducing budgetary spending in some areas and increasing it in other high-priority areas. In a recent publication, Davies et al. (2016) have shown how the required fiscal space may be created with certain

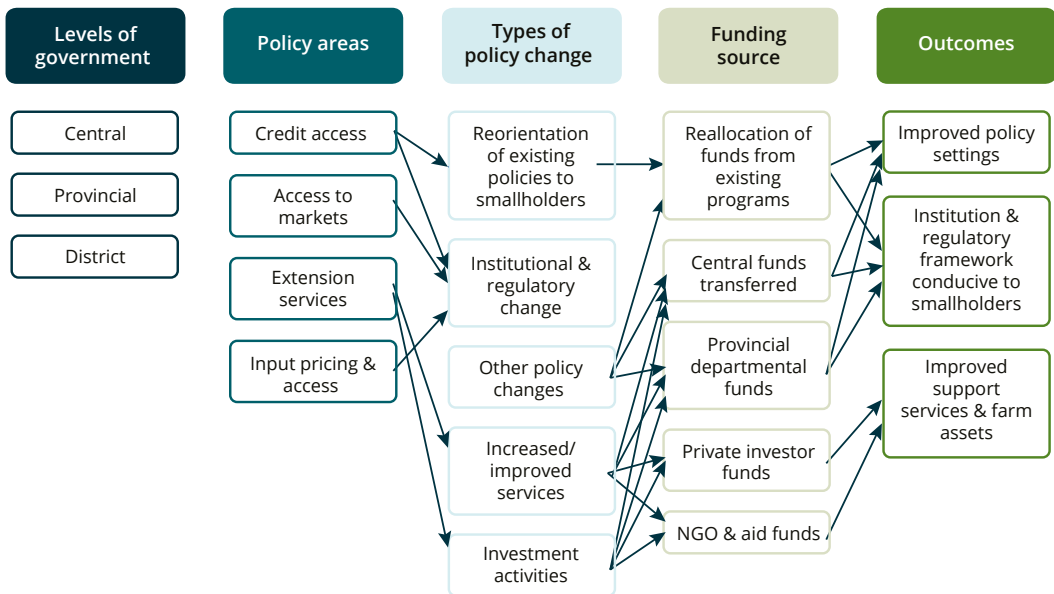


Figure 8.1 Illustrative policy implementation and coordination pathways.

modifications in budgetary expenditures and revenues.

### 8.3.4 Statistics for monitoring and evaluation

A final part of the implementation framework is the statistics. Without statistics, monitoring and evaluation of policies would degenerate to guess work, eventually resulting in loss of confidence in the policies. Statistics that are relevant, reliable and timely will help in monitoring how well the policies have been implemented and their impacts on target groups of population.

Currently, Pakistan's official statistics are a mixed bag—strong in some areas and not so good in others. On smallholder households, available statistics are often outdated or unhelpful for policy analysis.

Against this background, it would be essential to devote considerable attention and resources to improve the coverage, quality, reliability and

timeliness of agricultural statistics, especially on smallholders and women.

## 8.4 Expected benefits

Economic impacts of policies focused on small farmers are likely to be substantial. As noted by Timmer (2005), there is no example of mass poverty reduction in modern history that has succeeded without substantial rises in employment and income on small farms. Research by FAO shows that in South Asia, income multiplier effects of improvements in the subsectors of livestock and dairy, and fruit and vegetables, are substantially higher than in the crop sector. For example, the income multiplier for livestock and dairy was estimated at 4.7, and for fruit and vegetable sector the income multiplier was 4.3, whereas for the crop sector it was 3.6 (FAO 2012).

### 8.4.1 The impact of transforming smallholder agriculture in Pakistan

In Pakistan, as in many other developing countries, smallholder agriculture lies at the heart of the economic and social system. The effective and sustained implementation of a strategy for smallholder agriculture would have four economic effects, as shown in Figure 8.2:

- increased output and productivity (both per unit of land and per unit of labour), with a direct increase in household income from livestock and farming activities
- increased spending by smallholder householders on local goods and services, both to supply expanding business activities (e.g. fodder, seed, equipment) and from higher household incomes (e.g. food, entertainment, education, health and housing)

- increased off-farm surpluses, as an input to local, small-scale manufacturing (such as processing of milk, citrus and mangoes)
- higher levels of off-farm employment for members of smallholder households in both the services and industry sectors, resulting in further increases in household incomes.

Taken together, these processes can create a virtuous circle, in which a series of feedback loops between the various effects drive more rapid growth. For example, if a household generates higher income from higher farm and livestock output and from increased off-farm employment, this will provide it with resources to invest in better inputs, improved methods and new technologies. This additional investment will in turn generate increased income in the core business, further purchases by the business on local goods and services, and increased spending by the household. There are also demonstration effects—as some households move ahead, many others

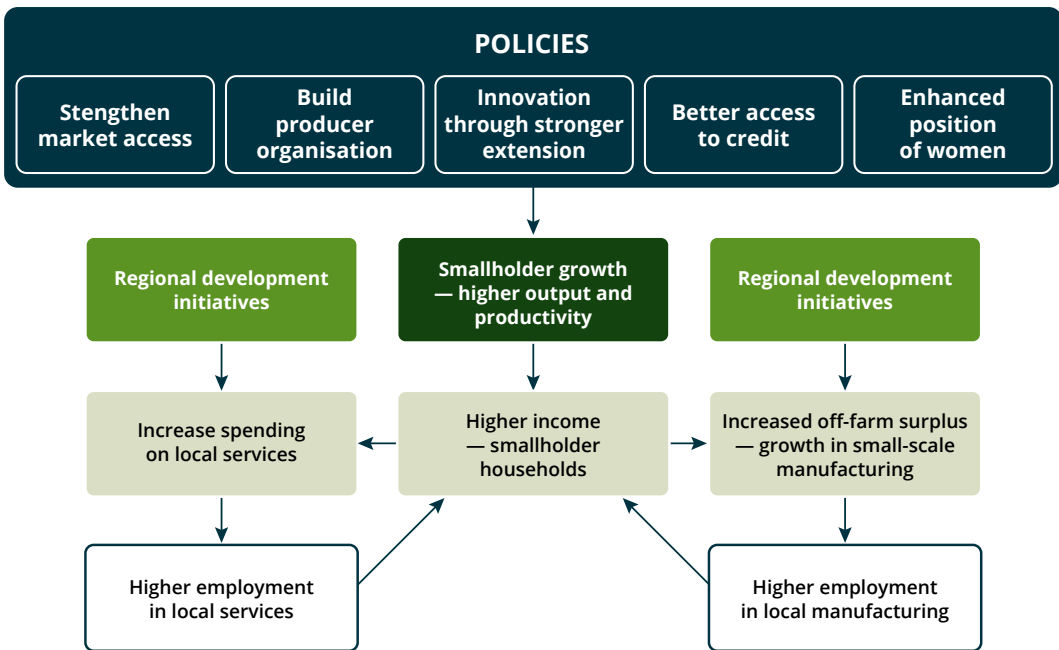


Figure 8.2 Illustrative economic impacts of growth in smallholder incomes.



will be induced to follow a similar path. The social processes put in train by unleashing the power of women to participate more fully in the economic affairs of the household—with more knowledge, respect and confidence—will further stimulate change.

These dynamic processes involving feedback loops have been much studied in economics and related disciplines and underlie the rapid economic growth achieved in some developing countries in recent decades. For the reasons outlined above and throughout this monograph, we believe that Pakistan now has the opportunity to reap the benefits of such processes originating in the smallholder sector.

Such dynamic processes are inherently difficult to quantify, as it is difficult to measure links between firms and sectors, and feedback loops are complex. This is especially in the case for Pakistan's smallholder agricultural sector, where even basic data are very limited. We offer two indications of the potential scale of the impact of change in the smallholder sector.

In economic terms, we can derive an estimate of impact of a given increase in smallholder value added by 2027–28, relative to what would otherwise be the case. We start from an estimate of the share of smallholders in agricultural value added in 2017–18 (60%), and assume that the multiplier relating the increase in agricultural value added to value added in the rest of the economy is 2. That is, that the full downstream effect of increased smallholder spending on industry and services is twice the original value added in agriculture.

On this basis a 25% increase in smallholder value added by 2027–28, relative to what would otherwise be the case, would increase the rate of growth of national GDP over the decade by 0.7 percentage points (e.g. from 5.0% p.a. to 5.7% p.a.). If the increase in shareholder value added induced by the new strategy was as high as 50%, the increase in the rate of growth of GDP would be 1.4 percentage points (e.g. from 5.0% to 6.4%). If the increase were only 15% over 10 years, the increment would be 0.4

percentage points. As there is no difference in the population between the two scenarios being compared here (the unchanged policy case and smallholder strategy case) these increases can also be interpreted as increased growth in per capita GDP. It is worth noting that, over the decade to 2017–18, real per capita GDP in Pakistan increased by 2.0% per annum.

We make no claim to precision in any of these estimates. The point is simply to illustrate that, given Pakistan's current situation, a transformation of smallholder agriculture would have a massive impact on Pakistan's overall economic situation. On the reasonably conservative assumption that the sustained implementation of the policy measures outlined above lead to a 25% increase in value added in smallholder agriculture, the result of these measures alone would be to increase the historical growth of GDP per capita by about one-third.

In social terms, one critical effect of the rejuvenation of smallholder agriculture will be a substantial reduction in poverty in Pakistan. There is an extensive literature showing the special effect of growth in agriculture on reducing poverty (see Ravallion and Chen 2007; Loayza and Raddatz 2010; de Janvry and Sadoulet 2010; Grewal et al. 2012), in part because in developing countries a high proportion of the poor are in rural areas. This will be especially evident for growth in smallholder as opposed to large-scale agriculture. The data in panel (b) of Figure 1.5 indicate that countries that achieved about 2% per annum growth in real agricultural value added per worker over 1990–2010 had a reduction in rural poverty in excess of 2% per annum. By comparison, rural poverty fell by only 0.6% per annum over this period. If Pakistan succeeds in revitalising smallholder agriculture, it can expect to see a rate of reduction in rural poverty in excess of 2% per annum.

The stipulated increase in earned income would occur as a combination of increased

productivity, higher output, higher prices, higher share of market prices, and lower dependence on exploitative middlemen (Figure 8.2). Additionally, direct connectivity with the markets through producer organisations would also restore positive incentives for small farmers to make improvements in the quality and presentation of their produce, further improving the chances of getting higher returns.

Because women play a significant role in smallholder on-farm activities, an increase in on-farm income should raise the position of women within rural households and rural society. Beneficial social impacts, such as better health outcomes and greater social harmony, are also expected to occur because of the eventual reduction in poverty and vulnerability of smallholders, which would lead to more equitable distribution of benefits of economic growth between rural and urban populations of Pakistan.

Additional community-level impacts (economic, social and/or environmental) would emerge over the longer term, as these depend on the political and policy environment in Pakistan, especially in Punjab and Sindh. Improvements in gender equality are very important for Pakistan and empowerment of women needs to be promoted as a priority. Recommendations made in this report should be helpful in this regard. Implementation of these recommendations would also contribute indirectly to better outcomes from several other ASLP-2 projects, because of the improvements in the policy settings in which outputs of these projects are utilised. Finally, by facilitating the achievement of ACIAR's objective of poverty reduction through development, this project would also help to raise the profile and visibility of ACIAR in the international donor community.

## 8.5 Why implement all recommendations as a package

We argue in this section that for maximum impact all recommendations should be implemented as a package. The reason is that relieving only some particular constraints in isolation would yield limited benefits, because the remaining constraints would still hold small farmers back. On the other hand, implementation of a combined package would generate a strong reinforcement effect. Some of our recommendations are aimed at improving smallholders' assets (with credit, for example), capability (with extension services) and productivity (with healthier dairy animals and improved fruit trees). Other recommendations are aimed at strengthening policy support, the regulatory framework (of markets, for example), institutional support (by tapping into potential benefits of smallholder producer organisation, NGOs and rural support programs, for example) and improving strategies (by diversification of livelihoods, buying insurance and joining contract farming, for example). As depicted in Figure 8.3, new policies and institutional support across a broad range lead to higher smallholder output and productivity, which in turn leads to higher smallholders' incomes. When spent on non-farm goods and services, higher incomes of smallholder households would benefit local service providers and provide support for local manufacturing. Simultaneously, risks and vulnerabilities faced by smallholder households would be reduced, as would rural poverty and inequality.

## 8.6 Summary and conclusions

Until recently, agricultural policies in Pakistan remained focused primarily on major crops and most of the benefits of policy support to agriculture accrued to large farmers and industrial enterprises associated with major crops. Diversification of Pakistan's agriculture remained limited.

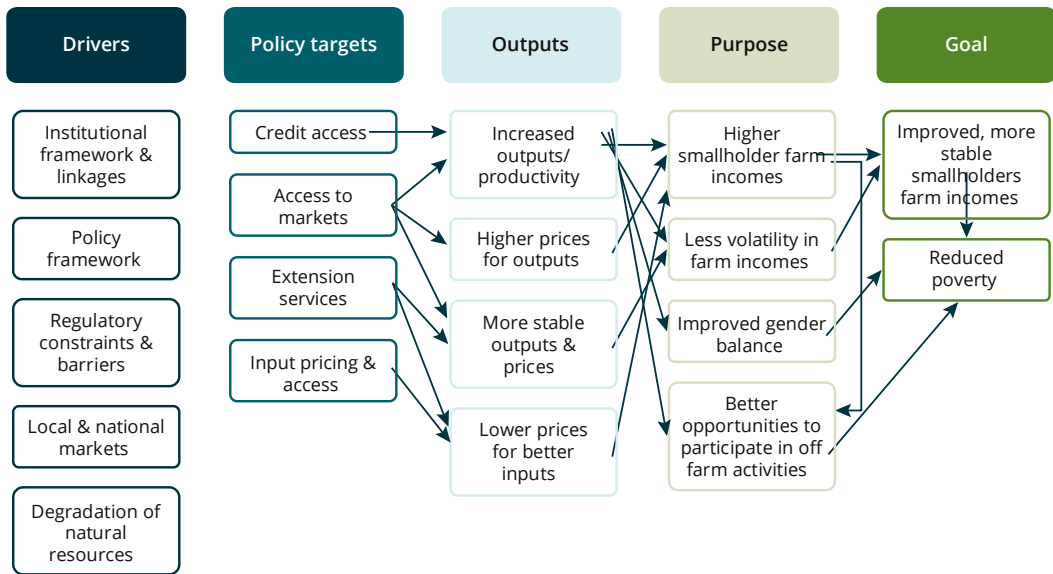


Figure 8.3 Illustrative policy impact pathways.

Now, the need for achieving inclusive growth in Pakistan has become a core national priority. The Pakistan Vision 2025 aims to promote inclusion by raising productivity of small farmers, increasing female participation in the workforce and by ending the discrimination faced by women. When declaring that ‘Pakistan has to achieve inclusive economic growth’, the latest Pakistan Economic Survey 2017–18 (Government of Pakistan 2018) reflected the same national priority.

The policy challenge now is to revitalise smallholder agriculture, in which small farmers currently have little effective voice in governance structures and policymaking. Many policy interventions are needed for improving small farmers’ access to formal credit, extension services, agricultural markets and producer organisations. Enabling policies for these have been recommended in this monograph.

It is encouraging to note that there is a high degree of synergy between our recommendations and the focus of several other major agricultural projects and

policy initiatives of federal and provincial governments in Pakistan. This complementarity suggests that policies recommended in this monograph would also help in achieving the goals of, for example, the Pakistan Vision 2025, the National Food Security Policy, the Punjab Growth Strategy 2018, the Punjab Livestock and Dairy Development Policy 2015 and the Sindh Agricultural Growth Project.

Given the crucial importance of policy implementation, desirable features of effective policy implementation have been discussed in this chapter. The first point to note is that implementation of our recommendations would require active involvement of federal and provincial governments and perhaps also of district authorities. For the success of such a large enterprise, the need for effective coordination and leadership would be paramount—for a number of years, because the tasks under question are not achievable in a single year.

Following the ‘World Development Report 2017’ (World Bank 2017a), in addition to strong leadership and adequate resourcing

of the implementation framework, we have discussed three key drivers of policy effectiveness: commitment, coordination and cooperation. Commitment to a certain policy embodies conviction to its aims and potential benefits. As the recommended policies require involvement of many stakeholders, successful implementation of these policies would also require coordination among all partners. The third driver of effective implementation is cooperation across all stakeholders who must be supportive of the whole enterprise of policy reform. Absence of cooperation would raise issues of disagreement, conflict, opposition, capture and corruption—all of which are sources of inefficiency, exploitation and wastage of resources. It is extremely important, therefore, to build and maintain a cooperative environment of supportive stakeholders. If the above requirements of implementation were met, the expected benefits of the recommended policies would be high.

In economic terms, this means that the full downstream effect of increased smallholder spending on industry and services is twice the original value added in agriculture. On this basis a 25% increase in smallholder value added by 2027–28 would increase the rate of growth of national GDP over the decade by 0.7 percentage points (e.g. from 5.0% p.a. to 5.7% p.a.). If the increase in shareholder value added induced by the new strategy was as high as 50%, the increase in the rate of growth of GDP would be 1.4 percentage points (e.g. from 5.0% to 6.4%). We make no claim to precision in any of these estimates—the point is simply to illustrate that, given Pakistan’s current situation, a transformation of smallholder agriculture would have a massive impact on Pakistan’s overall economic situation.

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