

# **Challenges of Economic Growth, Inequality and Conflict in South Asia**

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# Challenges of Economic Growth, Inequality and Conflict in South Asia

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**CHALLENGES OF ECONOMIC GROWTH, INEQUALITY AND CONFLICT  
IN SOUTH ASIA**

**Proceedings of the 4th International Conference on South Asia**

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# Contents

<i>Foreword</i>	vii
<i>Preface</i>	xvii
<i>About 'The International Conference on South Asia'</i>	xxiii
<i>About the Contributors</i>	xxv
<i>About the Editor</i>	xxxi
<i>About the Institute of South Asian Studies</i>	xxxiii
<i>List of Tables and Figures</i>	xxxv
Chapter 1 <i>Bal Howa Bandhan Kate...</i> India and Its Neighbours <i>Arun Shourie</i>	1
Chapter 2 South Asia: Economic Outlook in the Next Few Decades <i>Shahid Javed Burki</i>	23
Chapter 3 Integrating with the World: South Asia Rising — Enhancing Trade and Investment <i>Saman Kelegama</i>	35
Chapter 4 Reducing Poverty: How Much? How Soon? <i>Praful Patel</i>	51
Chapter 5 Managing Inflation: Key to South Asia's Economic Progress <i>Salehuddin Ahmed</i>	71

Chapter 6	‘Going Places’? Emerging Issues on the Diaspora and Indian International Economic Activity <i>Peter Reeves</i>	93
Chapter 7	India’s Soft Power and Cultural Influence <i>Bibek Debroy</i>	107
Chapter 8	Infrastructure Challenges in South Asia <i>Stephen Jones and Ramlatu Attah</i>	127

## *Foreword*

# India's Challenge of Achieving Growth with Equity<sup>1</sup>

*Tharman Shanmugaratnam*

**Minister for Finance, Singapore**

All of us have a stake in India's ascendance. As the Prime Minister of India, Dr Manmohan Singh, said in an interview with the Hindustan Times on 21 November 2008, "The Indian experiment is not just India's ambition of the 21st Century, it is the global ambition". The world has a profound stake in both India and China's ascendance — in their ability to reform, grow and transform the lives of their populations.

Before I go on, let me say that I am no scholar of India. My comments are merely those of an interested observer from a country that wants to see India succeed and grow its presence in the world economy.

### **Three Major Positives**

Let me start with the positives in India's recent experience, which give confidence in its future, before talking about the challenges that will have to be addressed.

The first major positive is that globalisation is working for India. The reforms that began in 1991 are basically working for India, regardless of which government has been in office. Everyone knows about the

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<sup>1</sup> This is an edited transcript of the keynote address by Minister Tharman Shanmugaratnam, at the Fourth International Conference on South Asia, 24 November 2008.

remarkable growth of the information technology (IT) services industry. India has also seen, more generally, the creation of a confident middle-class that is engaged in one way or another in its interface with the global economy.

Globalisation is a large part of the explanation for the new growth trajectory that India is on. There will be occasional disruptions due to global crises or domestic events. However, it is fundamentally a different growth trajectory resulting from reforms to the Indian economy that have enhanced the benefits that can be reaped from globalisation, in goods and services and investments.

The two way flow of foreign direct investment (FDI) is an indication of this evolving process. What began with trade, especially in services and manufacturing, is now increasingly evident in the flow of FDI into and out of India. Last year, FDI into India was US\$35 billion and FDI from India to rest of the world was US\$19 billion. While these figures are still considered low, they are growing at an exponential rate. It reflects the mutual interest of both Indian and foreign firms in India's engagement in the global economy.

The second positive is the way domestic demand is spurring India's growing interface with the global economy. Even visiting India today, in the midst of a global crisis, what strikes one is the tremendous local appetite for things new. The growth of middle-class demand for better and more sophisticated goods and services is a powerful secular trend, the economic cycle notwithstanding. Healthcare illustrates this well. The growth in demand for quality healthcare in India over the next five years alone will be the largest seen in any country in the world over any five-year period in history. By 2011, it would need a doubling in the number of hospital beds compared to the current situation. Private enterprises are in the lead in this sector, with the setting up of hospitals and specialist enterprises which are no different in manpower quality from many of the best hospitals in more developed societies.

A third major positive is the shift in policy-making that has taken place over the years from one that is based on belief or economic ideology, to the one that is essentially driven by pragmatism. It is a fundamental shift in policy paradigm, towards seeking the best ways to utilise the energies of private businesses for the benefit of the country. That



shift is intact regardless of who takes power in India. The businessmen see no fundamental differences in the economic approaches of the two major alliances — led by the Congress Party and the Bharatiya Janata Party. Both these major actors are fundamentally concerned with sustaining the momentum of economic growth and of eradicating poverty.

Underpinning these positives is a change in psychology, a certain confidence that India is now onto a very different dynamic trajectory. The 'Hindu rate of growth' is a vestige of the past. India knows it can now do what others in East Asia have done, that it will often do it in its own way with the same outcomes, and that it can sometimes do better. This confidence permeates society. It gives hope to new entrepreneurs who know that, despite the thicket of regulations they have to contend with, there will be a way forward. It gives hope even to the lower middle classes who now aspire to move up. This confidence is now a major asset for India.

## **No Inherent Trade-off between Growth and Equity**

The deepest challenge for India and South Asia, as suggested by the theme of the conference, is that of continuing large inequality and the prevalence of poverty. As Indian Minister P. Chidambaram observed recently in the Field Marshal K.M. Cariappa Memorial Lecture, despite 18 years of reforms that began in 1991, the benefits of high growth have not trickled down to society. There have been improvements in agriculture and areas such as infant and maternal mortality, education and sanitation. But these improvements have been very slow, compared to India's overall rate of economic growth.

To a large extent, the same can be said about the rest of South Asia. If you look at the bottom 20 to 30 per cent of South Asia; and particularly the bottom 20 to 30 per cent of the rural population in the region, you see a sad picture of destitution and neglect.

There is, I believe, no inherent trade-off between achieving growth and equity. There will always be tensions between growth and equity in the short term. Fundamentally, however, the factors that constrain future growth in India are the same factors which constrain the eradication of poverty. Allow me to elaborate.

The broadest challenge that India faces in the coming decades is that of managing and encouraging the flow of people from low-productivity agricultural activities towards high-productivity urban economic activities, while, at the same time, raising the productivity of agriculture. It is the same big challenge which faced the Western societies and East Asia at corresponding times in their histories. We know that the remarkable economic advancement of Europe in modern times owed itself largely to the huge shift of people out of low-productivity rural livelihoods. In the United Kingdom, the Enclosure Acts of the 19th and 20th centuries, played a major role in industrialisation. Likewise the transformations seen in the post-war period in Japan, South Korea and Taiwan, and now taking place in China.

In growth accounting terms, by far, the most significant source of China's growth in the last two decades has been the shift of people from low-productivity rural activity, first to township and village enterprises and then to the whole range of urban activities with higher productivity on average than where they came from. The economists refer to this as enabling growth in 'total factor productivity'.

### *Raising rural productivity*

It is in this transition from rural to higher-productivity urban activity that we see the most visible gap between India and China. In China, 47 per cent of the people now live in the cities, in India, about 22 per cent. Put another way, 78 per cent of the population in India lives in the rural sector, contributing to 60 per cent of the workforce, but only generating 20 per cent of the GDP. That illustrates the gulf in productivity levels of agriculture compared to the range of activities in the cities and towns.

Equally stark are comparisons of agricultural productivity itself. Yields in India have remained low and in the case of several crops, they are even declining. Take rice, for instance. India has roughly the same amount of arable land as China. In the best year, India produces 97 million tonnes of rice compared to about 130 million tonnes in China. That amounts to about a 30 per cent gap in agricultural productivity.

We know the causes — low public investment in irrigation, watershed management, inappropriate pesticides. There is generally low investment in India's rural sector. There are also endemic features of land ownership, particularly, land ceilings, preventing the growth of agriculture based on larger plots and larger scale. China has dealt with these issues in an interesting way. It retains the system of land ownership which assures farmers of their ownership rights. However, through rentals and other commercial means, it has been able to grow larger scale agriculture. In European and American economic history, large-scale agriculture came about through traditional capitalistic development.

### *Manufacturing is critical*

A related angle to this problem for India has been the relatively limited absorption of labour into manufacturing. For labour to shift from low-productivity agriculture activity to high-productivity activity in the cities, we need growth in manufacturing. It employs the masses, and helps them develop skills. That is in fact the other big story in East Asia, how the engagement in manufacturing has led to a constant movement up in skills — of everyone, from the junior craftsman and the technician to the engineer and the research scientist. Engagement in a competitive global market has meant constant development of skills and productivity.

Manufacturing is critical for India's future. And we know from India's leading manufacturing companies that there is no lack of technological and organisational capability. Several of them are now a force in global markets. However, their spread in the Indian economy is limited, and the sector as a whole is not providing enough jobs. Further, the transition from heavy industry-oriented import-substituting industry towards labour-intensive, export-oriented manufacturing is a job only half done.

Here again, the problems are well told — excessive regulation, unions still caught in the mindset of a traditional protective economy and taxes that are extraordinarily high for a regular business corporation.

The services sector will not solve this problem. India's services make for international magazine stories on the country's ascendance. But as the World Bank calls it, Indian services are the camels in the infrastructural desert. They are also camels in a landscape where there are regulations at every turn — India's service exports have relied on the ingenuity of groups of individuals who were able to escape the bureaucratic maze. The basic point remains however that the number of people engaged in export-oriented services in India is extremely small. The IT services sector employs perhaps two to three per cent of graduates. It is not going to provide large-scale employment to educated people, let alone the less educated.

Raising agricultural productivity and moving more forcefully towards absorbing labour into factory employment, raising skills and competing internationally in manufacturing, must be the key strategies going forward, for both growth and the eradication of poverty.

### *Solutions that serve both growth and equity*

What are the solutions, the ways to get there? I will highlight just two basic solutions, both well-known. The first is plugging major gaps in infrastructure. This is probably China's core competence and India's core incompetence — transport, power and water. With regard to water, in particular, states within India protect their own interests in ways that prevent efficient national solutions.

Investments in infrastructure will help solve problems of both growth and equity. The development of roads and electrification in rural areas will improve the lives of rural people. A proper infrastructure for manufacturing will enable the spread of jobs with better incomes and the prospect of moving up the skills ladder.

The second major solution lies in investments in social capital, in particular, education. Here too, there is a big gap between India and China. Even today, over half a century after independence and almost two decades after the economic reforms began, less than 60 per cent of Indian children in each age group complete primary school. Fewer still complete secondary school and a far smaller number go on to some form of post-secondary education.

In India, as it is across South Asia, there is a lack of safe drinking water, sanitation, basic health and education. And this too is not just an issue of social equity or of providing an opportunity for a decent life for the majority of the people. It is also an economic growth issue, because education, basic healthcare and sanitation are also the foundations for a fit and literate population that can spur growth, especially in manufacturing.

### *Leveraging on private sector capabilities*

However, the Indian public sector, unlike say China's, is fiscally challenged. Both in terms of resources and methods, it is not well-equipped to sort out the challenges of infrastructure and social capital. However, investments in infrastructure, education and basic healthcare in India can benefit from partnership between the public and private sectors. One of the great strengths India has is in its highly competent private sector enterprises, who are now able to play a role in resolving infrastructural blockages as investments in rural social capital. The 11th Plan identifies the need to tap on private sector to set up technical colleges, for example.

There are also a whole range of social initiatives that are taking place not so much through government programmes, as through the energy of the Indian private sector and application of its best practices. For example, companies are using the IT services that they use in their corporate business to deliver basic healthcare — so that specialists in the cities or even abroad in places like the US, can link up with trained persons based in the villages to deliver health services to rural folks. So there are strengths in India that can be leveraged on and India's way forward will be unique private-public partnership.

### **Appreciating India's Unique Historical Challenge**

Any discussion of the challenges India faces must, however, recognise that India is attempting something that is unique in historical terms, which is to make the transition to industrialisation within an established democratic order. The United Kingdom made the transition,

creating a large group of landless peasants and engaging them in what were initially low-wage industrial activities, before it introduced universal suffrage. China, where the other continental-scale transition to industrialisation and a liberal market order is taking place, is doing so without an electoral democracy.

What India is attempting is unique, and made more complex by a highly diverse society — far more diverse than Europe ever was, and certainly a far more ethnically differentiated society than China. One must admire what India has achieved in this context.

For some reason in India, since the early 1990s, the lower the caste, income and education of the person, the more likely it is that he will vote. In fact, the United Progressive Alliance government counts on the lower social economic groups as its most important constituency. It is an inversion of what happened in the West, where initially only the educated class was allowed to vote, and subsequently even with everyone having the right to vote, it is the better educated that tend to decide the outcome.

The key task for any political system is to be able to find the right trade-off between each group's interests and the shared interests of the whole, and the right trade-off between immediate gains and long-term prosperity. Observers in India have commented that the process of getting elected in India in the unique circumstances described above, has reduced the ability to make those choices and trade-offs in favour of the shared interests on the whole, and in favour of the longer-term investments and capabilities required for prosperity. Politics has been increasingly short-term, religion-based and caste-based in recent decades.

It does not appear that caste-based society itself is being reinforced. Some scholars, in fact, expect a continuing, albeit gradual, erosion of the caste system as people drift to the cities, especially to the factory floor, where everyone is equal on the production line regardless of social background or what caste they belong to. There is a gradual erosion of the caste-based society through migration.

However, in politics, caste-based affiliations have if anything been ascendant, and are much more present now than at the time of Independence. As Edward Luce, a journalist of the *Financial Times*,

observed, "in India you do not cast your vote, but vote your caste," a pity phrase, but not a gross distortion of reality in certain Indian states.

Caste appears to be finding new expression in India because of competition within a meritocratic setting — in education and the job market. Competition for limited opportunities has led to those who fail to get on to the merit list feeling or claiming that they have been discriminated on the basis of caste. We have therefore seen a widening of the definition of caste in politics. A competitive job market and education system with limited opportunities is sustaining caste-based politics even as the underlying social forces are eroding the caste-based social order.

## Conclusion

The world has a deep interest in India's continued growth. We know too that it cannot be sustained at the high levels seen in recent years without more concerted effort and progress in reducing poverty and wide inequalities in opportunity.

I believe we can be hopeful. If India addresses the basics — invests in the infrastructure needed to improve rural livelihoods and support the shift of people to towns and factory employment; and provides opportunities for the majority of its population of young people to stay through secondary school and obtain a post-secondary education education, we can be hopeful of its ability to sustain a growth trajectory of seven to eight per cent per year and achieve the trickle-down to society that has so far evaded it.

However, India's inability to make better progress in expanding opportunities and reducing poverty and, hence, in sustaining rapid economic growth, will ultimately depend on whether it can roll back the trend of its politics becoming more short-term, more religion-based and more caste-based.

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# Preface

It is well recognised that, while the advent of globalisation has ushered in a new era of economic growth and development in South Asia, the region remains mired in highly uneven and polarised growth patterns. The resultant increase in inequality generates its own problems and, in some cases, has contributed to social unrest, leading to tensions and conflicts. The global economic crisis may have caused further stress to this deep-seated economic malaise. With the onset of the crisis, most countries in the region have shown acute signs of vulnerability as they experience sharp decelerations in their export growth, following declining demands for their products from the West. This has led to a major slowdown in their industrial production, resulting in severe job losses which have significantly affected the vulnerable sections of their societies. Faced with such severe challenges, there is a growing need for South Asian policy makers to work out a clear roadmap for the future of the region — one that will enable them to sustain their economic growth momentum by addressing the diverse challenges they face.

This volume of conference papers extensively deals with these key issues and challenges facing South Asia today. The papers were written in conjunction with the Fourth International Conference on South Asia held in Singapore on 24 November 2008, focusing on the theme of ‘Challenges of Economic Growth, Inequality and Conflict in South Asia’. These papers provide fresh insights into and analyses of the evolving economic, political and social landscapes of South Asia, focusing on both recent developments within the region and on the region’s relations with the rest of Asia and the world at large.

The keynote address for the conference was delivered by Mr Tharman Shanmugaratnam, Singapore’s Minister for Finance.

In his address, Shanmugaratnam focused on India's ascendancy as a regional and global economic power, largely due to its economic reforms. He underscored the importance of equitable economic growth for India, emphasising that there is no inherent trade-off between economic growth and equity. According to Shanmugaratnam, investments in infrastructure will contribute to the bridging of growth and equity.

In Chapter 1 of this volume, Arun Shourie discusses the complexity of the socio-economic and political issues shrouding India arising out of having a troubled neighbourhood. He highlights that the major factors originating from across the region that are likely to impact India in a significant way include the skewed patterns of development, evolving demography, adversarial view of India by a few countries and the deterioration of governance across the region in general, adding that India will have to pay much more attention and devote greater resources to its neighbours than it has done in the last 20 years. While acknowledging that India's immediate neighbours present many opportunities as well as challenges, he argues that in order to address these problems, India must, among other things, deepen its relations with countries beyond the South Asian region, extending them to Southeast Asia and Central Asia. Shourie maintains that India's most formidable challenge will be to tackle and compete with China in the long run, apart from dealing with its South Asian neighbours.

In Chapter 2, Shahid Javed Burki analyses the economic outlook for South Asia for the next two decades. While highlighting the growing consensus amongst economists about the shifting centre of gravity of the global economy towards the emerging world, he questions whether South Asia, as a region, can be included as part of this anticipated global shift. He argues that while it may be legitimate to count the countries of South Asia among the emerging markets, they still lag considerably behind the rest of the emerging world which is made up of the countries in East Asia, Latin America, North Africa, and South and Central Europe. He also emphasises that the heterogeneous growth patterns visible in different countries in South Asia are primarily due to their inherent structural problems, and corrective measures to address these structural problems are prerequisites for the region

to move to higher growth trajectories. Burki adds that what happens to the economies of South Asia in future will depend more on domestic public policies that the countries adopt.

Saman Kelegama takes a closer look at the growing global trade and investment linkages in the South Asian region and some of the broad contours surrounding this pattern of growth in Chapter 3. He highlights the areas that have contributed to the overall rise of South Asia and discusses the possible ways to sustain this process over the long run. The central message he tries to convey from his analysis is that there is an urgent need for regional economic integration within South Asia and that a number of opportunities which can provide a 'win-win' outcome for all the countries at the individual level remain unexploited.

In Chapter 4, Praful C. Patel deals with the crucial issue of poverty that South Asia has been grappling with for decades. He provides an in-depth analysis of the journey that the South Asian countries have traversed in dealing with poverty since the time of their independence. He highlights the critical priorities that will have to be adopted to reduce the levels of poverty in the region, namely, accelerated and sustained high economic growth rates; faster and greater progress in human development; and inclusive development. Patel adds that the key obstacles to ending poverty — inequality, inadequate infrastructure, lagging human development and weak governance — are man-made and, hence, can be dismantled the same way they were erected.

Salehuddin Ahmed presents a succinct analysis of the problem of inflation in South Asia in Chapter 5. He examines the present trends of inflation and growth in the South Asian countries and suggests policy options to manage inflation at reasonable levels. While acknowledging that moderating inflation and raising economic growth at the same time in South Asia will require painful trade-offs, he stresses the need for coordinated monetary and fiscal measures to contain inflation and achieve higher growth for which it will also be desirable to firmly anchor inflation expectations pre-emptively and decisively.

In Chapter 6, Peter Reeves discusses the role of the Indian diaspora and its economic activities. He focuses on the way Indian entrepreneurs

have used ‘acquisition and merger’ activities to establish their industrial presence in this region in the context of international policy changes. He also discusses India’s reassessment of the role of diasporic or non-resident Indian entrepreneurs after the economic ‘reforms’ of the early 1990s.

In Chapter 7, Bibek Debroy highlights the influence of India’s soft power and its cultural influence on the world. While showing that the post-1991 economic reforms and the country’s growing economic clout de-linked Indian soft power from its historical religious overtones, he argues that, consequent to India’s liberalisation programme, there has been a visible increase in India’s soft power influence. Debroy states that ‘a country’s soft power rests upon the attractiveness of its culture, the appeal of its domestic political and social values, and the style and substance of its foreign policies’, and adds that India has to deal with its problem of an overly-bureaucratised government for its soft power influence to be possibly more effective in future.

Stephen Jones and Ramlatu Attah review the key challenges for developing infrastructure policies in South Asia in the final chapter. They set out a characterisation of the main features of infrastructure that make its provision by either the private or public sector problematic as well as the routes by which infrastructure impacts economic growth, and the main lessons from recent international experience. They note that, according to available evidence, South Asia trails many other parts of the developing world in important aspects of infrastructure access (notably in relation to the power sector), while plausible estimates suggest that investment in infrastructure in the region needs to increase by approximately threefold to sustain recent economic growth rates. Jones and Attah add that the international financial crisis will make the task of raising international capital for infrastructure projects more difficult, but it may create additional incentives for policy and financial sector reforms to encourage more domestic financing.

The papers presented at the Institute of South Asian Studies’ Fourth International Conference on South Asia address some of the most pressing economic and developmental issues facing South Asia.

I am confident that this volume of papers will strengthen the existing body of work available on a theme that has not only aroused the interests of many, but has also tremendous economic and strategic significance.

Professor Tan Tai Yong  
Director  
Institute of South Asian Studies

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## About 'The International Conference on South Asia'

The International Conference on South Asia brings together academic specialists as well as leaders in the world of affairs to provide fresh insights into and analyses of the evolving economic, political and social landscapes of South Asia. It focuses on both recent developments within the region and also on the region's relations with the rest of Asia and the world at large.

Launched in 2005, the conference is the flagship event of the Institute of South Asian Studies. It was prompted by the need to understand South Asia from a variety of perspectives and to examine avenues for greater cooperation and collaboration throughout Asia and especially among South Asian neighbours.

The present volume is the fourth in a series devoted to publishing the proceedings of this annual event. Given the growing political and economic weight of South Asia in the world, the analyses and deliberations contained in this series deserve to be aired across a wide audience within and outside South Asia.

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## About the Contributors

**Tharman Shanmugaratnam** is the Minister for Finance in Singapore. He has served in various positions in the economic and education ministries since his entry into politics in 2001, including five years as Minister for Education between August 2003 and March 2008. He was appointed Minister for Finance in December 2007.

Tharman spent much of his earlier professional life at the Monetary Authority of Singapore, Singapore's central bank and integrated financial regulator, where he was chief executive before he entered politics in October 2001.

He is currently also Deputy Chairman of the National Research Foundation and serves on the boards of the Government of Singapore Investment Corporation and the MAS. He is in addition Chairman of the Ong Teng Cheong Institute of Labour Studies, and Chairman of the Council of Advisors of the Singapore Industrial and Services Employees Union.

Tharman is Chairman of the Board of Trustees of the Singapore Indian Development Association, which seeks to uplift educational aspirations and strengthen resilience in the local Indian community.

Tharman obtained undergraduate and masters degrees in Economics from the London School of Economics and Cambridge University. He later obtained a masters degree in Public Administration at Harvard University, where he received the Lucius N Littauer Fellow award.

He is married to Jane Yumiko Ittogi, a lawyer. They have four children, three boys and a girl, all of school-going age.

**Salehuddin Ahmed** joined as the Governor of the Bangladesh Bank (Central Bank of Bangladesh) on 2 May, 2005. Ahmed was the Managing Director of Palli Karma-Sahayak Foundation, the apex funding agency

of micro credit operations in Bangladesh. He obtained his PhD in Economics from McMaster University, Canada in 1978.

He started his career as a teacher in Economics at Dhaka University and then joined the civil service of the Government in the erstwhile Civil Service of Pakistan cadre. He served in various capacities in the field of administration in the Government of Bangladesh. He worked at the centre on Integrated Rural Development for Asia and the Pacific, a regional inter-governmental organisation with its headquarter in Dhaka. He was the Director General of Bangladesh Academy for Rural Development, Comilla and also Director General of the Non-government Organisation Affairs Bureau of the Office of the Prime Minister. He has authored more than 60 books, reports and journal articles which have been published at home and abroad. He is on the advisory bodies of several government and non-government agencies in Bangladesh. He has travelled extensively in many countries of the world.

**Shahid Javed Burki** was educated at Oxford University as a Rhodes Scholar and at Harvard University as a Mason Fellow, and spent most of his professional life at the World Bank where he held a number of senior positions, including Director of China and Mongolia Department (1987–1994) and Vice-President Latin America and the Caribbean (1994–1999). He took leave of absence from the Bank to take up the position of Pakistan's Finance Minister (1996–1997). He is currently Chairman, The Institute of Public Policy, a Lahore, Pakistan think tank. He resides in Washington.

**Bibek Debroy** was educated in Presidency College, University of Calcutta, Kolkata (BA Economics, 1973), Delhi School of Economics, University of Delhi (MA Economics, 1976) and Trinity College, University of Cambridge (MSc Economics, 1981).

He has held the following positions: Research Associate, Presidency College, Kolkata (1979–1983); Associate Professor, Gokhale Institute of Politics and Economics, University of Poona, Pune (1983–87); and Professor, Indian Institute of Foreign Trade, Delhi (1987–1993). In 1993, he quit a teaching career to head a project on law reforms in India, started by the Indian Ministry of Finance and the United Nations Development Program. This project was named “LARGE” and lasted

from 1993 to 1998. In between, from 1994 to 1995, he was also a Consultant with the Department of Economic Affairs, Ministry of Finance. In 1995, he was the Chief Consulting Economist with the National Council of Applied Economic Research in New Delhi. From 1993 to 1998, he was a Visiting Professor at the National Law School University of India in Bangalore. From 1997 to 2004, he was the Director of the Rajiv Gandhi Institute for Contemporary Studies, Rajiv Gandhi Foundation. From 2005 to 2006, he was the Secretary General of the Punjab, Haryana and Delhi Chamber of Commerce and Industry in New Delhi. From January 2007, he has been Professor at the International Management Institute, New Delhi, and from April 2007, Research Professor at Centre for Policy Research in New Delhi.

Bibek is a member of the Mont Pelerin Society and of the National Manufacturing Competitiveness Council. He has been a member of several government-appointed task forces, committees and commissions. He is also on the board of some Indian companies and on the governing boards of research institutes such as the National Institute of Public Finance and Policy. In 2006 and 2007, he was the rapporteur for one of the working groups in the United Nations Commission on Legal Empowerment for the Power. He has also undertaken consultancy work for several organisations. With Laveesh Bhandari as a co-author, he has published several inter-state comparisons and the annual ranking he worked on for "*India Today*" is often quoted.

From 1995, Bibek has been a regular columnist and consulting/contributing editor with various newspapers/magazines such as Business Standard, Financial Express and Telegraph. At present, he is a contributing editor with the Indian Express group (*Indian Express* and *Financial Express*).

**Stephen Jones** is an economic consultant with Oxford Policy Management and has a wide range of experience of working on development issues in Africa, Asia (including Bangladesh, India and Pakistan) and other parts of the world.

He was commissioned by the Asian Development Bank (ADB) to prepare a study of the linkages between infrastructure and poverty as part of the joint ADB/World Bank/JBIC study on "Connecting East Asia" and subsequently prepared a background paper for the

United Kingdom government's "Asia 2015" Conference in London in 2006.

**Ramlatu Attah** joined Oxford Policy Management (OPM), United Kingdom, in September 2008 as an Assistant Consultant, providing research support to the Social Policy Programme. At OPM, Ramlatu's work has focused mainly on countries in South Asia, East Asia and Sub-Saharan Africa. She has experience working on growth and infrastructure issues, natural resource management and HIV/AIDS.

She holds an MSc in Development Economics from the Institute for Development Policy and Management, University of Manchester. Prior to joining OPM, she worked as an intern at the Department for International Development — Latin America Department, where she was part of the Regional Assistance Plan evaluation team.

**Saman Kelegama** is the Executive Director of the Institute of Policy Studies of Sri Lanka. He is a Fellow of the National Academy of Sciences of Sri Lanka and was the President of the Sri Lanka Economic Association (SLEA) during 1999–2003.

He has published extensively on Sri Lankan and regional economic issues in both local and international journals. His latest books are *South Asia in the WTO* (Sage: 2007), *Development under Stress: Sri Lankan Economy in Transition* (Sage: 2006), *Contemporary Economic Issues: Sri Lanka in the Global Context* (SLEA: 2006), *Economic Policy in Sri Lanka: Issues and Debates* (Sage: 2004), and *Ready-Made Garment Industry in Sri Lanka: Facing the Global Challenge* (IPS: 2004). He is the co-editor of the *South Asia Economic Journal* (Sage Publication).

He serves and has served on a number of government and private sector Boards as an independent member. He is a member of the National Economic Council under the President of Sri Lanka. He received his Doctorate (D.Phil.) in Economics from University of Oxford, U.K.

**Praful Patel**, a Ugandan national, was one of the senior corporate leaders of the World Bank. He served as the Vice-President of South Asia from 1 July 2003 to 30 June 2008. During that period, the World Bank programme in the South Asia Region was substantially scaled up with a sharp focus on poverty reduction and high growth rates in all

of the region's countries. The World Bank's programme under his oversight comprised an average of US\$4.5 billion of new project funding annually, and a portfolio of over 170 projects worth US\$20 billion under implementation as of 2008. Praful was responsible for a staff of 700 in Washington and five country offices in South Asia with a budget of over US\$140 million.

Praful joined the World Bank in 1974 through the Young Professional Program after completing his higher education at the University of Nairobi in Kenya, Royal Academy of Fine Arts in Denmark and later the Massachusetts Institute of Technology in the United States. In his long career in the Bank, Praful has provided strategic leadership in managerial and corporate positions in various parts of the Bank taking forward the institution's mission of poverty alleviation in regions as varied as Africa, East Asia, Latin America, Northern Africa and the Middle East.

In the process, Praful has covered different programmes including poverty reduction, regional integration, urban, infrastructure, private sector, financial sector and macro-economic management. Praful's management skills and experience have also been called upon to support the Bank's institutional agenda. He has held senior management positions in country programme departments, sector departments as well as regional management.

He has effectively led the World Bank Group's Appeals Committee, supported the development of country teams, and played a primary role representing the Bank in developing and implementing the Africa Capacity Building Program. He has also taken on senior management oversight of complex Bank-supported initiatives in countries confronting major macro-economic shocks, post-conflict countries, and countries involving international cross-boundary undertakings, and piloted in Southern Africa the Bank's increasing shift to country dialogue based on knowledge management and support of local capacity. After a career spanning 35 years at the World Bank, Praful retired in August 2008 and continues to work on development in South Asia and Africa.

**Peter Reeves**, Emeritus Professor of South Asian History at Curtin University (Perth, Western Australia), was Visiting Professor and Head of the South Asian Studies Programme at the National University of

Singapore from June 1999 to December 2006. A Fellow of the Academy of Humanities in Australia, he has also taught at the universities of Sussex, Western Australia and Michigan. His research interests are in the following areas: the political and agrarian history of northern India; the maritime history of the Indian Ocean since 1800; the history of fisheries in colonial and postcolonial South Asia; the history of Singapore's inshore and culture fisheries; and the history of the Indian diaspora. He was Executive Editor of *The Encyclopaedia of the Indian Diaspora* (Singapore: Editions Didier Millet, October 2006) and, with Dr Rajesh Rai he co-edited, *The South Asian Diaspora. Transnational Networks and Changing Identities* (London: Routledge, 2008).

**Arun Shourie** is among India's best known commentators on current and political affairs. Born in Jalandhar, Punjab (1941), he studied at St. Stephen's College in Delhi and then obtained his doctorate in Economics from Syracuse University, United States.

Among other portfolios, he held the office of the Minister of Disinvestment, Communications and Information Technology in Mr Atal Bihari Vajpayee's cabinet. He was acclaimed as a "Star of Asia" by Business Week in 2002, and as "The Business Leader of the Year" by The Economic Times jury for his pioneering and dogged work on privatisation. In a poll of Indian Chief Executive Officers, he was acclaimed as "The Most-outstanding Minister" of Mr Vajpayee's government in early 2004.

He is the recipient of numerous national and international awards, including the Magsaysay Award, and one of India's highest civilian awards, the Padma Bhushan.

He has been an economist with the World Bank, and Editor of the Indian Express. He is widely regarded as the initiator of Investigative Journalism in India. The International Press Institute, Vienna, acclaimed him as one of 50 "World Press Freedom Heroes" whose work has sustained freedom of the press in the last half-century.

He has written 21 books on a variety of topics, ranging from constitutional law, modern Indian history, religious fundamentalism, governance in India, to national security.

His latest book, *The Parliamentary System: What We Have Made of It, What We Can Make of It*, was released in May 2007.

## About the Editor

**Tan Tai Yong**, a Professor of History, was appointed Director of the Institute of South Asian Studies on June 1, 2008. He is concurrently Dean of the Faculty of Arts and Social Sciences at the National University of Singapore.

He has written extensively on South Asian history as well as on Southeast Asia and Singapore. His recent books include *Creating 'Greater Malaysia': Decolonisation and the Politics of Merger* (2008); *Partition and Post-Colonial South Asia: A Reader* (co-edited, 2007); *The Garrison State* (2005), *The Aftermath of Partition in South Asia* (co-authored, 2000) and *The Transformation of Southeast Asia: International Perspectives on De-colonisation* (co-edited, 2003).

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## About the Institute of South Asian Studies

The Institute of South Asian Studies was established in July 2004 as an autonomous research institute within the National University of Singapore. Its establishment reflects the increasing economic and political importance of South Asia, and the strong historical links between South Asia and Southeast Asia.

ISAS is dedicated to the study of contemporary South Asia. It generates knowledge and insights about South Asia, and disseminates them in a manner that is useful to policy-makers, the business community, academia and civil society.

ISAS is actively engaged in developing research programmes and generating publications on South Asian economics, politics and international relations. It also organises regular conferences, seminars, lectures, roundtable sessions and workshops to promote general, academic and public awareness of South Asia. At the same time, it interacts with government agencies, the University, civil society and the business community; and establishes linkages with international bodies such as centres of South Asia research worldwide.

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# List of Tables and Figures

## Tables

### Chapter 2

Table 1	Distribution of the global product and population	24
Table 2	The economies of South Asia	25
Table 3	Saving ratios in East and South Asia	30
Table 4	Trade and foreign direct investment	32
Table 5	Trade, balance of payments and fiscal balances	33

### Chapter 3

Table 1	Trade dependence of South Asian Countries	36
Table 2	Average export growth rate of South Asia (%)	36
Table 3	Average import growth rate of South Asia (%)	36
Table 4	Export growth rates in South Asian Countries	37
Table 5	Manufactured exports in South Asian Countries total exports (%)	37
Table 6	Growth rates of South Asian Countries trade in services	40
Table 7	South Asian Countries structure of services exports	40
Table 8	Emerging patterns of comparative advantage and complementarity in services	41
Table 9	Cost comparison of medical services	42
Table 10	Private transfers from overseas Indians and inward FDI (US\$Bn)	43
Table 11	FDI inflow to the South Asian Countries (US\$million)	44

**Chapter 5**

Table 1	Real GDP growth (per cent) in South Asian countries	72
Table 2	Inflation rate (per cent) in South Asian countries	74
Table 3	Current account balance (per cent of GDP) in South Asian countries	75
Table 4	Trend of average inflation (per cent) in Bangladesh	83

**Chapter 8**

Table 1	GDP growth rates in South Asia 2000–2008	128
Table 2	Comparative infrastructure indicators across developing regions	135
Table 3	Comparative infrastructure indicators by country in South Asia	135
Table 4	Commercial perceptions of quality of infrastructure services	136
Table 5	Estimated annual investment needs (per cent GDP), 2006–10	137
Table 6	Investment needs by infrastructure sector, 2006–10	138
Table 7	Expected annual expenditure needs, 2006–10	138
Table 8	Urbanisation (% of population)	139
Table 9	Investment in infrastructure projects with private participation	142
Table 10	Sector share of investment commitments with private participation	143

**Figures****Chapter 3**

Figure 1	Labour mobility from South Asia	42
Figure 2	Top 20 remittance-recipient countries, 2004	45

**Chapter 4**

Figure 1	Population in South Asia below poverty line	53
Figure 2	Percentage of South Asians living on less than US\$1 in 2004 and projections for 2015	54
Figure 3	Dramatic reduction of poverty in India, with 10 per cent per year GDP growth	55
Figure 4	GDP growth rates of South Asian countries 2001–07	58
Figure 5	Lagging regions of South Asia	60

**Chapter 5**

Figure 1	GDP growth rate and inflation rate of Afghanistan	76
Figure 2	GDP growth rate and inflation rate of Bangladesh	76
Figure 3	GDP growth rate and inflation rate of Bhutan	77
Figure 4	GDP growth rate and inflation rate of India	77
Figure 5	GDP growth rate and inflation rate of Maldives	78
Figure 6	GDP growth rate and inflation rate of Nepal	78
Figure 7	GDP growth rate and inflation rate of Pakistan	79
Figure 8	GDP growth rate and inflation rate of Sri Lanka	79
Figure 9	Trends in national inflation rate	82

**Chapter 8**

Figure 1	Investment commitments to infrastructure projects with private participation in developing countries by sector, 1990–2005	129
Figure 2	Private investment in Asian infrastructure, 1984–2005	141

**Box**

**Chapter 3**

Box 1	India's recent economic achievements	38
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