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MACRO ASPECTS OF POVERTY IN SAARC COUNTRIES

I. INTRODUCTION

The seven countries of the South Asian region, namely, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka formed an association in 1985 called South Asian Association for Regional Cooperation (SAARC). Unlike the other regional organisations such as NATO, SEATO, EEC, Warsaw Pact etc., the external factor like Cold War rivalry or an urge for a collective defence arrangement did not influence the formation of SAARC. Rather internal socio-economic imperatives are the determining factors in launching of SAARC. The regional cooperation was proposed because these countries have a number of common economic and social problems: more than half of the population in these countries suffer from malnutrition and live in absolute poverty, a large number of poor are farmer and landless labourers, a great proportion of labour force are unemployed, a very large number of people are illiterate and live in bad sanitation condition and drink polluted water, a majority of girls of school-going age are not enrolled in school, more than two-thirds of the population

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live in rural areas and their livelihood depend on agriculture, etc. [Burki (1990)]. The proposal for such an association was welcomed largely because of its potential for having a catalytic effect on the process of development in this region. The main objectives of this association were, among others, to formulate effective regional cooperation on matters of mutual interest particularly in economic, technical and socio-cultural spheres in order to improve socio-economic conditions and alleviation of poverty [Rahman (1985)].

The SAARC region has been one of the poorest regions of the world. The Human Development Report, 1992 indicated that Bangladesh, India and Pakistan alone contain about 46 percent of the world's poor. Poverty, thus, has emerged as a subject of major concern in all the SAARC countries, particularly the more populous ones. The national planners, policy makers and social scientists in these countries have given priority for alleviation of poverty. But individual country efforts in some cases proved to be inadequate to deal with the problem of poverty and low economic growth. And rightly so they have formed a special commission to identify and examine the causes of poverty, evolve institutional arrangements for consultation on regional basis and suggest ways to alleviate poverty. This has been done with the hope that active joint efforts may help them in the efficient use of their regional resources and to increase economic efficiency and growth of the member states through mutually beneficial regional transactions and expansion of the market.

The purpose of this paper is to offer a brief overview as to where the SAARC countries stand today with respect to poverty status including socio-economic and demographic conditions. It then concentrates on their poverty alleviation programmes and identifies important indicators that have significant bearing on the development process and in lowering the incidence of poverty.

II. DEMOGRAPHIC AND SOCIAL CHARACTERISTICS

Growing population in the SAARC countries is one of the important demographic issues for growing incidence of poverty. Rapid population growth leads to a lower growth in per capita income and a slower rate of improvement in standard of living. It also dilutes the flow of the benefits of economic growth to the poorer segment of the society. A study on 41 countries with slower population growth in 1980s indicated that income grew on the average at 1.23 percent a year, while the other 41 countries with faster population growth showed fall in income by 1.25 percent a year which gave a difference between the groups by almost 2.5 percent per year [UNFPA (1992)]. But the growth analysis in the SAARC countries during 1980s has found no distinct link, either negative or positive between the population growth and the per capita GNP ($r=0.263$). Pakistan and Maldives had higher per capita GNP with faster population growth between 1980 and 1989 (Tables 1 & 3). Bangladesh, however, registered the highest population growth with the lowest per capita GNP. The annual population growth rate of each of the seven countries except Sri Lanka, India and Bhutan exceeds the overall average growth rate (2.3%) of developing nations. Sri Lanka had the lowest population growth rate of 1.5 percent per year between 1980 to 1989.

The population pressure in terms of density is relatively higher in Bangladesh with the population density of 8632 per thousand hectares followed by Maldives (6667), India (2870), Sri Lanka (2658), Pakistan (1591) and Nepal (1399). The most thinly populated country is Bhutan (323) as this has a very small size of population. The percentage of burdened population¹ is more or less similar in these countries except Sri Lanka. Most of the countries have about 45-47 percent burdened population, whereas in Sri Lanka it is 38 percent. Burdened population data, do show some negative link with economic growth. All SAARC countries are

1. The dependent population is defined as the ratio of population of age under 15 and over 64 to the working-age population aged 15-64.

predominantly rural and thus their economies are also rural-based with farming and livestock providing incomes for over 80 percent of their total population. Though India, Pakistan, Maldives and Sri Lanka have a sizable concentration of their population in the urban areas, the size of urban centres of Nepal and Bhutan, however, is very small. Urbanization is an important factor of economic development of a country. Urbanization and per capita GNP are highly and positively related to each other [$r=0.827$]. The higher the urbanization, the higher is the per capita GNP. The life expectancy at birth in all the SAARC countries except Sri Lanka are much lower than the overall average of 70 years for developing countries. Low per capita income, low health care facilities, low level of urbanization, imbalanced development and environmental problems have contributed to this undesirable situation. Lower life expectancy is the general characteristics in lower income countries.

The inter-country variations in social characteristics are observed in Table 2. It appears that adult literacy rate which is essential for skill development varies from the highest of 95 percent in Maldives to the lowest of 26 percent in Nepal. The same figure is also significantly high in Sri Lanka (88%), while it is 48 percent in India, 35 percent in Bangladesh and Pakistan and 38 percent in Bhutan. The success story of Maldives and Sri Lanka may also be cited in respect of other social indicators like human development index², mean year of schooling and enrollment ratio. The human development index (HDI) in 1990 was 0.641 in Sri Lanka, 0.491 in Maldives, 0.305 in Pakistan and 0.297 in India. By contrast, it was 0.185 in Bangladesh, 0.168 in Nepal and 0.146 in Bhutan. Human development index and per capita GNP are found to be highly correlated ($r=0.895$), while the human development index is negatively correlated with incidence of poverty ($r=0.739$). Almost similar pattern was also observed between mean year of schooling and per capita GNP ($r=0.756$) and adult literacy rate and

2. The human development index combines life expectancy, educational attainment and income indicators to give a composite measure of human development. For details see, *Human Development Report 1992*, p. 91.

per capita GNP ($r=0.793$). Most of these countries are characterised by much lower levels of literacy, spread of primary education and human capital development than is the case of other developing countries not to speak of the developed and industrialized nations. Cross-country comparisons show that developing nations with higher literacy rates have grown faster. This is because educated people are more productive and contribute more to a country's economic growth. A study for 88 countries indicated that increase in literacy from 20% to 30% was associated with an increase in real GDP of between 8 percent and 16 percent. Another study for 37 middle-income and 29 low-income countries showed that a one percent difference between primary enrollment ratios was associated with a 0.35 percent difference in per capita economic growth rates [UNFPA (1992)].

III. PERFORMANCE INDICATORS IN SAARC ECONOMIES

The rate of growth of Gross National Product (GNP) may be considered as one of the comprehensive measures of a country's economic development. During 1980s most of the SAARC countries have experienced some progress in economic growth. The per capita GNP growth rate in South Asian region increased from 1.4 percent during 1965-80 to 2.9 percent during 1980-89. The countries of SAARC region also exhibit varying degrees of economic growth. As shown in Table 3, the per capita GNP in Bangladesh, Bhutan, and Nepal were at the lowest level of \$ 180 in 1989. These three countries achieved the average annual growth rate of 0.7 percent, 7.8 percent and 2.1 percent respectively during 1980-89. Despite having the lowest per capita GNP, Bhutan's performance in economic growth in recent decades has been notable. It increased from 0.6 percent during 1965-80 to 7.8 percent during 1980-89. Modernization of agriculture sector may be the important factor for such sharp rise in growth of per capita GNP in Bhutan. By contrast, Sri Lanka had the highest per capita GNP of \$ 430 but its growth fell from 2.8 percent to 2.4 percent. Disruption of economic activities by civil strife may be an important reason for reduction of growth rate over the period. Maldives, Pakistan and India

rank next in respect of per capita GNP and the corresponding growth rates over the period increased from 1.8 percent to 5.9 percent, 1.8 percent to 2.9 percent and 1.5 percent to 3.2 percent respectively. Economic performance in most of the SAARC countries in 1991 was further adversely affected by the shock of the Gulf crisis due to the close economic links with Middle East. Remittance from overseas workers and export to the Gulf area have declined. On the other hand, the import bills rose due to higher oil prices. The economic growth in Bangladesh was particularly affected by the combined effects of Gulf crisis, political disturbances and severe cyclones. India's economic growth rate fell significantly from 5.6 percent in 1990 to 2 percent in 1991. This drastic fall was caused not only by the Gulf crisis but also by domestic political uncertainties and recession in industrialized countries.

The situation in agriculture has always been critical in the overall South Asian economic performance. Sri Lanka for example, experienced a slowdown in its growth due to poor performance in the agriculture sector where the growth rate fell sharply to 0.3 percent in 1991 from 8.8 percent in 1990. Bhutan, Nepal and Pakistan, however, showed higher growth in 1991. The higher performance of agricultural sector was indentified as the important factor for higher economic growth in these countries [ADB(1992)].

Analysis of structure of production reveals that the level of per capita income is positively related to the industrial sector value added. The countries in which industry's share in GNP is higher register the higher level of per capita GNP than the less industrialized nations. Bangladesh and Nepal which are industrially backward, for instance, have had the lower level of per capita GNP. On the other hand, as the income rises the share of agriculture in GDP dwindles. The agriculture's share in GDP between 1960s and 1980s, however, appears to have declined in all SAARC countries. By contrast, there has been a persistent increase in share of industry in GNP over the period. Comparison of gross domestic investment and savings also shows a very discouraging picture for Bangladesh and Nepal. The present

stagnation of the world economy, global economic recession and chronic debt crisis have unfavourable effects on the economic performance and export growth of these poor countries.

Agricultural Development and Food Security

To get a rough comparative idea on food security among SAARC countries, we may use the per capita calorie consumption as a criterion. The World Health Organization (WHO) has prescribed that Asians must consume a daily minimum of 2100 K-calories per capita for health, proper functioning and living in the society [Oshima (1990)]. The agricultural development strategy with the greater emphasis on large-scale public investment in irrigation and adoption of high-yielding varieties particularly of cereal crops has enabled these countries except Bangladesh to maintain a rate of growth of agricultural production higher than the rate of population growth [Chakravarty (1990)]. Agricultural performance augurs well and has resulted in a large increase in food production in India, Nepal, Pakistan and Sri Lanka during 1980-89, nevertheless, food availability and daily calorie supply³ are much lower than the requirement and malnutrition remains widespread (Table 4). Though the per capita food productivity index⁴ is lower in Sri Lanka, the daily per capita calorie supply was significantly higher at 106% compared to other countries. The higher supply is largely based on higher imports of cereals. The food dependency ratio⁵ in Sri Lanka (27%) ranks next to Maldives (80%). On the contrary, the countries like India, Nepal and Pakistan have had higher per capita food productivity index during 1987-89, but the calorie supply was only 94 percent, 94 percent and 92 percent of the requirement respectively. Bangladesh along with Maldives was at the lowest level on the scale. This undesirable outcome may be due to lack of equitable distribution of food and to people's not being able to afford food than to shortage of it.

3. The calorie equivalent of the net food supplies per day divided by the population.

4. The average annual quantity of food produced per capita in relation to that produced in indexed year.

5. The ratio of food imports to the food available for internal distribution.

Development Outcomes, Poverty and Human Deprivation

A major constraint in the study of poverty and human deprivation across countries is the difficulty in obtaining comparative statistics with uniform definition of poverty, since the cut-off point distinguishing the poor from the non-poor varies from one country to another. Keeping this limitation in view, the poverty situation is analysed below. Bangladesh, having the low per capita GNP, gross domestic investment and savings, mean year of schooling, human development index and industrial activities, appears to have the highest human deprivation in terms of poverty incidence, malnourishment and illiteracy (Table 5). According to the Human Development Report, more than 100 million people are not getting sufficient food and are living in absolute poverty. The same source also points to the fact that about 13 billion children have been suffering from malnourishment and 21 million children are not in school. Based on 2122 K-calories per day, the Bangladesh Bureau of Statistics (BBS) indicated that nearly half of this figure greatly contradicts the UNDP's estimate. Whatever estimate is considered, incidence of poverty in Bangladesh is high and exceeds the corresponding rate for India, Pakistan, and Sri Lanka. Income inequality and unemployment rate and landlessness are also high in Bangladesh. The ratio of income share of top 20 percent to the bottom 20 percent is about 3.1, with a Gini coefficient⁶ of 0.38. About 12 percent of the labour force were found to be un- and underemployed in 1986. The landless and those with less than 0.5 hectares of land accounted for more than 60 percent of rural household. Besides its little natural resources, Bangladesh economy is largely constrained by high population growth (about 2.6% a year since 1980). The agriculture sector, which is affected by frequent natural calamities fails to attain the goal of self-sufficiency in

6. Gini coefficient is defined as the ratio of the area between the 45° line and the Lorenz curve to the area of the entire triangle. The value of the coefficient lies between zero and one. When it approaches zero, the distribution of income approaches absolute equality. Conversely, when it approaches to one, the distribution of income approaches absolute inequality.

food. Higher population pressure coupled with low agricultural productivity and slow socio-economic development cause poverty to be perpetuated, enhancing human misery and deprivation in Bangladesh.

Reliable information on incidence of poverty as well as other socio-economic indicators like income inequality, unemployment rate, calorie supply, etc., are not available for Bhutan. But as the country having the lowest per capita GNP, mean year of schooling, human development index, it also probably has high incidence of poverty.

There is no country in the world which has more poor people than India. More than 34 percent of the world poor, which means 410 million people or 48 percent of its total population live below poverty line.⁷ The malnourished children under the age of 5 was found to be 47 million which is about 26 percent of the total malnourished children of the developing nations. The number of children that were deprived of their school education was estimated to be 74 million in 1988-89. Although India ranks fourth in respect of its per capita GNP among SAARC countries, its per capita GNP was only 42 percent of the overall average (\$770) for the developing nations. Inequality in income distribution is also important factor for higher incidence of poverty. The income received by the top 20 percent of the population is about 5 times the income of bottom 20 percent, with the Gini coefficient of about 0.41. The landlessness and those with less than 0.5 hectares was estimated at 40 percent. A study [Oshima (1992)] indicated that un- and underemployment affected one-fourth of its labour force. It appears that important factors underlying poverty in India are high population pressure, low economic growth, high unemployment, low productivity characteristics of landless labourers and small farmers, and low human capital development.

Like Bhutan, most of the important indicators such as incidence of poverty, daily calorie supply, etc., are not available for Maldives. But, having the higher per capita GNP, human development index, mean year of schooling, life expectancy, etc., it is expected to have the lower incidence of poverty.

7. The income level below which a minimum nutritionally adequate diet plus essential non-food requirements are not affordable.

The incidence of poverty in Nepal ranks second which has the lowest per capita GNP with higher population growth. The adult literacy rate, human development index and the mean year of schooling were also found to be low in Nepal. Although, it has promoted agriculture and has achieved rapid growth (4.4%) in this sector, the record of poverty (60%) is disappointing. One reason may be the uneven benefits received by different social groups from programmes and projects in agriculture sectors. The subsidized credit and public investment in irrigation favour the large farmer and work to the disadvantage of landless labourers and small farmers. The economy of Nepal has been adversely affected by a feudal land tenure system so far as income distribution is concerned. Open unemployment is estimated to be nearly 6 percent [Oshima (1990)]. The income inequality is more severe in Nepal whose Gini coefficient records the highest value (0.60) amongst the SAARC countries. Inequality in income reduces the gains to the disadvantaged group from agricultural and economic development, contrary to expectation, has resulted in large proportion of people to languish in poverty, most of the children to remain malnourished and most of the school going children to remain out of school.

Despite the highest population growth (more than 3% since 1980), the problem of poverty in Pakistan is less serious than that of other SAARC countries. About 31 percent of the total population were in poverty in 1990. The per capita GNP, human development index, daily calorie supply were also higher in Pakistan. But the agricultural production index increased from the indexed year of 1979-81 to barely 103 in 1987-89. Moreover, the incidence of malnourishment and deprivation of children from school education were relatively higher in Pakistan. The factors behind this were the growth oriented development, income inequality and unemployment in the country. The top 20 percent and the Gini coefficient was found to be 0.36. The unemployment and underemployment rates were estimated at 3.7 percent and 9.4 percent. However, high per capita GNP and its growth, higher scale of urbanisation and rapid industrialization might have helped in reducing incidence of poverty in Pakistan.

Recent data on incidence of poverty for Sri Lanka are not available. But, having the highest per capita GNP, human resource development, education level and the lowest population growth, Sri Lanka probably has the lowest level of incidence of poverty. A study [Oshima (1990)], however, pointed out that poverty incidence was falling until the early 1980s and rose thereafter due to rise in unemployment and emergence of civil disturbances in different parts of the country. However, in 1982 it was found that about 27 percent people were living below poverty line. Success of Sri Lanka appears to have been derived from many factors : low population growth, a macroeconomic policy framework conducive to investment, savings, social, welfare, etc. Another important factor is education and health care. Sri Lanka has invested heavily in its people which has benefited the country considerably. The human development index, enrollment ratio, mean year of schooling are found to be the highest in Sri Lanka amongst the SAARC countries and even comparable to that of the highly developed countries. Thus, the success of Sri Lanka in reducing poverty incidence has been firmly based on investment in human resource development and welfare of people.

IV. POVERTY ALLEVIATION PROGRAMMES AND STRATEGIES IN SAARC COUNTRIES : A BRIEF REVIEW

Bangladesh has been adopting a number of macroeconomic and micro-economic policies and programmes for alleviation of poverty. Structural adjustment programmes under which denationalization and privatization of institutions, reduction in aggregate public expenditure, withdrawal of subsidies for food, agricultural inputs such as fertilizer and irrigation equipment, etc., are important. With the assistance from the International Monetary Fund (IMF) and the World Bank, the government of Bangladesh started the structural adjustment programmes in 1986 [Hossain and Sen (1992)]. This programme has been adopted with the assumption that it will accelerate economic growth to over 5 percent per annum, maintain macroeconomic stability, reduce the rate of domestic inflation to about 8

percent and the overall benefits would then "trickle down" to the poor and result in the standard of living. But it is difficult to say precisely how the benefits that accrued from these strategies are distributed among different income groups and what is their net impact on the welfare of the poor. Thus the adjustment programmes have also recognized the need for microeconomic programmes for alleviation of poverty among the disadvantaged groups who may not directly benefit from the growth process.

Besides the structural adjustment programmes, a number of development and target-group oriented programmes have been undertaken both at government and non-government organisational (NGOs) levels among which agricultural development, expansion of modern irrigation, special area development, Rural Works Programme (RWP), Food for Works Programme (FWP), Grameen Bank, Swanirvar Credit Project (SCP), Small Farmer Credit Project (SFCP), and various programmes undertaken by Bangladesh Rural Advancement Committee (BRAC) etc., are important. In most of the programmes, high priority has been given to the eradication of poverty, increase in employment opportunities, increase in production, etc. The Grameen Bank, for example, has been designed mainly to provide self-employment to target groups particularly the landless and women. It includes primarily cattle rearing and fattening, agricultural produce processing, cottage crafts, fisheries, livestock, trade and shop keeping, etc. The experience of Grameen Bank and credit programmes of BRAC suggests that they can prove to be the effective instruments for generating productive self-employment and hence raising income of the poor. Some of the projects undertaken by NGOs like these have succeeded in reaching target-groups and reducing poverty but the coverages of these programmes are too small in comparison with the total needs.

Reliable information on poverty alleviation programme of Bhutan are difficult to obtain and are almost absent. However, Bhutan did not give emphasis on poverty alleviation programme in any Five Year Plan. Moreover, its economy is predominantly rural-based, education facilities are limited and health conditions are also poor. Thus it is difficult to make any judgement about Bhutan's efforts towards alleviation of poverty.

At the early stage of planning for poverty alleviation, India had proceeded with several development programmes such as agriculture, expansion of modern irrigation, transport and communication, minimum needs programmes, special area development programmes, etc., with the hope that these programmes would produce a multiplier effect and thereby raise the living standard of the poor. But the "trickle down" strategy failed to produce any significant impact on the socio-economic conditions of the poor, which led to the adoption of target-group oriented programmes for eradication of poverty. Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Small-Farmers Development Agency (SFDA), Training Rural Youth for Self-Employment (TRYSEM), etc., are important among others. The basic objectives of these programmes are to produce a direct impact on socio-economic status, provide fairly large scale employment to small and marginal farmers and landless labourers, extend self-employment opportunities to the poor, provide universal elementary and adult education to create human capital formation etc. Available information from different sources indicate that these programmes could not make significant impact partly due to adhoc nature of the projects and the limited resources allocated to them [Chakravarty (1990)]. However, the operation of NREP and RLEGP has made favourable impact on the living conditions of the rural poor.

The Maldives economy is based on three principal export-oriented activities such as fishing, tourism and shipping. Poor soil and limited availability of cultivable land are the limiting factors for agriculture. Modern industry is also restricted to a few consumer products. There is no separate poverty alleviation programme in Maldives but it is firmly committed to the policy of health for all by 2000 A. D. Although the Maldives has not achieved universal primary education yet, it has a long tradition of informal and semi-formal education in order to develop human capital resources and hence alleviation of poverty.

The extension of irrigation for increased multiple cropping and development of labour-intensive industries along with rural public works programmes are the important poverty alleviation programmes of Nepal.

Agricultural development in the name of 'green revolution' has been considered as an important poverty alleviation programme in Pakistan. The basic objective of this programme is to increase agricultural output by making aware of the High Yielding Variety (HYV); modern technology, mechanised irrigation, etc. to the farmers and providing heavy subsidies on the inputs needed in order to make use of the technology. Besides the green revolution programme, Rural Works Programme (RWP), People Works Programme (PWP) and Intergrated Rural Development Programme (IRDP) were launched in 1970s with the aim of reducing poverty. But Pakistan Economic Survey 1981-82 indicated that these programmes did not make any significant contribution to the alleviation of poverty. In early 1980s certain innovative measures were undertaken to mobilize greater resources for alleviation of poverty. The IRDP and the People's Works Programmes were merged to establish a new programme in the name of Rural Development Programme (RDP). Since this programme is not especially designed to tackle poverty, its impact on alleviating poverty would have been very limited [Chakravarty (1990)]. Manpower export is the most important strategy against poverty in Pakistan. International migration particularly to the Middle East provided a great deal of relief to the poor through remittance earnings and it appears to have had a more pronounced impact on alleviation of poverty in Pakistan [Burki (1990)].

Sri Lanka has been adopting various programmes over a long period to tackle the problem of poverty. It also introduced several social welfare programmes along with general development programmes for agriculture and industrial sectors. The granting of land to the landless poor since 1930s under the programmes such as Village Expansion Schemes (VES), Youth Settlement Schemes (YSS), Dry Zone Irrigated Colonization Scheme (DZICS), etc., are the important strategies for solving landlessness and alleviation of poverty [Gunatilleke, *et al.* (1992)]. Sri Lanka has been

known as a welfare state and about 50 percent of its current expenditure is allocated to social services like food subsidies, free education and health service as well as a peasant resettlement programme. There is also another important aspect of Sri Lankan development strategy relating to human resource development. The development of primary school system along with health sector in Sri Lanka facilitated the process of demographic transition, sustained economic growth and thereby reduction of poverty. Large scale investment in education and active government policies made in social welfare activities have enabled Sri Lanka to achieve substantial reduction of poverty.

V. CONCLUSIONS

The causes of poverty are complex and multi-dimensional, and therefore, no single cause is sufficient to explain its existence. High demographic pressure, slow economic growth, low productivity, low human capital development, etc., may be cited as more prominent causes of poverty.

The foregoing analysis reveals that economic growth and equitable distribution of its benefit are vital to reducing all aspects of poverty—malnutrition, illiteracy, unemployment, low per capita GNP especially in the poorest countries like Bangladesh, Bhutan and Nepal. Low population growth is also important for faster economic growth in these countries. Most of the associated factors of poverty can be improved by human development programmes as observed in Sri Lanka and Maldives. There is a high positive correlation between human development and increasing income and it is inversely related with the incidence of poverty.

To ensure higher economic growth and hence lower incidence of poverty in SAARC countries, it is necessary to invest heavily in their people. Educated people will contribute to economic growth and growth will contribute to human well-being. Singapore, Japan, South Korea, etc., have successfully improved their economic conditions by investing more in their people. People as well as economy of these countries have immensely

benefited from investment in education. The first element is, therefore, to promote human capital and provide social services to the disadvantaged group.

Widespread poverty and malnutrition are amongst the most common of all South Asian problems and the states of the region have no options but to cooperate with each other in dealing with these problems. The SAARC has formed an independent poverty commission which has reportedly recommended a detailed strategy for cooperation in this vital area. Whatever may be the recommendation of this commission, there is no two opinions that the prime objective of any viable poverty alleviation programme in South Asia should be to mobilize the masses of poor so as to bring them into mainstream of economic activities and programmes.

The "trickle down" poverty alleviation programme that states of the region have so far experimented with, have failed to recognize the potential of the poor as the productive force. The practice of viewing poverty alleviation as an act of charity has to be replaced by a recognition of the fact that the poor themselves can be an important factor in development. In this context the bright examples of some of the NGOs at the grass root levels would be extremely useful. The main highlight of these programmes is their success in mobilizing the poor as a productive force and at the same time in imparting in the poor a self-esteem as a contributor to the process of national self-reliance rather than dependence.

The SAARC countries can realize immense benefits if such NGOs would share and exchange their views and experiences on a regular basis regarding effective programmes undertaken for reduction of poverty. For instance, the experience of Grameen Bank and BRAC of Bangladesh, NREP and RLEGP of India, Welfare and Human Resource Development of Sri Lanka may be replicated with appropriate local modifications in all SAARC countries through positive regionalism and collective approach.

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Table 1. Demographic Indicators in the SAARC Countries

Country	Estimated population in Sillion	Population growth rate	Population density per '000'ha	% of Burden populations	% of Urban population	Life expectancy at birth (yrs)
	1990	1980-89	1990	1985	1990	1990
Bangladesh	115.6	2.6	8632	47	16	51.8
Bhutan	1.5	2.1	323	45	5	48.9
India	853.1	2.1	2870	46	27	59.1
Maldives	0.2	3.2	6667	—	30	62.5
Nepal	19.2	2.6	1399	46	10	52.2
Pakistan	122.6	3.2	1591	47	32	57.7
Sri-Lanka	17.2	1.5	2658	38	21	70.9

- Sources : (i) *Human Development Report, 1992*, UNDP
(ii) *World Development Report, 1990*, The World Bank
(iii) *The State of World Population, 1992*, UNFPA

Table 2. Profile of Social and Human Development in the SAARC Countries

Country	Adult literacy rate (over 15 yrs.) 1990	Mean year of Schooling 1990	Human Development Index (HDI)
Bangladesh	35	2.0	0.185
Bhutan	38	0.2	0.146
India	48	2.4	0.297
Maldives	95	4.5	0.491
Nepal	26	2.1	0.168
Pakistan	35	1.9	0.305
Sri-Lanka	88	6.9	0.641

- Sources : (i) *Human Development Report, 1992*, UNDP.
(ii) *World Development Report, 1990*, The World Bank.
(iii) *The State of World Population, 1992*, UNFPA.

Table 3. Economic Security in the SAARC Countries

Country	Per Capita GNP \$	Annual growth rate of per capita GNP (%)		Share of GDP%				Gross Domestic Investment	Gross domestic Savings
	1989	1965-80	1980-89	Agriculture	Industry	1965	1988	1989	1989
Bangladesh	180	0.3	0.7	53	46	11	14	12	2
Bhutan	180	0.6	7.8	—	44	—	28	—	—
India	340	1.5	3.2	44	32	22	30	23	21
Maldives	420	1.8	5.9	—	13*	—	10*	—	—
Nepal	180	0.6	2.1	65	56	11	17	19	9
Pakistan	370	1.8	2.9	40	26	20	24	17	7
Sri-Lanka	430	2.8	2.4	28	26	21	27	24	13

Sources : (i) *Human Development Report 1992*, UNDP(ii) *World Development Report 1990*, The World Bank

* For 1984

Table 4. Profile of Food Security in the SAARC Countries

Country	Food Production per capita (1979-81=100)	Food input dependency ratio (%)	Cereal imports (1000 metric tons)	Daily Calories supply (as % of requirement 1989)	Agricultural annual growth rate 1980-89
	1987-89	1986-88	1989		
Bangladesh	93	12.5	2204	83	2.1
Bhutan	121	—	20	—	5.8
India	113	3.4	1014	94	2.9
Maldives	97	79.9	—	80	6.3
Nepal	107	3.0	26	94	4.5
Pakistan	103	13.7	2171	92	4.4
Sri-Lanka	87	26.7	1177	106	2.2

Sources : (i) *Human Development Report 1992*, UNDP(ii) *World Development Report 1990*, The World Bank

Table 5. Profile of Human Deprivation in the SAARC Countries

Country	% of People below poverty line	Malnourished children under 5 (in million)	Children not in primary & Second. School (in million)	Gini - Coeffi- cient	Ratio of highest 20% to the lowest 20% of income 1980-88	Unemployment Rate (%)
	1990	1990	1990	1989	1980-88	1986
Bangladesh	86.5	12.6	21.2	0.38	3.7	12
Bhutan	—	0.1	0.3	—	—	—
India	48.1	46.9	75.4	0.42	5.1	—
Maldives	—	—	—	—	—	—
Nepal	60.4	2.1	2.2	0.53	—	60
Pakistan	30.8	12.0	25.7	0.36	5.8	9.4
Sri-Lanka	27.0	0.3	0.5	0.42	—	18.3

Source: As of Table 4.