

## **An Analysis of Pakistan's Agriculture Sector Performance Under Autocracy and Democracy During 1999-2016:**

By

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### **Abstract:**

*Since inception, Pakistan's economy has been experiencing two forms of government, namely, autocracy and democracy. These forms of Government have directly and indirectly affected the economy of the country. The need arises to bring to light the effects of the forms of government on economic performance of the country. In this regard, the present study is under taken to analyze the economic performance under autocratic and democratic forms of Government in the leading sector such as, agriculture sector of Pakistan's economy. For the comparative analysis of the data, we have used a framework of descriptive statistic, as well as quantitative techniques like ANOVA and OLS technique. The study results showed that there was no significant difference between regimes economic performance regarding leading sector average shares in GDP and a significant difference identified on average growth rate shares in GDP. The agriculture sector defected more or less the same trend under both the forms of government.*

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**Keywords:** Economic performance, Agriculture sector shares in GDP, Agriculture sector average share in GDP, Agriculture sector average growth rate share in GDP, Autocracy, Democratic government, Etc.

**Introduction:**

**Overview:**

Since inception Pakistan has been characterized as having mainly agrarian economy, underdeveloped with small industrial base, few services a massive lack of infrastructure. In the initial stages of sovereignty, the main concern of Pakistan's officials was one of survival, where Pakistan was in poor international circumstances and a critical domestic condition, with large number of refugees, demanding the basic necessities of life. The economic policies and economic planning in the first decade of the country's independence witnessed the role of bureaucracy to keep the country on its feet. The extremely difficult task for the newly independent country was to develop an economic base through state sector because new emergent private sector due to lack of capital was not in the position to lead industrialization. The seventy - one years since 1947 can be distinguished mainly into two types of regimes; namely autocratic regime and democratic regime. This indicates different macroeconomic policies, planning and management. The foremost decade was the era where the country's economy was trying to settle down.

Pakistan's sovereignty history since its beginning has shown that country has been governed by the two types of rules, like political regimes and autocratic regimes. The transitions of these political regimes have affected the economic performance of the country. About after the completion of first decade of sovereignty, several times Pakistan's political scene has been transited from democratic regime to autocratic regimes till 1999.

Now in this research work by economic performance we mean, to look and analyze the agriculture sector shares in GDP, its average shares in GDP and average growth rate share in GDP. The comparative analysis aims at comparing the economic performance of democracy and autocracy (mainly under military rule). Basically economic performance and development of

each economy get affected from all these economic, social, religious, administrative, and international factors etc. The transitions of the system from democracy to autocracy affect the economic Performance directly and indirectly. In this study we will analyze that which type of government is more development-friendly in case of Pakistan. The world has been experiencing irregular economic growth under democracy and autocracy. Therefore, there is comparatively more ups and down in economic performance of those countries which have faced both regimes. There are numerous studies which have investigated the economic performance of civilian and autocratic type of government in different countries. But the most effective factor for economic performance is democratic and autocratic type of Government. So in this study we will analyze that which system is more development-friendly in case of Pakistan (1999 – 2016). Agriculture sector is a Macroeconomic leading sector which have been playing vital role in the economic development of the country. By reviewing the literature of different economies, the historical background mainly defects that economic performance of democratic and autocratic eras in context of the world, supports different views in this connection. Some are of the view that autocratic form of government favors economic performance while, other school of thought favors the argument that democratic form of government has been more development-friendly. For instance, Umaru (2014) used the different macro-economic variables and found that average GDP is greater in democratic type of government than autocratic type of government. The unemployment, poverty rate and corruption were found higher at the average in democracy than autocracy. But at the average inflation rate was found higher in autocratic type of government than democratic type of government. (Feng 1997; Barro 1990) argued that civilian regimes are superior for economic performance because they allocate resources effectively than autocracy due to their accountability to Electoral College.

**Research Objective:**

The objective of this research work is to build up a statistical framework using descriptive, graphical, inferential statistics and econometric tools for satisfactory outcomes of the study. We will be doing the comparison of economic performance of both eras while using agriculture sector data.

The main objective of the research is:

To analyze the economic performance under autocratic (mainly military rule) and democratic form of Government.

The specific objective of the study is to analyze the agriculture sector of Pakistan's economy during the period of two forms of government in the country.

### **Literature Review:**

In this regard a lot of work has been done to study and evaluate the overall economic performance of the Pakistan's economy via descriptive statistics, but there is no comprehensive research work on regimes economic performance to analyze agriculture sector shares in GDP using inferential statistics and econometric model. The following literature was reviewed in the course of present research.

The present research work's findings<sup>1</sup> regarding economic performance of autocratic and democratic regimes of agriculture sector average growth rate share in GDP and agriculture sector average share in GDP more or less the same when compared with the results of other studies. For example, Ehigiamusoe (2012) examined the agriculture sector under dictatorship and democratic regimes in Nigerian economy. He found that agriculture sector contribution to GDP was higher under dictatorship than democratic eras. Subhani, Lakhiya and Osman (2011) concluded that overall economic performance of Pakistan's economy shows better performance in military regime than civilian regime. Lawal (2011) concluded that GOVT. expenditure on Agriculture sector is not at smooth pattern and the agriculture sector's contribution to the Gross Domestic product is in direct association with the Govt. funds provided to the sector. Ogwuma (1981) argued that Agriculture financing in Nigerian economy illustrates direct association between loanable funds and interest rate on the level of agriculture sector output. Ahmed, Parmar and Yaseen (2014) findings show that many macroeconomic variables were significantly better in civilian governments as compare to dictatorship. But regarding manufacturing

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<sup>1</sup> Check out Findings and results

sector (large scale and small scale) growth rate shows strong evidence that the both regimes group averages are statistically significant. Curle (1964) argues that trend for better grades of economic growth is related to competitive techniques of Govt. the form of government does not matter.

### **Research Methodology:**

#### **Description of Data:**

The Research methodology adopted for the present research is mainly descriptive in nature. However quantitative techniques we have applied where appropriate. In present study the data of agriculture sector share in GDP & all time growth rate share in GDP have been used for the comparative economic performance analysis mainly based on secondary data. This data is further classified into democratic and autocratic eras. This have been taken for the period (1999 - 2016).

#### **Econometric Model and Econometrical Test:**

To do the comparison between autocratic and democratic eras in association with economic performance of the economy of Pakistan, the econometrical tools are used, while T-test is used for investigating the econometrical model.

The mean of agriculture sector share in GDP under autocratic era  $\neq$  the mean of agriculture sector share in GDP under democratic era. (Equation 1)

The mean of all time growth rate of Agriculture sector share in GDP under autocratic era  $\neq$  the mean of all time growth rate of Agriculture sector share in GDP under democratic era. (Equation 2)

#### **Findings and Results:**

The primary focus of this research paper is to examine economic performance of Pakistan's economy by pondering over main economical player through autocratic and democratic eras. The table 1 is the summery of the investigation, which includes that Agriculture sector average share in GDP (24.37 autocratic > 21.13 democratic at p 0.000). This result predicts that null hypothesis is statistically significant at 1 percent level of

significance. While the table 2 shows that agriculture sector all time growth rate share in GDP (-2.63 autocratic < -1.97 democratic at p 0.362) indicates that agriculture sector economic performance is significantly not different between autocratic and democratic regimes.

**Table No.1**

Sector	Average share in GDP <sup>1</sup>		Difference	P-value
	Autocratic regime	Democratic regime		
Agriculture sector	24.37	21.13	3.24***	0.000

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<sup>1</sup> (at constant basic prices) %

**Table No.2**

Sector	All time growth rate share in GDP <sup>1</sup>		Difference	Average values of all time growth rate share in GDP		Difference	P - value
	Autocratic regime	Democratic regime		Autocratic Regime	Democratic Regime		
Agriculture sector	-19.239	-14.767	-4.472	-2.63	-1.97	-0.65	0.362

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<sup>1</sup> (At constant basic prices) %

### **Conclusion & Discussion:**

This research was a challenge to assess either the democratic eras or military era economically performed well in Pakistan. We considered the agriculture sector to analyze economic performance between military and democratic regimes. The structure of the data was time series and has been taken for 18 years, 1999 – 2016 and then divided into two groups like military regime 1999 – 2007 and democratic regimes 2008 – 2016. We mainly used descriptive statistics and dummy technique to check the difference of agriculture sector average share in GDP and agriculture sector average growth rate shares in GDP between regimes; to get statistically satisfactory outcome regarding regimes economic performance. Either there is any difference between regimes economic performance or not. Firstly, our result regarding average share in GDP of agriculture sector shows that difference exists between regimes economic performance. Agriculture sector average share in GDP's statistical result was significant therefore we rejected the null hypothesis i.e. that our Null hypothesis was showing that the mean of agriculture sector shares in GDP under military regime equals to the mean of agriculture sector shares in GDP under democratic regime. Secondly, the findings regarding agriculture sector average growth rate share in GDP shows that there is no difference between regimes economic performance. Where agriculture sector null hypotheses regarding average growth rate share in GDP was not statistically significant. Our main finding is based on agriculture average growth rate share in GDP. Therefore, we say that the military regime 1999 – 2007 economic performance has not considerably better than the democratic regimes 2008 – 2016.



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