

Policy Interventions in Olive Sector Development Approach in Punjab

MS Public Policy



**SCHOOL OF GOVERNANCE & SOCIETY
UNIVERSITY OF MANAGEMENT AND TECHNOLOGY**

**Imran Masood Chaudhry
15005123004**

Prof. Rahat ul Ain, Research Advisor

Date:

Signature:

PREFACE

The underlying argument that develops the premise for this research study is that ‘Olive’ is a sector with great potential for attributing to the socio-economic uplift and employment generation in rural economies of the marginalized areas on one end, while its critical ability to replace some volumes of the imported oil and dent the towering edible oil import bill to some extent, on the other. The sector has recently received government’s renewed attention and through this research study, an attempt has been made to investigate Government of Pakistan’s ‘Sector Development Approach’ in the Potohar Region, which has recently been declared as the ‘Olive Valley’ of the country. Are the policies planned, developed and ‘ve been implemented to give the sector an enabling environment to grow, in line with the global best practices, or is just another repackaging of ‘one size fit all’ policy approach, which impeded the growth prospective of many sectors to the lowest levels?

This study will investigate the impact of public sector’s development interventions in the olive sector, through evaluating its current policies and collecting stakeholder’s opinion about development of olive sector in the Potohar region.

Focus Group Discussions and Interviews will be conducted with stakeholders including the public-sector policy makers, private sector entrepreneurs, small farmers, representatives of the academia and research institutions and other relevant player of the olive value chain, to analyze the impact of current policy regime on the sector development. It would lead us to the main findings of the thesis i.e., highlighting policy interventions for sector development and their impact in olive sector of Punjab and will conclude on set of recommendations to harness true and full socio-economic potential of the olive sector in Pakistan.

Literature review revealed that the lack of effective regulatory framework, ineffective institutional structure to enforce and monitor regulations and standards, conventional mindset of private sector to operate businesses, unawareness of farmers about good agriculture practices, and poor capacity of officials working in the public sector are some of the major causes which delayed the development paradigm of agriculture sector in the country (Malik et al, 2016). It is easily understandable that largely fragmented nature of the olive farming could have magnified all these factors in the sector under observation, and may have defy the impact, government would like to create through its interventions. That's what needs to be explored.

DEDICATION

I am dedicating this thesis to my faculty at University of Management and Technology (UMT), Lahore who remain beacon of knowledge and guidance in endeavors to obtain MS Public Policy degree. I am grateful to my supervisor Mr. Rahat Ul Ain and Mr. Muhammad Feyyaz, for their fortitude and continuous guidance for the study.

I also owe a lot to my family for their patience and support throughout the MS program studies.

Table of Contents

CHAPTER 1: INTRODUCTION	1
1.1. Agriculture Sector of Pakistan	1
1.1.1. Sector Development Approach	9
1.1.2. Roles of Policies in Sector Development	11
1.2. Statement of the Problem	12
1.2.1. Research Questions	13
1.2.2. Research Objective	13
1.3. Significance and Scope of the Research.....	13
CHAPTER II: LITRATURE REVIEW	17
2.1. Sector Development Approach	17
2.2. Olive Sector Development Outlook	19
2.3. Agriculture Economy of Pakistan	22
2.2. Oilseed in Pakistan	27
2.5. Agriculture Economy of Punjab.....	29
2.6. Olive Sector	30
2.7. International Olive Sector – An Overview	30
2.8. Olive Sector of Pakistan	32
2.9. Olive Sector of Punjab	33
2.10. The Importance of Olive Sector in Punjab	35
2.10.1. Economic and Financial Benefits	36
2.10.2. Social Benefits	37
2.10.3. Employment Benefits	37
2.10.4. Environmental Benefits	38
2.10.5. Nutritional, Wellbeing and Health Benefits.....	40
2.10.6. Demand and Supply Analysis.....	42
2.11. Review of Current Policy Interventions in Olive Sector Development of Punjab	45
CHAPTER III: RESEARCH METHODOLOGY	52
3.1. Research Questions	52
3.2. Research Methodology	52
3.3. Type of Research.....	53
3.5. Research Approach.....	55
3.5. Research Strategy	56
3.6. Time Horizon	56
3.7. Area of Research Study	56
3.8. Population and Sample	56
3.9. Unit of Analysis.....	57
3.10. Data Collection.....	60

3.11. Criteria for Interpreting Findings 61
 3.11.1. Analytical Procedures/Methods of Data Analysis 61
 3.11.2. Ethical Considerations 61
CHAPTER IV: ANALYSIS AND FINDINGS 62
 4.1. Analysis 62
 4.2. Findings 72
CHAPTER V: CONCLUSION AND RECOMMENDATIONS 77
 5.1. Conclusion 77
 5.2. Recommendations: 81
CHAPTER VI: REFERANCES 90

LIST OF FIGUERS

Figure 1: Key Actors of the Olive Sector Development	19
Figure 2: Public Sector Expenditures on Agriculture as share of total Development Expenditure	25
Figure 3: Agriculture Investment Portfolio 2016-17 – Rs 150 Billion	26
Figure 4: Agriculture R&D Spending – Regional Comparison - Over the Years.....	26
Figure 5: Olive Sector Value Chain.....	36
Figure 6: Pakistan Map – Potohar Region Environmental Map	40
Figure 7: Map of Punjab Districts.....	45
Figure 8: Project Map of Prevailing Policies for Developing Olive Sector.....	62
Figure 9: Project Map of Policy Gaps impeding Olive sector growth.....	65
Figure 10: Project Map of Findings	72
Figure 11: Policy and Strategic Planning System in Punjab.....	77

LIST OF TABLES

Table 1: Area and Production of Oilseed Crop in Pakistan	28
Table 2: World Olive Production.....	32
Table 3: Olive Oil, Virgin Import (Kgs) – Pakistan	42
Table 4: Olive Potential of Potohar compared with leading olive producing countries	44
Table 5: List of Interviewees	57
Table 6: List of FGD Participants.....	58
Table 7: ADP Budgets for Olive Sector – Potohar Region.....	78

CHAPTER 1: INTRODUCTION

1.1. Agriculture Sector of Pakistan

Pakistan is predominantly an agricultural economy. Despite the structural transformation of the economy which has reduced its contribution in GDP to around 20 percent; estimated 44 percent of the workforce is directly reliant on agriculture as is the bulk of the country's manufacturing and trade (Economic Survey of Pakistan, Government of Pakistan, 2014). The importance of agriculture and its contribution to the national economy is further magnified when considering downstream and upstream activities in its value chains including farm inputs, processing, value addition, transportation and marketing etc. Nearly 61 percent of the country's population resides in rural areas, and is directly or indirectly linked to the agriculture sector for their livelihood (World Bank Data, 2016). Unlike India, land reforms had been limited in Pakistan (Malik et al, 2016). There are a large number of landless share-croppers and agricultural laborers. Agriculture also contributes to economic growth as a supplier of raw materials to industry, as a market for industrial products, and is the largest source of foreign exchange earnings for the country - when textiles (cotton) are included.

Pakistan does not possess a formalized agricultural policy for the country and mostly lives through ad-hoc policy interventions. Mostly, these 'agriculture policy attempts' can be characterized as 'intervention' for political reasons, and not for the sustainable growth under any comprehensive sector development approach. About two-thirds of Pakistan's more than 200 million population lives in rural areas and dependent on agriculture for their livelihood and food security. Although most of Pakistani politicians and legislators are from rural backgrounds, but these leaders, along with the powerful agriculture based industry groups from textile and sugar