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# South Asia – Social Development: Country Perspectives and Regional Concerns<sup>†</sup>

For the Institute of South Asian Studies

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## Foreword

In this paper we present an overview of the social development profiles of the countries in the South-Asian region whose specific features we outline. Then we consider the region as it stands today in terms of contemporary development standards. The number of people afflicted by poverty and human deprivation is overwhelmingly large in South Asia - a region already marked by high internal migration, military conflicts and the attendant loss of life, and critical issues of livelihood and human rights. Out of the total of 1.3 billion absolute poor people in the world, 433 million live in South Asia. There are more people living in poverty in South Asia than the combined population in poverty in Sub-Saharan Africa, the Arab States, East Asia and the Pacific (excluding China), and Latin America and the Caribbean. Illiteracy rates in South Asia are two-and-a-half times these rates in the rest of the developing world: the adult-literacy rate in South Asia is 48 percent, the lowest in any region of the world. The proportion of malnourished children is three times as high and access to healthcare facilities is one and half times as low as global averages for these figures of deprivation and destitution. Women in South Asia endure one-third of the world's maternal deaths. We focus on such standards of development in the countries of South Asia; and we trace the relationship between poverty and democracy here, and the roles of states and civil society in reaching high standards of governance. The situation in South Asia poses new challenges for the development of policy responses for the problem of poverty here.

We highlight the need for accelerating investments in education and health for pre-empting or mitigating social and economic vulnerability. The challenges for development are many hunger, ill health, illiteracy, lack of housing, poor women's powerlessness, deforestation, to name but a few. The role of the state and the responsibility of national governments for social-sector issues have undergone several changes during the last decade when the structural reforms in the economy were initiated. In several South-Asian countries there is an increasing trend towards privatisation and towards the attitude that the independent sector should take over the state's responsibilities in protecting the poor (via safety nets) and in providing services. There has also been widespread disillusionment in various sections of civil society about the responsiveness of governments to people's problems, the ability of the state to provide access to the benefits of progress to all the poor, and the involvement of the disadvantaged, in a democratic manner, in the design of development projects [1]. South Asia has a long history of extraordinary civil-society efforts to remind governments of their obligations and duties and to mobilise distressed citizens to claim their rights. In India alone thousands of voluntary organisations have played a critical role in informing governments of their omissions and commissions [2]. Bangladesh again is prominent in the visible role played by large non-government organisations, which have been heavily supported by international donors. There is remarkable variation from country to country – Maldives and Bhutan are at an incipient stage of civil-society formation, whereas India, Pakistan, Sri Lanka, and Nepal have strong people's representational groups involved in organised lobbying and advocacy, service-delivery activities, and international and national campaigns. Voluntarism in Afghanistan is quite different from its counterparts in the other countries of South Asia because of the severe post-9/11 conflict and the ongoing attempts to reconstruct the state and civil spaces.

Given this history, there is an active debate on the role of governments, civil society, and international donors in poverty-eradication programmes. Equitable development and the role of the state in the reduction of social vulnerability will remain a major issue here. Thus this paper also makes policy recommendations. I have been careful to respect the diverse histories

of each country and tried not to gloss over their differences by organising this study under the idea of one South Asia. We are considering a large part of society and so we need constantly to remind ourselves that it is often easier to write large treatises about social change than to carry out the work of social development, a far more difficult enterprise, subject to the vicissitudes of politics. For development workers, it is important to choose strategies based on ground realities, which, for South Asia, include eight countries, a population of 1.51 billion, a history of more than two-thousand years, with long periods of colonial rule, and almost 433 million people living below poverty line.

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# 1. Introduction: Development and Poverty

"The seven SAARC nations account for one-fifth of the world's population. They share common roots in one of the most ancient civilisations, a civilisation that has brought together various religions and been able to maintain its uniqueness and vitality through the millennia even while adapting to accommodate new values, new technologies, new forms of economic production and new institutions of social organisation. They share a common geography, a common eco-system and except for the Himalayan countries of Bhutan and Nepal, a common history of colonial rule. Today, they also share as the heaviest of their burdens, the affliction of poverty which saps their strength and vitality and hides the bright face of their civilisation and peoples."

"Report of the Independent South Asian Commission on Poverty Alleviation – Meeting the Challenge", SAARC Secretariat, Nov 1992 (7)

This paper examines the conditions of social development in all the countries in South Asia in the wider context of persisting poverty and ongoing social-development efforts devoted to building and creating sustainable futures here. Despite the attention that public policy has given to issues of equality and equity, empirical data and the narratives of people living in poverty indicate that the prognosis for the situation of the poor in this region is shockingly dismal: 22.2 percent of the global population lives in South Asia; almost 31.7 percent of these inhabitants, i.e., about 433 million people, live in abject poverty. The total population of the South-Asian region was 1509.3 million in 2004; the country-wise figures, in millions of people, are as follows: India 1087.1, Pakistan 154.8, Bangladesh 139.2, Afghanistan 28.6, Nepal 26.6, Sri Lanka 20.6, Bhutan 2.1, Maldives 0.3 [13]. According to the World Wealth Report there have been massive gains of wealth the world over in 2007 but also greater immiserisation; this is true in South Asia too. Such coexistence of dire poverty and unbounded riches is an unfortunate betrayal of societal values that are advocated globally and nationally. The focus of development needs to be brought back to the broader social and economic environment and the issues of persistent poverty, the varying standards for equity, access to and control of resources, and the biased representations of interests that inhere in unequal societies. After nearly 60 years of independence almost all the countries in the South-Asian region have recorded an alarming decline in the sex ratio; and women face growing overt forms of social violence in both public and private domains. This is an issue that needs to be central not only for 'development cooperation' but also for all work addressed to altering a socially crippling order, in which subordination and inequality are accepted norms. The health status of women is equally grave as is evident from a variety of indicators, especially those for maternal mortality: poverty and social exclusion, when combined, result in the deaths of young women.

The introduction of the reform policies in the early 1980s encouraged, in most countries, a significant retreat of the state from its traditional welfare role of the protection and promotion of the interests of the poor [4]. The growth of the economy has not been matched by the implementation of reforms in the social services led by redistributive justice. The diversion of national interests from the welfare of citizens to growth-led progress or export—led economic patterns has increased the vulnerability of large masses of the rural poor [3]. The absence of land reforms, during a large part of the post-independence period, and the withdrawal of state subsidies to small farmers, as part of the Bretton Woods' conditionalities, has contributed to the poor situation of the livelihoods of the rural populations. The exploitation of resources, most often with the agreement of the State, has led to further impoverishment of the rural

poor, with debilitating consequences for women and children, who are often left behind in female-headed households.

Nepal, Sri Lanka, India, Pakistan, Bangladesh and Afghanistan are all witness to the distortion of traditional food securities, decline in agricultural output, rural unemployment, and the ultimate indignity of the rural poor, neglected in these countries' efforts to progress. For one reason or another Governments have not been able to stimulate the non-farm-sector employment, which is a major requirement for maintaining equity in the growth patterns of economies and, consequently, in the livelihoods of people [64. Pg.5]. In Sri Lanka 10 percent of the total population engages in rice cultivation; but this number is actually 80 percent of the rural population! Even though rice contributes to 45 percent of the per-capita calorie intake in Sri Lanka, the share of agriculture in the GDP has declined here, as in all countries. In itself this is not a negative trend, especially if it is accompanied by a planned diversification of employment opportunities for agricultural labour. Unfortunately, there is a virtual absence of serious alternative forms of employment; thus Sri Lanka has recorded the largest number of farmers' suicides; it is closely followed by India in this regard.

A society that values social, fiscal, and political accountability must also develop normative standards that determine whether the fruits of a growing economy accrue only to a few people or whether they are distributed with some level of equality. The access of the poor to services is declining with a concomitant deterioration in the qualities of their lives. The notions of progress and development in vogue now rest on the self interest of the privileged classes and reduce the legitimacy of and respect for concepts such as citizenship and democracy. These problems exist in all countries of South Asia but in different measure and different forms. It would be incorrect, therefore, to develop a one-size-fits-all analysis for all these countries. Hence we trace the key issues for each country with respect for their differences and regional variations in the country profiles given below. This differentiation is of paramount importance if policy makers hope to forge clear and appropriate strategies for large regions and populations. However, in the last chapter, we discuss important issues that concern citizens of these countries. And finally we underscore the social dilemmas that arise from the interactions of these publics with the state.

It is tragic that there is a declining concern in national governments for growing poverty divides, widening gender inequalities, and the solution of the unemployment problem. Instead, much time is wasted on identity politics. Shortcomings in meeting development goals, as enunciated in country constitutions and national plans, have been common to all the governments in South Asia. States can address poverty as a human-rights issue or as an economic issue but the problem of poverty is really multidimensional. The poor performance of States in protecting vulnerable populations requires immediate attention. Much has been written about public goods and the issues of citizenship, but, unless there is a clear social awakening about the rights people have over national resources, we cannot hope for a return to serious, well-deserved citizenship.

The remaining part of this paper is organised as follows: In Chapter 2 we give profiles of the countries of South Asia and provide conclusions in terms of the comparative data regarding social and economic indicators. This is followed in Chapter 3 by a discussion on the role of SAARC, role of state and civil society, and we conclude with recommendations for the role of the State and civil society.

# 2. Country Profiles: Socio-Economic Mapping

In this chapter we cover briefly each of the countries in the South-Asian region, sketch some of their essential characteristics, and thus provide an insight into their economic and non-economic burdens of poverty. We analyse, in particular, some of the outcomes of the social side of development and growth and the lack of it. We have presented the profiles of the countries of South Asia in a uniform fashion; these profiles should be read along with the tables that are provided in the Appendix.

"Poverty is the status of the human condition when there is a denial of economic and social rights. The situations of the poor inform us that poverty relates as much to poor income ability as to low human development, vulnerability and powerlessness. Similarly, the welding success of policies and well thought out interventions can constitute increasing material well-being and human development. There are multiple dimensions to poverty and an abysmally low level of living for millions of the poor is unacceptable in the  $21^{st}$  century. The most singular defeat we have witnessed in the  $20^{th}$  century is the failure to curb poverty, thus, allowing the causes and the consequences to continue. The world has the wherewithal to make a frontal attack on poverty from recent development experiences on poverty reduction." [23]

With their declarations of independence most of the countries of South Asia devoted considerable efforts, in the initial, euphoric, phase of freedom, to the reduction of poverty. The Constitutions of many of these countries especially that of India, laid out elaborately the duties of the state towards ensuring decent livelihoods for its citizens. Commendable, successful, poverty-eradication strategies were evolved; but some failures occurred too in various measures that were adopted for combating poverty. Thus, as we have mentioned above and as we will show in greater detail in this chapter, abject poverty remained endemic in South Asia.

The challenge of curbing poverty is still here with us. If we are to confront this challenge, we will have to make the best use of all existing channels for reducing poverty, while managing the threats and trials thrown up by new issues associated with deprivation. This will be a formidable task, both at the policy and field levels, during the coming decades.

Global trends in poverty reduction have not been encouraging. The extremely large, and rapidly increasing, gaps between the wealthy and those below the poverty line have never been seen before. Economic variations are tremendous within countries and between regions. For instance, while foreign direct investments have accelerated in India, poverty data show sharp increases of destitution in certain states. Capability poverty, low incomes, caste, class and gender divides, rural-urban divides, poor state performances for social-welfare justice are common characteristics among countries in South Asia. From access to education to access to health care and gainful employment among the social groups, the prognosis is poor. The extreme poor groups especially in India, Bangladesh and Pakistan are yet to be reached by state or by civil society in any serious measurable way. Gender disaggregated data reveal insufficient and unacceptable standards for women's education, political participation as well as other human development indicators. Malnutrition for girl children in many of the countries especially India is striking. Several writers have noted that gender disparity in child mortality is higher in South Asia than in the rest of the world. Women in South Asia endure one-third of the world's maternal deaths and 60 percent of the global rate of child malnutrition. Although the Social Summit in 1995 listed the 'promotion of full and

productive employment of the poor' as one of the three key activities, the other two being eradication of poverty and the fostering of social integration there have been no advances in any of the countries in South Asia. Indeed the informalisation of labour is more pronounced than ever.

For each of the countries of South Asia we have tried to capture its main features, economic parameters, socio-economic status, and human-development condition. We provide below tables of selected social and human development indicators for the South Asian countries drawn from the Human Development Report, UNDP (2006). These indicators reveal extraordinary divergences and convergences in the achievements of these countries towards reaching equitable human development. We also provide tables of selected economic indicators and gender related indicators. While broad statements and analysis may be drawn on the region it remains a policy problem that each of the countries does have a distinct identity and history and require national efforts internally to solve the fundamental issues of a functioning democracy and the requirement of operationalising a sound poverty eradication programme. The broader South Asia issues derived from this chapter are mapped out in the concluding section 2.9 and in the concluding chapter, which also reflects on required social changes and the role of SAARC as well as civil society.

## 2.1 AFGHANISTAN

#### 2.1.1 Introduction

Connecting South Asia, Central Asia and the Middle East, together Afghanistan has been an important geo-strategically focal point of trade and migration. During its long history, the land has seen various invaders and conquerors, while on the other hand, local leaders invaded the surrounding vast regions to form empires with them. Ahmad Shah Durrani created a large empire in the middle of the eighteenth century, with its capital at Kandahar. Subsequently, most of its territories were ceded to former neighbouring countries. In the 19th century, Afghanistan became a buffer state in "The Great Game" played between the United Kingdom and Tsarist Russia. On August 19, 1919, following the third Anglo-Afghan war, the country regained full independence from the United Kingdom over its foreign affairs.

Since the late 1970s, Afghanistan has suffered continuous and brutal civil war, which included foreign interventions in the form of the 1979 Soviet invasion of Afghanistan and the 2001 conflict with the United States (US) in which the ruling Taliban government was removed. In December 2001, the United Nations Security Council authorised the creation of an International Security Assistance Force (ISAF). This force, composed of NATO troops, has been involved in assisting the government of President Hamid Karzai in establishing authority across the nation. In 2005, the United States and Afghanistan signed a strategic partnership agreement committing both nations to a long-term relationship. In the meantime, about US\$30 billion have also been provided by the international community for the reconstruction of the country. The country itself has suffered losses far beyond any sizeable and quantifiable figure.

As Afghanistan continues to rebuild and recover, it is still struggling against intense poverty, poor infrastructure, a large concentration of land mines and other unexploded ordnance in the earth, civil war and armed resistance, as well as a huge illegal poppy cultivation and opium trade. Afghanistan also remains subject to occasionally violent political opportunistic

behaviour within the political class. The country continues to grapple with the Taliban insurgency, the threat of attacks from a few remaining al Qaeda members and instability, particularly in the north, caused by the few existing semi-independent war-lords who do not wish to live in under any modern rule of law regime.

## 2.1.2 Economic Parameters

Afghanistan is an impoverished country, one of the world's poorest and least developed. Two-thirds of the population lives below US\$2 per day. The economy suffered greatly from the recent political and military unrest since the 1979 Soviet invasion and subsequent conflicts, while severe drought added to the nation's difficulties added in 1998-2001.[5, 6] The economically active population in 2002 was about 11 million (out of a total of an estimated 29 million). As of 2005, the official unemployment rate is at 40 percent. The number of non-skilled young people is estimated at 3 million, which is likely to increase by some 300,000 per annum. [8]. However, Afghanistan has achieved some degree of respectable economic recovery and growth since 2002. The real value of non-drug GDP increased by 29 percent in 2002, 16 percent in 2003, eight percent in 2004 and 14 percent in 2005. [9] International efforts to rebuild Afghanistan led to the formation of the Afghan Interim Authority (AIA) as a result of the December 2001 Bonn Agreement, and later addressed at the Tokyo Donors Conference for Afghan Reconstruction in 2002, where US\$4.5 billion were committed in a trust fund to be administered by the World Bank Group. Another US\$4 billion were committed in 2004 followed by US\$10.5 billion in early 2006 at the London Conference. [10] In early 2007, US\$11.6 billion were committed to the country from the United States alone. Priority areas for reconstruction include the rebuilding of the educational system, health and sanitation facilities, enhancement of administrative capacity, the development of the agricultural sector and the rebuilding of road, energy and telecommunication links.

According to a 2004 report by the Asian Development Bank, the present reconstruction effort is two-pronged: first it focuses on rebuilding critical physical infrastructure, and second, on building modern public sector institutions from the remnants of Soviet style planning to ones that promotes market-led development.[8] In 2006, two US companies, Black & Veatch and the Louis Berger Group, have won a US\$1.4 billion contract to rebuild roads, power lines and water supply systems of Afghanistan. [11].

While the country's current account deficit is largely financed with the donor money, only a small portion of about 15 percent is provided directly to the government budget. The rest is provided to non-budgetary expenditure and donor-designated projects through the United Nations system and non-governmental organisations. The government had a central budget of only US\$350 million in 2003 and an estimated US\$550 million in 2004. The country's foreign exchange reserves totals about US\$500 million. Revenue is mostly generated through customs, as income and corporate tax bases are negligible.

Inflation had been a major problem until 2002. However, the depreciation of the Afghani in 2002 after the introduction of the new notes (which replaced 1,000 old Afghani by one new Afghani) coupled with the relative stability compared to previous periods has helped prices to stabilise and even decrease between December 2002 and February 2003, reflecting the turnaround appreciation of the new Afghani currency. Since then, the index has indicated stability, with a moderate increase toward late 2003 [8].

The Afghan government and international donors seem to remain committed to improving access to basic necessities, infrastructure development, education, housing and economic reform. The central government is also focusing on improved revenue collection and public sector expenditure discipline. The rebuilding of the financial sector seems to have been so far successful. Money can now be transferred in and out of the country via official banking channels. Since 2003, over fourteen new banks have opened in the country, including Standard Chartered Bank, Afghanistan International Bank, Kabul Bank, Azizi Bank, First Micro Finance Bank, and others. A new law on private investment provides three to seven-year tax holidays to eligible companies and a four-year exemption from exports tariffs and duties.

## 2.1.3 Social Conditions

The first ever Afghanistan Human Development Report 2004: Security with a Human Face [12] depicts that despite improvements in the education as well as the economy as a whole, the country still faces its greatest challenges in the existing poverty, inequality. The report concludes that "human security" and "human development" rather than military force and diplomacy alone are key factors in resolving Afghanistan's complex problems.

After noting that a global survey in 1992 revealed atrocious conditions in Afghanistan, the report continues: "By the beginning of the new century, human development estimates as recorded in this National Human Development Report (NHDR) had become even more alarming: Life expectancy today is approximately 44.5 years, with healthy life expectancy at birth estimated at 33.4 years. One out of five children dies before the age of five, and one woman dies approximately every 30 minutes from pregnancy-related causes." [12] It may be observed that in 2006, there has been a further improvement in life expectancy at birth, now standing at 46.4 years. [13]

The infant and maternal mortality rates are among the highest in the world, with life expectancy at least 20 years shorter than in neighboring countries.

Eighty percent of the deaths of children under five are due to preventable diseases. About half of this same age group is physically stunted due to chronic malnutrition, and some 10 percent suffer acute malnutrition.

Only 25 percent of the population has access to clean drinking water – one in eight children die from lack of the resource. One of two Afghans can be classified as poor, with 20.4 percent of the rural population consuming less than 2,070 calories per person per day. Only Niger, Burkina Faso and Mali have lower literacy rates.

Children have been the primary victims of more than two decades of conflict. Of the estimated 1.5 million people killed during this period, some 300,000 were children. Abduction and trafficking in children is now a rapidly growing threat, with the most common forms of trafficking being child prostitution, forced labor, slavery, servitude and the removal of body organs.

Only 14 percent of women are literate, and the rate of pregnancy-related deaths is 60 times higher than for women in industrial countries. Seventy percent of those affected by tuberculosis are women.

Afghanistan is one of the countries most heavily saturated with land mines. An estimated 10 million scattered throughout the country have been responsible for disabling hundreds of thousands of Afghans. The country is also one of the world's major sites of human displacement, where one in every three people is either a refugee or an "internally displaced person."

The report states: "Mental disorders are another of Afghanistan's war wounds, yet they have been largely ignored. The World Health Organization (WHO) estimates indicate that 95 percent of the population in Afghanistan has been affected psychologically, and one in five suffers from mental health problems." Some 30 percent of the population may suffer from forms of post-traumatic stress disorder (PTSD). A survey of women in Kabul found that 98 percent met the diagnostic criteria for PTSD, major depression or severe anxiety, and 40 percent met the criteria for all three diagnoses.

The relationship between the state, the warlords and the narco-mafia bosses have added to the level of psychological "insecurity." The report quotes a man from Jalalabad who provides a description of the dysfunctional, US-supported government of President Hamid Karzai: "It has no education policy, it has no health policy, it has no economic policy, it has no environmental policy, and it has no security policy. It just takes everything by the day and many of the days are bad."

The report argues that progress has been made in certain areas since the US invasion in 2001. School enrollment has increased, particularly among girls, as the ratio of girls to boys in primary and secondary education (percent) increased from 44 percent in 2002 to 55 percent in 2005.[13]; An important aspect analysed by the report is the commitment of public expenditure to education, whereas as of 2002 public expenditure on education as a percentage of GDP was about 1.60 percent, while the public expenditure on education as a percentage of total government expenditure was six percent [12] The government expenditure per student (US\$) in 2002 was US\$12.10, indicating a strong commitment of the government. [12] This led to an increase in the adult literacy rate (ages 15 and older) to 28.7 percent in 2003 and the youth literacy rate (ages 15-24) increased to 34.3 percent in 2004. [13]

## 2.1.4 Human Development Indices

Due to the persistent conflict in the country, there has been a continual neglect of the human development of the people of Afghanistan. The life expectancy at birth (years), 2004 is at 46.4, which is the one of the lowest in the world and at least 20 years below the neighboring countries. The combined adult literacy rate as of 2003 has been 28.7 percent, while the combined gross enrolment ratio at primary, secondary and tertiary level has increased for 44.93 percent [12] in 2003 to 45 percent in 2004. [13]; the country has ratified the Convention on the Elimination of All Forms of Discrimination against Women, 1979 yet there exists quite a disparity in the statistics available for the two genders. Adult literacy rate (percent, ages 15 and older) for females, as of 2004, is 12.6 percent while for males is at 43.1 percent. On the other hand, there also exists a disparity in the gross enrolment ratio at primary, secondary and tertiary level (percent) for men and women is at 59.34 percent and 29.57 percent respectively. This explains the disparity in the adult literacy ratios as well. [13] Afghanistan has also ratified certain other international conventions, namely, International Convention on the Elimination of All Forms of Racial Discrimination, 1965; International Covenant on Civil and Political Rights, 1966; International Covenant on Economic, Social and Cultural Rights, 1966; and Convention on the Rights of the Child, 1989. This can be

reflected in the active political participation of women where the first woman was elected to the parliament in the year 1965. The number of seats in the lower house or single house held by women increased for four percent (of the total seats) to 27.3 percent in 2006; whereas in 2006, about 22.5 percent of the total seats in the upper house or senate was held by women.[13]

After decades of destruction and conflict, the country has started its journey on the path of economic, social and human development. The biggest challenge facing the people of Afghanistan is the required resurgence of a country owned by its own people, determining for themselves the future of a more secular country where the country is entirely owned by its own people, its future determined by electoral democracy and where its future peace is protected sufficiently enough to enable development for poverty eradication to go ahead at full pace. A strong national sense internal sovereignty and a foreign policy that protects the interests of the nation and its citizens remains a serious mission that the country needs to turn its gaze to unconditionally.

## 2.2 BANGLADESH

#### 2.2.1 Political Profile

British rule of the Indian sub-continent ended in 1947; however, independence from Britain came with the partition of the subcontinent into India and Pakistan, the latter comprising two non-contiguous parts, West and East Pakistan, separated from each other by about 1600 km, but based on a common religion-Islam. The political, linguistic, and economic domination of East Pakistan, by West Pakistan led to tensions that culminated in a war of independence which metamorphosed East Pakistan into a new nation.-Bangladesh. Bangladesh embraced parliamentary democracy with Sheikh Mujib-ur-Rehman as its first Prime Minister. In the 1973 parliamentary elections, the Awami League gained an absolute majority. A nationwide famine occurred during 1973 and 1974, and in early 1975, Mujib initiated a one-party socialist rule with his newly formed BAKSAL. On August 15, 1975, Mujib and his family were assassinated by mid-level military officers. [14] This was followed by a series of coups and counter-coups, followed by the ascent of General Ziaur Rahman, who reinstated multiparty politics and founded the Bangladesh Nationalist Party (BNP). Zia's rule ended when he was assassinated in 1981 by elements of military. The next major ruler was Mohammad Ershad, who gained power in a bloodless coup in 1982 and ruled until 1990, when he was forced to resign under western donor pressure in a major shift in the international policy after the end of communism when anti-communist dictators were no longer felt necessary. Since then, Bangladesh has reverted to a Parliamentary Democracy. Zia's widow, Khaleda Zia led the BNP and won the general elections in 1991, to become the first women Prime Ministers in Bangladesh's history. In 1996, Sheikh Hasina, one of the surviving daughters of Mujib, led the Awami League and won the elections. This is a landmark in the history of Bangladesh as it enjoyed the distinction of having two female politicians in national politics. Sheikh Hasina lost to BNP again in 2001. In January 2007, following widespread violence, a caretaker government was appointed to administer the next general elections. The country had suffered from extensive corruption, disorder and political violence. The caretaker government has made it a priority to root out corruption from all levels of government. They are paving the way for free and fair elections to be held before the end of 2008.

#### 2.2.2 Economic Status

Despite sustained domestic and international efforts to improve economic and demographic prospects, Bangladesh remains a developing nation, marked by severe poverty. Its per capita income in 2006 was US\$2,300 compared to the world average of US\$10,200 Yet, as the World Bank notes in its July 2005 Country Brief, the country has made significant progress in human development in the areas of literacy, gender parity in schooling, and reduction of population growth.

The economy of Bangladesh is often cited to be agro-based because of its dependency on agriculture. Jute was once the economic engine of the country. Its share of the world export market peaked in the Second World War and the late 1940s at 80 percent [15] and even in the early 1970s it accounted for 70 percent of its export earnings. However, polypropylene products began to substitute for jute products worldwide and the jute industry started to decline. Bangladesh grows significant quantities of rice, tea and mustard. Although two-thirds of Bangladeshis are farmers, more than three quarters of Bangladesh's export earnings come from the garment industry, [16] which began attracting foreign investors in the 1980s due to cheap labour and low conversion cost. In 2002, the industry exported US\$5 billion worth of products. [18] The industry now employs more than three million workers, 90 percent of whom are women. [19] A large part of foreign currency earnings also comes from the remittances sent by expatriates living in other countries.

Obstacles to growth includes frequent cyclones and floods, inefficient state-owned enterprises, mismanaged port facilities, a growth in the labour force that has outpaced jobs, inefficient use of energy resources (such as natural gas), insufficient power supplies, slow implementation of economic reforms, political infighting and corruption. "Among Bangladesh's most significant obstacles to growth are poor governance and weak public institutions." [20]. Despite these hurdles, the country has achieved an average annual growth rate of five percent since 1990, according to the World Bank. Bangladesh has seen expansion of its middle class, and its consumer industry has also grown. In December 2005, four years after its report on the emerging "BRIC" economies (Brazil, Russia, India, and China), Goldman Sachs named Bangladesh one of the "Next Eleven," [21]; along with Egypt, Indonesia, Pakistan and seven other countries. Bangladesh has seen a dramatic increase in foreign direct investment (FDI). A number of multinational corporations (MNCs), including Unocal Corporation and Tata, have made major investments, with the natural gas sector being a priority.

One significant contributor to the development of the economy which plays a critical role is poverty alleviation. There has been the widespread propagation of micro credit by Muhammad Yunus (awarded the Nobel Peace Prize in 2006) through the Grameen Bank. By the late 1990s, Grameen Bank had 2.3 million members, along with 2.5 million members of other similar organisations. [24]

Despite the various hurdles, Bangladesh has managed to sustain an economic growth rate of six percent throughout the 2000-05 period, with minor deviations in 2001, 2002 and 2003 with five percent, four percent and five percent growth rates respectively. On the one hand, the contribution of agriculture has declined from 26 percent in 2000 to 20 percent in 2005 and on the other there has been a tremendous rise in the value added by the industry to the GDP from 25 percent in 2000 to 27 percent in 2005. Market capitalisation of companies, as a percent of GDP, doubled from three percent in 2000 to six percent in 2004. The constant

increase in merchandise trade and improvement of net barter terms of trade signifies a significant improvement in the internal and external trade of Bangladesh and a deviation from the traditional agro-based economy. But, this has also led to an increase in the inflation rate from two percent in 2000 to five percent in 2005. [15]

# 2.2.3 Social Conditions

Bangladesh is the seventh most populous country in the world, whose population has been steadily increasing at the annual growth rate of two percent from 2000 to 2005 and it ranks only 137 in the Human Development Ranking, with a HDI value of 0.53. Poverty varies from region to region, and the degree of reduction is not constant either. Rural poverty shows a decline from 61.2 percent in 1991-1992 to 53 percent in 2000 and 40.1 percent in 2004. Urban poverty has increased during this time 36.6 percent to 43.6 percent in 2004. [17] The important report of SAARC, "Poverty Reduction through Productive Employment", in 2005 underscores the issues of geographical variations on poverty levels and states that this spatial variation is due to migration and the attendant implications for urban poverty. The spatial variations were so pronounced that Dhaka division has the lowest incidence of poverty as compared to Rajshahi division in the north-west which had the highest. Chittagong showed an increase between 1992 and 2000, the percentage of poverty increasing by 1.1 percent. {Table 3.2, (Regional Trends in Poverty, Bangladesh, World Bank and ADB, 2003), in [17]}.

Low literacy and gender inequalities contributed to higher incidence of poverty in the poor households. Where there has been a prevalence of micro-credit operations women's poverty in female headed households have been considerably reduced. The life expectancy at birth has risen from 45.2 years in 1970-75 to 62.6 years in 2000-05. On the other hand, there has been a significant decline in the infant mortality rate (per 1,000 live births) from 145 in 1970 to 56 in 2004, a decline of about 55.86 percent in a span of 34 years. Infant mortality rate for children under five years (per 1,000 live births) has shown a decline of about 67.8 percent from 1970 to 2004.

Despite the decline in the maternal mortality rate from 574 per 100,000 live births in 1990, to between 320 and 400 in 2001, Bangladesh still has the highest maternal mortality rates in the world. It is estimated that about 14 percent of maternal deaths are due to violence against women. About 12,000 to 15,000 women die every year due to maternal health complications. Skilled health personnel attended only 12 percent of total births in 2001, which increased to 13 percent in 2004. However, wide variations also exist among the various income groups where about 40 percent of births in the highest income classes are being attended by skilled personnel whereas its only four percent in the lowest quintile. Bangladesh ranks 102 on the Gender Development Index (GDI) 2004 with a value of 0.524. [13]

Women's economic deprivation in Bangladesh is reflected in their low participation in the labour market, low returns for their labour and their concentration in low-level jobs. However, burgeoning readymade garments sector has seen increasing numbers of women employed in this sector. According to BBS (2004), only 26.1 percent of the women are engaged in the labour force compared to male participation rate of 87.4 percent, although an even larger proportion of women (about 48 percent) work as unpaid family workers. The Bangladesh Labour Force Survey 2002-03 (BBS 2004) data shows that between 1999-2000 and 2002-03, unemployment rates have declined in urban areas and increased in rural areas. But the trend was reverse for women. Unemployment rates were also higher among young girls (15-24 years). Unemployment rates were 3.4 percent and 7.8 percent for males and

females respectively in 2002-03 (BBS 2004). Underemployment women were substantially higher (72 percent) than men (23.1 percent) in 2002-03. The female underemployment rate substantially increased in the urban areas from 38.2 percent to 71.8 percent while in rural areas it increased from 57.7 percent to 75.9 percent. Both underemployment and unemployment rates imply lack of job opportunities for women. [22]

The trafficking of women in Bangladesh is compounded by poverty, patriarchy and weak government services which could have intervened to root out this problem effectively. The government relies heavily on the non-government organisations (NGOs) to provide shelter, medical care, repatriation and reintegration of the victims of trafficking. During 2004, the government returned 123 victims to their guardians, directed 21women to the NGO shelters and 11 to government-run safe houses. The slow conviction rate of persons involved in trafficking is one of the major reasons for increased women trafficking in Bangladesh. [22]

With respect to the government's commitment to education, there has been a slight increase in the government expenditures. The public expenditure on education (as a percent of GDP) increased from 1.5 percent in 1991 to 2.2 percent in 2002-04, but this is quite a significant rise, given that the GDP grew by 2.5 percent in the period 1990-2004. On the other hand, the government expenditure (as a percentage of the total public expenditure) increased from 10.3 percent in 1991 to 15.5 percent in 2002-04. [13]

One of the most promising actions in the sphere of empowerment of women in Bangladesh has been the National Action Plan (NAP) launched by the Government of Bangladesh, along with a wide variety of NGOs that sponsor schemes targeted towards lending to women on preferential basis. A special bank, Bank for Small Industries and Commerce (BASIC) has been established to sponsor cottage and small scale industries, but its involvement with women's enterprises is very insignificant. Micro-credit programmes commenced by The Grameen Bank of Bangladesh in the late 1970s initiated the process of poor women's intrahousehold and social empowerment in rural Bangladesh. "It has created sufficient social mobility of women in rural Bangladesh over the last two decades. Today, millions of women living in low-income households have become micro-entrepreneurs and are struggling to fight poverty successfully, mainly through economic empowerment. At present about 90 percent of micro-credit borrowers are women. This has helped the visibility of women and increased their role in economic decision-making. This programme has also been awarded with the Nobel Peace Prize of 2006." [24]

The crucial feature in Bangladesh is the plethora of NGOs that fill the gaps created due to "deficiencies in democratic accountability and public administration" [64]. They form a link between the governments and the common people. They have delivered many innovative strategies to tackle the social development in the country, for example. Micro credit, health education, non-formal primary education, to name a few, due to which Bangladesh has a high HDI value, although it is an LDC. The simultaneous effective working of the non-government organisations and the social movements has made the responsibilities of the government a shared value commitment.

#### **2.3 BHUTAN**

## 2.3.1 Introduction

Sandwiched between Indian and the People's Republic of China, the landlocked nation in the Himalaya Mountains, the Kingdom of Bhutan is one of the most isolated and least 'developed' countries in the world; however the country maintains strong economic and cultural links with India. Foreign influences and tourism are heavily regulated by the government to preserve the country's traditional culture and national identity. [25] The landscape ranges from subtropical plains in the south to the Himalayan heights in the north, with some peaks exceeding seven thousand meters. Mahayana Buddhism is the state religion and accounts for about half the population.

After the Chinese People's Liberation Army entered Tibet in 1951, Bhutan sealed its northern frontier and improved bilateral ties with India. To reduce the risk of Chinese encroachment, Bhutan began a modernisation program that was largely sponsored by India.[26] In 1953, King Jigme Dorji Wangchuck established the country's legislature – a 130-member National Assembly – to promote a more democratic form of governance. In 1965, he set up a Royal Advisory Council, and in 1968 he formed a Cabinet. In 1971, Bhutan was admitted to the United Nations, having held observer status for three years. In July 1972, Jigme Singye Wangchuck ascended to the throne at the age of 16 after the death of his father, Dorji Wangchuck [26]

In the 1980s, Bhutan began a "one nation, one people" campaign, to foster greater integration among different ethnic and cultural groups in Bhutan.

In 1998, King Jigme Singye Wangchuck introduced significant political reforms, transferring most of his powers to the Prime Minister and allowing for impeachment of the King by a two-thirds majority of the National Assembly.

# 2.3.2 Economic Parameters

Though Bhutan's economy is one of the world's smallest, it has grown very rapidly with about eight percent in 2005 and 14 percent in 2006. As of March 2006, Bhutan's per capita income was US\$1,321 making it one of the fastest growing in South Asia. Bhutan's standard of living is growing faster than that of its neighbouring countries and is one of the highest in Asia.[26] Bhutan's small economy is based on agriculture, forestry, and the sale of hydroelectric power to India. Agriculture provides the main livelihood for more than 80 percent of the population. Agrarian practices consist largely of subsistence farming and animal husbandry. Handicrafts, particularly weaving and the manufacture of religious art for home altars are a small cottage industry and a source of income for some. A landscape that varies from hilly to ruggedly mountainous has made the building of roads, and other infrastructure, difficult and expensive. This, and a lack of access to the sea, has meant that Bhutan has never been able to benefit from significant trading of its produce. Bhutan currently does not have a railway system, though Indian Railways plans to link up southern Bhutan with its vast network under an agreement signed in January 2005. The historic trade routes over the high Himalayas, which connected India to Tibet, have been closed since the 1959 military takeover of Tibet (although smuggling activity still brings Chinese goods into Bhutan).

The industrial sector is minimal, production being of the cottage-industry type. Most development projects, such as road construction, rely on Indian contract labour. Agricultural produce includes rice, chillies, dairy (yak) products, and fruits. Industries include cement, wood products, processed fruits, alcoholic beverages and calcium carbide.

Bhutan's currency, the ngultrum, is pegged to the Indian Rupee. The rupee is also accepted as legal tender in the country. Incomes of over Nu 100,000 per annum are taxed, but very few wage and salary earners qualify. Bhutan's inflation rate was estimated at about three percent in 2003. Bhutan has a Gross Domestic Product of around USD 2.913 billion (adjusted to Purchasing Power Parity), making it the 162nd largest economy in the world. Per capita income is around US\$1,400 (€1,170), ranked 124th. Government revenues total €122 million (US\$146 million), though expenditures amount to €127 million (US\$152 million). 60 percent of the budget expenditure, however, is financed by India's Ministry of External Affairs. Bhutan's exports, principally electricity, cardamom, gypsum, timber, handicrafts, cement, fruit, precious stones and spices, total €128 million (US\$154 million) Imports, however, amount to €164 million (US\$196 million), leading to a trade deficit. Main items imported include fuel and lubricants, grain, machinery, vehicles, fabrics and rice. Bhutan's main export partner is India, accounting for 87.9 percent of its export goods. Bangladesh (4.6 percent) and the Philippines (two percent) are the other two top export partners. As its border with Tibet is closed, trade between Bhutan and China is now almost non-existent. Bhutan's import partners include India (71.3 percent), Japan (7.8 percent) and Austria (three percent). [13]

In a response to accusations in 1987 by a journalist from the United Kingdom's (UK) *Financial Times* that the pace of development in Bhutan was slow, the King said that "Gross National Happiness is more important than Gross National Product." This statement appears to have presaged recent findings by western economic psychologists, including 2002 Nobel Laureate Daniel Kahneman, that question the link between levels of income and happiness. The statement signaled his commitment to building an economy that is appropriate for Bhutan's unique culture, based on Buddhist spiritual values, and has served as a unifying vision for the economy. In addition, the policy seems to be reaping the desired results: in a recent survey organised by the University of Leicester in the UK, Bhutan was ranked as the planet's 8th happiest place. [29]

# 2.3.3 Human Rights and its Practice

According to the SAARC Human Rights Report 2006 (No.31), Bhutan ranks second in the Human Rights Violators Index 2006, while according to the Human Development Report 2006, it is ranked 135 with a Human Development Index value of 0.538, as of 2004 [13]

A landlocked and closed country, little information on the human rights violations was available. The serious restrictions on the freedom of movement in the name of preserving the "Shangrila" made collection, collation and analysis of human rights violations in Bhutan the most difficult in South Asia. In more ways than one, the absence of a written constitution, political parties, freedom of association and assembly, press and independent judiciary lead to the high ranking of the country in the Human Rights Violator Index. One of the main reasons for the violations of human rights is the non-existence of any political parties in the country. Although, a proposed Constitution was released for public review and it was announced in December 2005 that the King would abdicate the throne in favor of his eldest son, Crown Prince Jigme Khesar Namgyel Wangchuk and hold country's first national elections in 2008 [32] to establish full-fledged parliamentary democracy in Bhutan. According to this proposed

Constitution, the King would still have the same powers and immunity, until and unless the National Referendum denies it.

There does not exists any independent judiciary for Bhutan and the King is the Supreme head of the judiciary and appointing authority for the judges (except judges of the sub-districts), and their dismissal as well as to grant pardon. Even under the proposed draft Constitution, the judiciary continues to remain under the King in Bhutan. [26]

The status of human rights in Bhutan is explained by its complete non-existent. The government has not initiated any National Human Rights Commission and has not registered any human rights organisations. There is no freedom of speech and independent press. The newspaper and media is completely controlled by the government, on the pretext of preserving the culture.

The Poverty Analysis Report, 2004 states that in 2003 Bhutan recorded 31.70 percent as below the poverty line. Compared to 36.3 percent in 2000 this shows an improvement. Rural Poverty is high at 38.3 percent and unusually low for urban at 4.20 percent. The Bhutan Living Standard Survey [30] states that the average rural income is only about 45 percent of the average urban income. 79 percent of the population is in the rural areas and for Government this is a critical issue because the spread of development has to be predominantly tailored to suit the rural areas.

"In some the main features of and challenges faced by the poor in Bhutan are: limited or small land-holdings or physical assets; lower human capital; ill-health and less education; inability to own a decent house; vulnerability to food shortage or insecurity; large numbers of dependents; geographical isolation with limited or lack of rural communication facilities; dependence on subsistence agriculture; vulnerability to natural disasters..." [17]. This clearly captures the width and range of challenges before Government for redressing rural poverty and rural livelihoods.

Women in general enjoyed freedom and equality. Yet, literacy rate among the women is only 48.7 percent in comparison to 69.1 percent among males, as of 2005. [33] Surprisingly, the life expectancy at birth for women is 64.2 years as against 62.2 years for men, in 2004. Bhutan has ratified the Convention on the Elimination of All Forms of Discrimination against Women, (1979) in 1981, [13] and established a National Commission for Women and Children in 2004; it has failed to address discrimination against women under the Inheritance Act of 1980 and the Marriage Act of 1980 (amended in 1996). Under the Marriage Act, those who marry non-Bhutanese are deprived of benefits including promotion in Government job with effect from 11 June 1977, termination of services from the National Defence Department or in the Ministry of Foreign Affairs, deprivation of governmental welfare services and schemes, including distribution of land, cash loans, various grants, and educational and training facilities. [31]

About 78 percent of the populations reportedly had access to safe drinking water. Yet, six out of ten children in rural Bhutan suffered from diarrhea, worms, and skin and eye infections largely due to lack of safe drinking water and poor environmental sanitation. [34] Both infant mortality (60.5 per 1,000 live births) and maternal mortality (255 per 100,000 live births) were high.[35] The government has been providing universal, free, and compulsory primary school education up to 11 years. The primary school enrollment increased 4.4 percent per year since 1995, with enrollment of girls increasing at 5.6 percent. [36]

Gross Primary school enrolment rate was 72 percent. [35] Yet, about 3 out of every 10 children of school-going age did not go to school, especially in the remote areas. [34] Until the early 1960s, no formal schools existed in Bhutan except those for religious instruction. Since then considerable progress has been made in education, and primary and secondary schools have been established throughout the country. Sherubtse Degree College at Kanglung in eastern Bhutan is affiliated with the University of Delhi. There are also several teachertraining schools and technical-vocational schools. Despite this progress, Bhutan still lags behind other developing nations in Asia in terms of enrollment ratios and literacy rates. Only one-fifth of primary-school-age children are enrolled in school in Bhutan, and, as of 2004, only about 2 percent of the country's secondary-school-age children are enrolled. [34]

The slow emergence of civil society associations in Bhutan may be regarded positively given the need for internally building up a society that may not be criticised for the social exclusion of the poor. The efforts of the government in up scaling development efforts to remote rural populations, the necessary infrastructure development need to be tracked for consistency and for sustained investments.

## **2.4 INDIA**

## 2.4.1 Political Scenario

India's history traces back to the Indus Valley Civilization [37] and has experienced an array of rulers. The Maurya Dynasty under Emperor Ashoka united most of South Asia in the third century B.C. [38] There were a number of invasions from Central Asia i.e. Indo-Greeks, Indo-Scythians, Indo-Parthians and Kushans. The Gupta Dynasty (Krishna Reddy (2003)) led to the Delhi Sultanate and later to the Mughal Empire. A wide number of dynasties that ruled South India were the Cholas, the Pallavas, the Hoysalas, the Vijaynagar Empire, the Chalukyas and the Rashtrakutas. From the sixteenth century, many European countries, including Portugal, Netherlands, France and united Kingdom arrived as traders and took advantage of the lack of unity among the kingdoms and established colonies in the country. By 1856, most of India was under the control of the British East India Company. India emerged independence only in the twentieth century, after two-hundred years of struggle, on August 15, 1945, which also marked the partition of the Indian sub-continent into India and Pakistan (East Bengal and West Punjab). [40]

The constitution of India, the longest and most exhaustive constitution of any independent nation in the world, came into force on January 26, 1950. [41] The preamble of the constitution defines India as a sovereign, socialist, secular, democratic republic.[42] India has a quasi-federal form of government [43]. It has three branches of governance: the Legislature, Executive, and Judiciary. The President of India is the official head of state elected indirectly by an electoral college for a five-year term. The Prime Minister is, however, the *de facto* head of government and exercises most of the executive powers. The Prime Minister is appointed by the President and, by convention, is the candidate supported by the party or political alliance holding the majority of seats in the lower house of Parliament. [44]

The legislature of India is the bicameral Parliament, which consists of the upper house called the Rajya Sabha (Council of States) and the lower house called the Lok Sabha <sup>(</sup> [45] (House of People). The Rajya Sabha, a permanent body, has up to 250 members serving staggered six year terms. [44] Most are elected indirectly by the state and territorial legislatures in

proportion to the state's population. [46] The Lok Sabha's 545 members are directly elected by popular vote to represent individual constituencies for five year terms. [44]

The executive branch consists of the President, Vice-President, and the Council of Ministers (the Cabinet being its executive committee) headed by the Prime Minister. Any minister holding a portfolio must be a member of either house of parliament. In the Indian parliamentary system, the executive is subordinate to the legislature, with the Prime Minister and his Council being directly responsible to the lower house of the parliament. [47]. India has a unitary three-tier judiciary, consisting of the Supreme Court, headed by the Chief Justice of India, twenty-one High Courts, and a large number of trial courts. [48] The Supreme Court has original jurisdiction over cases involving fundamental rights and over disputes between states and the Centre, and appellate jurisdiction over the High Courts. [49]. It is judicially independent, and has the power to declare the law and to strike down union or state laws which contravene the Constitution. (No.50) The role as the ultimate interpreter of the Constitution is one of the most important functions of the Supreme Court. [51]

## 2.4.2 Economic Trends

For most of its post-independence history, India adhered to a quasi-socialist approach with strict government control over private sector participation, foreign trade, and foreign direct investment. However, since 1991, India has gradually opened up its markets through economic reforms and reduced government controls on foreign trade and investment. Foreign exchange reserves have risen from US\$5.8 billion in March 1991 to US\$247 billion in September 2007, [52] while federal and state budget deficits have decreased. [53]. Privatisation of publicly-owned companies and the opening of certain sectors to private and foreign participation have continued amid political debate. [54] With a GDP growth rate of 9.4 percent in 2006-07, the Indian economy is among the fastest growing in the world. [55] India's GDP in terms of USD exchange-rate is US\$1.103 trillion, which makes it the twelfth largest economy in the world. [56] When measured in terms of purchasing power parity (PPP), India has the world's fourth largest GDP at US\$4.156 trillion. India's per capita income (nominal) is US\$820, ranked 128th in the world, while its per capita (PPP) of US\$3,700 is ranked 118th. The Indian economy has grown steadily over the last two decades; however, its growth has been uneven when comparing different social groups, economic groups, geographic regions, and rural and urban areas. [57]

Although income inequality in India is relatively small, (Gini coefficient: 32.5 in year 1999-2000) [58] it has started to depict an increasing trend. Despite significant economic progress, a quarter of the nation's population earns less than the government-specified poverty threshold of US\$0.40/day. In addition, India has a higher rate of malnutrition among children under the age of three (46 percent in year 2007) than any other country in the world. [59]

India has a labour force of 509.3 million, 60 percent of which is employed in agriculture and related industries; 28 percent in services and related industries; and 12 percent in industry. Major agricultural crops include rice, wheat, oilseed, cotton, jute, tea, sugarcane, and potatoes. The agricultural sector accounts for 28 percent of GDP; the service and industrial sectors make up 54 percent and 18 percent respectively. Major industries include automobiles, cement, chemicals, consumer electronics, food processing, machinery, mining, petroleum, pharmaceuticals, steel, transportation equipment, and textiles. [60]

In 2006, estimated exports stood at US\$112 billion and imports were around US\$187.9 billion. Textiles, jewellery, engineering goods and software are major export commodities. Crude oil, machineries, fertilizers, and chemicals are major imports. India's most important trading partners are the United States, the European Union, China, and the United Arab Emirates. [13]. More recently, India has capitalised on its large pool of educated, English-speaking people, and trained professionals to become an important outsourcing destination for multinational corporations and a popular destination for medical tourism. [60] India has also become a major exporter of software as well as financial, research, and technological services. Indeed the expansion of the service sector and the rapidly reducing role of agriculture are to be noted.

# 2.4.3 Social Conditions and Human Development in India

In 2004, India ranked 126<sup>th</sup> in the Human Development Index with a value of 0.61 and life expectancy at birth being 63.6 years. [13]. But, despite these, the overall human development of India is still lagging behind in the sphere of food, shelter, education and above all, gender equality. According to the Planning Commission, Government of India the number of poor below the poverty-line in 1987-88 constituted 38.9 percent of the population. In 1999-2000, this figure had come down to 26.1 percent (27.1 percent-rural, 23.6 percent-urban). Among the rural and urban poor the scheduled castes and the scheduled tribes continue to be the most affected, their work characterised by low productivity, and the poverty ratio remained higher for these groups. 36.3 percent of the SCs and 45.9 percent of the STs live below the poverty line in rural areas. ! Agricultural labour in the rural areas and casual labour in urban areas form the bulk of the poor in India. It is shocking to note and tragic indeed that poverty ratio for casual labourers in urban areas was 62.64 percent in 1993-94 and 50.61 percent in 1999-00. [17. p.47]. Again poverty reduction has been spatial with some states in the south recording improved state level analysis of poverty. Yet classic examples of twin realities in the same state include Maharashtra which is a highly developed state but has two districts which are highly poor-Vidharbha and Marathwada. The fact that along with farmers' suicides there is an increase of urban poor portrays the uneven and unjust development that is taking place in India. Hunger, malnutrition, low value of infrastructure index, poor access to education and health and low employment or unprotected employment are the key issues that confront the notion of a unfulfilled democracy.

The Census of 1901 noted 972 females for every 1000 men, which has drastically fallen to 933 females to every 1000 males in 2001 Census. [61] this depicts the wide presence of female feticide as well as female infanticide, along with increasing killing of women for dowry. According to the SAAPE Report, "...the disparity between male and female Infant Mortality Rates (IMR) in India was at its all-time high of six percent, according to the data presented by the Department of Family Welfare in 2002..." [64] On one hand, the male adult literacy rate of 2004 depicts that about 74 percent of the adult males are literate, only 47.8 percent of the adult women are literate. This disparity among the genders is also prevalent in the estimated earned income, where females get about US\$1,471 (Purchasing power parity) while males earn about US\$4,723 in 2004. [13].

Although there are still these signs of inequality, the statistics have been improving. India ranked 96 in Gender-related Development Index (GDI) in 2004 with a value of 0.591. Life expectancy of women was 65.3 years in 2004, much higher than the males, which stood at 62.1 years only. [13].

The government is committed in providing the citizens with better social infrastructure. In 2004, 33 percent of the population had access to improved sanitation, as against only 14 percent in 1990; whereas, 86 percent of the population had access to improved water source in 2004 as compared to only 70 percent in 1990. About 43 percent of the births were attended by skilled personnel in the period 1996-2004. Public expenditure on education was about 3.3 percent of the GDP in 2002-04, while about 1.2 percent of the GDP was spent on public health. [13] Infant mortality rate has decreased from 127 per 1,000 live births in 1970 to 62 per 1,000 live births in 2004. Under-five mortality rate has also fallen drastically from 202 per 1,000 live births in 1970 to 85 per 1,000 live births in 2004. Adult literacy rate (for ages 15 years and above) stood at 61 percent in 2004, while the youth literacy rate (for ages 15-24 years) was 76.4 percent in the same year. [13]; India is one of the fastest growing economies in the world right now, but to ensure overall development, it has to concentrate on the most vulnerable sections of the population i.e. Scheduled castes and scheduled tribes with specific focus on women, develop infrastructure to reach these citizens, invest more productively in rural India with specific focus on non-farm sector industry and full employment, and lastly ensure that health and education is ensured to all citizens. If these goals are to be met it is without doubt that government services will need major reforms based on principles of accountability. The world's largest democracy needs to demonstrate that democracy is also about the fulfillment of basic rights.

## 2.5 MALDIVES

#### 2.5.1 Political Scenario

The island Republic of Maldives is a homogenous country in terms of shared history, language (Dhivehi), religion (Islam) and culture. For much of its recorded history, the Maldives has remained a monarchy. During the reign of Sultan Mohamed Shamsudeen III, the country's first written constitution was drafted, and proclaimed on 22 December 1932. During the 1940s, Maldives began to progress towards a republican form of government. The First Republic was proclaimed on 1 January 1953, with Mohamed Amin Didi as its first President. This was a time of severe economic hardship, and as a result, the first Republic was overthrown in a matter of months by a coup. A referendum was held regarding the system of governance of the country, and the people voted to restore the Sultanate. On 6 March 1954, Mohamed Fareed Didi was elected as the Sultan. During his reign, two Prime Ministers served him. The first was Ibrahim Ali Didi and the second was Ibrahim Nasir. After decades of British Protection, Prime Minister Ibrahim Nasir negotiated with the British for the territorial integrity and independence of Maldives. An agreement securing absolute independence was signed on 26 July 1965.

After gaining independence, in 1968, a public referendum was held to confirm whether the Maldives wanted to become a Republic. The public voted in favour of a Republic. The Sultanate was abolished and Maldives became a Republic for the second time. On 11 November 1968, Ibrahim Nasir was sworn in as President and the Second Republic was established. [62]

## 2.5.2 Economic Trends

Since its independence in 1965, the Maldives has achieved commendable economic development. While the country was one of the poorest in South Asia in the early 1970s, it

now has the highest per capita income in the region (US\$2,320 in 2005) [15]. In the 1990s, the poverty line came down to one percent from three percent in 2004 due to good governance and policy drives by the Government. A high adult literacy rate of 98.9 percent in 2004, universal primary education, an economy based on services and industrial sectors, good health services, and a minimal role for agriculture have all contributed to the low incidence of poverty. [17] The country's economy is dependent on tourism, fishing and foreign imports. Since the introduction of tourism thirty years ago, the Maldivian economy has undergone a rapid transformation. Maldivian economy grew at an average growth rate of 7.4 percent. That growth was due mainly to the rapid development of tourism and related sectors including construction, transport and telecommunication.

The Maldives has a very open economy due to its high dependence on imports and the need to earn foreign exchange from tourism and export of fish products to finance its imports. The economy is thus vulnerable to such external factors as economic development in the European Union (EU) countries that are the major markets for tourism, security situation in South Asia and the Middle East, and international fish prices.

The vulnerability is also a result of the narrow economic base and the limited natural endowments, scarce land, small population and domestic markets. The country relies virtually on two sectors – tourism and fisheries. Tourism is the leading industry and accounts for one-third of GDP. Its importance becomes more significant if the close link between it and other sectors are considered. While the contribution of fisheries has been declining over time, it remains vital to the economy, because it is the main provider of food items and employment in a number of atolls. [64]

Until 2000, the Maldives' economic performance was favourable, but it showed a downward trend, partially due to adverse global developments. Travel safety concerns, significant decline in consumer spending and confidence adversely affected tourism. Tourist arrivals declined by 1.3 percent in 2001. It was the first time in the 30-year history of Maldives' tourism that the sector experienced zero growth. The downturn of the tourism sector had spillover effects on other sectors, and contributed to weak economic performance as a whole. The GDP growth rate for 2001 was 3.6 percent, which jumped to seven percent in 2002, and reached a high of 10 percent in 2004, before crashing to a negative growth of five percent in 2005. [15]

Inflation rates in recent years have been kept in check at low levels ranging from -1.4 percent to three percent in contrast with higher levels in the mid-1990s. The Rufiyaa, which has been fixed to the US\$ under a *de facto* fixed exchange rate policy, was devalued on 25 July 2001 by eight percent from Rf 11.77 per US\$1.00 to Rf 12.80 per US\$1.00. [64]

The future performance of the Maldivian economy depends highly on the development of the tourism sector. The expected recovery of the world economy, particularly in the US, will have a positive impact on exports, but uncertainty remains due to the large fluctuation in international fish prices.

# 2.5.3 Social Conditions

The Maldives' strong performance of the economy has been matched by improvements in the well being and welfare of the nation's population. Life expectancy increased from 70 years in 1995 to 71 years in 2000, partly due to significant reductions in infant and child mortality.

The under-five mortality rate declined from 39 per 1,000 live births in 1997 to 30 per 1,000 live births in 2000, and again increased to 46 per 1,000 live births in 2004. [13]. The infant mortality rate, which stood at 27 per 1,000 live births, declined to 21 per 1,000 live births in 2000. This also showed an increase as it stood at 35 per 1,000 live births in 2004; and the maternal mortality rate decreased from 178 per 100,000 to 75 per 100,000 in 2000. The contraceptive prevalence rate for use of modern methods increased from 17 percent in 1995 to 32 percent in 1999. [64] Some communicable diseases such as malaria, leprosy and filaria have now been virtually eliminated, and childhood immunisation coverage is universal.

In the education sector, Maldives has succeeded in forming a unified system of education with a common national curriculum. Self-sufficiency in training of primary teachers has been achieved. Seven years of basic schooling has been near universalised, almost eliminating illiteracy and reducing gender disparity in school enrolment.

In recognition of the critical role of human resource development for sustainable development, the government has made significant investments in education. Establishment of atoll schools has steadily increased access to secondary education. However, the country faces a crucial need to train secondary teachers. Improving the quality of education and expanding secondary, post-secondary, vocational and technical education, as well as special needs education, is an urgent need. The public expenditure on education, as a percentage of the GDP increased from seven percent in 1991 to 8.1 percent in 2004. [15]

Maldivian women enjoy more equal opportunities and face relatively less discrimination than the majority of their South Asian neighbours. [22] Existing socio-economic conditions combined with prevailing traditional and cultural norms and attitudes, results in the woman's position still remaining disadvantaged in terms of health and survival, education, and active participation in the development of the nation. All Maldivians, according to the Maldivian Constitution, are equal before the law. However, being a Muslim country, where the legal system is based on the Islamic Shari'ah, differences in gender rights arise in instances of property rights, marriage and divorce, and religious and political leadership.

In the Maldives, the percentage of deliveries attended by skilled health personnel in 1995-98 is 90 percent [15]. The maternal mortality rate was 350 per 100,000 live births for the same period. A woman would have an average of 4.3 children in her lifetime [15]. Out of 1,000 live births, the approximate number of infants who die within one year of birth is higher for girls than the boys, with a rate of 58 girls for 48 boys [15]. Public awareness on healthy living with special emphasis to reproductive health and reproductive rights of women has increased. A baseline survey done in 1999 indicates 92 percent awareness on HIV/AIDS. [22]

Women enjoy a higher literacy rate of 98 percent compared to men that have only 96 percent literacy rate. In 1997, the estimated adult literacy rate for the total population was 4.2 percent for men and 4.3 percent for women. For 2000, the rate was 3.7 percent for men and 3.6 percent for women, which is an improvement. [15]. There is parity in primary and secondary school enrolment with 49 percent of girls and 51 percent of boys. But, the higher secondary enrolment figures depicts a decrease in the number of girls mainly due to lack of women's mobility as the higher education is only available in the capital, Mahe or abroad. No gender discrimination has been observed in the access to or provision of primary education. [22]

Much progress has been made in guaranteeing child protection and child rights with the ratification of the UN Convention on the Rights of the Child in 1991. However, an urgent

need exists for support services for children and families, especially for children who are victims of abuse and neglect. Counselling services and institutional capacity for rehabilitation of children with disabilities need to be strengthened.

The high divorce rates in the Maldives directly and indirectly affects the psychosocial development of children. It manifests itself in juvenile delinquency and substance abuse. Measures to comprehensively address marital disputes and reduce divorces are essential to reduce deprivation and despair among those affected. The recently implemented Family Law is a progressive step towards strengthening family relations and gender equity issues.

Children and youth under 25 years of age make up 62 percent of the Maldivian population. An increasingly critical need exists to increase further educational and employment opportunities for this vital segment of the population.

In terms of social security, people needing medical and other types of assistance are funded under a government welfare scheme. Under this scheme a certain amount of funding is available for treatment both abroad and in the country, purchase of prescription drugs and provision of assistive devices such as wheel chairs and spectacles. This form of welfare is extremely costly and unsustainable due to expanding needs. It may be more cost-effective to introduce some form of an insurance or social security scheme.

The SAARC Human Rights Report 2006 ranks Maldives 4<sup>th</sup> among the South Asian countries in the Violation of Human Rights Index. According to the report, the Security forces were responsible for gross violations of human rights including right to life and torture and other inhuman and degrading treatment. The lack of an independent judiciary and Supreme Court, where the President is the judge and the jury for the appeals, makes the enforcement of human rights problematic. The People's Majlis (Parliament) passed the Human Rights Commission Bill in 2005, following which the HRC of Maldives submitted a 13 point recommendations for the amendment of the Human Rights Commission Bill. None of these recommendations were accepted and the President ratified the HRC Bill without any amendment. Despite the ratification, the HRC of Maldives faces repression from the government and the only NGOs allowed to operate were the ones close to the regime. [31]

Maldives' success in eliminating poverty is notable. So is their policy to maximise on the virtues of the country such as services and tourism. Its vulnerability arising from its unique features and narrow economic base at present are in evident control but require further planning for the future. After Tsunami the urgent issues include infrastructure development for drinking water, desalination, and long term plans for reallocation of people from unsafe islands. The potential threats of global warming and sea-level rise are urgent issues. Despite being categorised as a LDC, Maldives has the highest human development indicators among the South Asian countries. This is mainly due to the involvement of the government and adequate public expenditure in the important sectors like Health and education. Another factor is the Island Development Committees that integrate the development of the islands, with the help of the local participation. Provision of certain kind of support to the youth organisations cultivates the awareness among them for the overall development of the community. This has been a successful model for Maldives mainly due to two major reasons-Firstly, the country is divided into smaller islands where people have been used to the dominance of the Island Chief; secondly, the country is sparsely populated, as compared to the others in the region. Since it is primarily an agrarian economy, the increasing globalisation of trade might adversely affect Maldives' economy. The role of civil society

has also been quite minimal, as compared to the other countries, due to the strong role of government as well as the presence of the Island Committees which are extensions of the government.

#### **2.6 NEPAL**

#### 2.6.1 Political Conditions

Nepal is officially called the State of Nepal by the Interim Government. After a long and rich history, during which the region splintered and reunited under a variety of absolute rulers, Nepal became a constitutional monarchy in 1990. However, the monarchy retained many important and defined powers. This arrangement was marked by increasing instability, both in the parliament and, since 1996, in large swathes of the country that have been fought over by Maoist insurgents. The Maoists, alienated from mainstream political parties, went underground and started a guerrilla war against both monarchy and mainstream political parties. They have sought to overthrow feudal institutions, including the monarchy, and establish a Maoist state.

This led to the Nepali Civil War in which more than 15,000 people have died. After the intraparty conflict within the ruling Nepali Congress (NC) on the issue of continuation of state of emergency to deal with Maoist insurgents, then prime minister Sher Bahadur Deuba recommended the king for the dissolution of lower house seeking a fresh mandate in 2002. The king accepted his recommendation and dissolved the house as per the constitution. Later on, Deuba recommended the king for the postponement of the parliamentary election on the pretext of insecurity due to the Maoist insurgency. Then the king sacked Deuba in 2002 on the grounds of not able to hold elections and started ruling through prime ministers appointed by him. He then unilaterally declared a state of emergency early in 2005 and assumed all executive powers.

Following the 2006 democracy movement, the king agreed to relinquish the sovereign power back to the people and reinstated the dissolved House of Representatives on April 24, 2006. Using its newly acquired sovereign authority, on May 18, 2006, the newly resumed House of Representatives unanimously passed a motion to curtail the power of the king and declared Nepal a secular state. As of September, 2006, a complete rewrite of the constitution was still expected to happen in the near future.

As of July 2007, many of Nepal's new political leaders, including the former Maoist rebels, now want the monarchy abolished. The king has already lost his powers as head of state and head of the army and the government has decided to stop paying all allowances. [63]

## **2.6.2** Economic Conditions

Nepal is an agrarian economy, where agriculture provides employment for 81 percent of the total population and contributes over 80 percent to the export sector. The planned growth of agriculture had been four percent for the last five years, but it has fallen short consistently and has stabled around 3.3 percent. [64] Manufacturing industry had experienced a high growth rate of around 10 percent in the first half of 1990s, but since the insurgency of the Maoist government, there has been a setback in the industry, which has led to the decline of

the industry growth and its contribution to the GDP. The Maoist insurgency also affected the tourism sector, which contributed to the GDP. [64]

Since the mid-1980s, the government has been implementing economic liberalisation policies, encouraging private sector involvement in the economic activities. Despite giving poverty reduction and alleviation major focus, there is not much visible progress: indeed there seems to be a regression. The mid and far western regions of the country show dismal conditions of utter destitution. (The Nepal Human Development Report 2004 in [17]) While urban poverty shows an improvement –from 21.6 percent in 1995/96 down to 9.6 percent in 2003/2004 rural poverty decline is only from 43.3 percent to 34.6 percent during the same period. Compare this to Kathmandu at 3.3 percent with less than five percent of the country's population. Another shocking reality is the increase in female headed households by 69 percent although poverty also reduced in these households. [17] This is an interesting phenomenon and cannot be considered positive for a society as a whole. Development investments have shown a pronounced bias in reaching the elite rather than the seriously immiserised populations as is shown in the lives of the dalits of whom 45.5 percent are below the poverty line. [17]

During the 1990s, there was strengthening of the macro-economic performances, which resulted in healthy internal and external balances, but for the first time in 19 years, Nepal experienced a negative growth of -0.6 percent in 2001-02. [15] The main contributor of economic growth had been the non-agricultural sector, which had benefited the urban areas more significantly than the rural areas that led to the widening of income gaps between the urban centres and the rural areas.

In 2002, exports accounted for 11.3 percent while agriculture accounted for 40 percent.<sup>3</sup> There has been a drastic change in the structure of trade as well. Trade has experienced a shift from the traditional agricultural goods to manufacturing goods including readymade garments, Pashmina shawls and woollen carpets, which comprise about 60 percent of the total exports. Although there has been a decline in the trade deficit in 2002 (14.1 percent of GDP), exports and imports have declined sharply, mainly due to a fall in the export of readymade garments and woollen carpets. [64]

The contribution of merchandise trade as a percentage of the GDP was about 43 percent in 2000 which declined to 36 percent in 2005. The service sector also witnessed a rise in the over all contribution to the GDP from 39 percent in 2000 to 41 percent in 2005. The inflation rate was at a high of five percent in 2000, which saw a decline during the period 2000-03, but since 2004, the inflation rate has consistently been five percent per annum [15].

# 2.6.3 Social Conditions and Human Development in Nepal

The Constitution of Nepal (1990) guarantees no discrimination against anyone on the basis of gender, religion or caste, yet the government has not taken adequate initiatives to enforce equal rights of women and men to vote, contest elections, affiliate with any political parties and hold any political position. Thus, women continue to face inequalities, especially in the rural areas, where lack of education and ignorance of law plays an important role in the rising discrimination against women.

Women's trafficking for commercial sexual exploitation is a well-spread business as every year about 7,000 girls and children every year are trafficked from Nepal to other parts of the

world. According to the Kathmandu Post (July 24, 2001), India alone has about more than 200,000 Nepali women working as commercial sex workers [64] The maternal mortality ratio is one of the highest in the world (740 per 1, 00,000 live births) as only 15 percent of the births are supervised by skilled personnel. High levels of unwanted abortions, especially among the married women, indicate the main causes to be early marriage and reproduction, lack of proper sexual education and knowledge about contraceptives [22]. The public expenditure on the health services had been only 1.5 percent of the GDP in 2003, whereas there are only 21 physicians for every 100,000 people (1990-2004) [13].

The life expectancy at birth, among the lowest in the region, is 62.1 years whereas Nepal ranks 138<sup>th</sup> rank for its HDI value of 0.5 in 2004. The adult literacy rate (for ages 15 and above) is just about 50 percent. While 62.7 percent of the male population (15 years and above) were educated in 2004, only 34.9 percent of the women in the same age bracket were educated, depicting a wide discrimination against women in the sphere of education. In 2004, only 35 percent of the people had sustainable access to improved sanitation. Only 3.4 percent of the GDP was spent on education by the Government of Nepal in 2002-04. Although, women were given the right to vote and stand for election in 1951, as of 2005, only 7.4 percent of government at the ministerial level consists of women; in 2005, only six percent of the total seats in the lower house of the Parliament are held by women [13].

Thus, despite the State guaranteeing the basic fundamental rights and being a signatory of the Convention for Elimination of all forms of Discrimination against Women (CEDAW), it has failed to ensure equality in the treatment of men and women alike. Amnesty International (2002) rightly observes, "Impunity is the single most destructive factor affecting the human rights situation" in Nepal [64]. Unless and until the newly elected democratic government makes the development agenda its primary task, promoting development plans in the most remote and unreached areas there will be a dim future for the poor peasantry of Nepal who has had to contend with extremist forces with little choice between the repressive monarchy and the Maoist forces promising liberation. The women of Nepal particularly deserve freedom from both poverty and patriarchy. "As the limitations of the state-sponsored, projectbased and top-down development became apparent, the government and the donors should focus on the private, professional and development organisations and voluntary sector as potentially viable alternatives." [64]. Nepal, due to the powerful democratic movements of the last couple of years is today creating history in the changes of the constitutional variety resulting in the limitation of the monarchial powers. The major challenges remain-creating a society based on principles of equity, with specific focus on employment in the rural agrarian sector, education and health for all and stability for citizens to carry on their lives.

# 2.7 PAKISTAN

#### 2.7.1 Political Scenario

Pakistan was formed on 14 August 1947 with two Muslim-majority wings in the eastern and northwestern regions of the British Indian Empire, separated from the rest of the country with a Hindu majority, and comprising the provinces of Balochistan, East Bengal, the North-West Frontier Province, West Punjab and Sindh. The partition of the British Indian Empire resulted in communal riots [65] across India and Pakistan—millions of Muslims moved to Pakistan and millions of Hindus and Sikhs moved to India. Disputes arose over several princely states including Jammu and Kashmir whose ruler had acceded to India following an invasion by

Pashtun warriors, leading to the First Kashmir War (1948) ending with Pakistan occupying roughly one-third of the state. From 1947 to 1956, Pakistan was a Dominion in the Commonwealth of Nations. The republic declared in 1956 was stalled by a coup d'état by Ayub Khan (1958–69), who was the President during a period of internal instability and a second war with India in 1965. His successor, Yahya Khan (1969–71) had to deal with the cyclone which caused 500,000 [66] deaths in East Pakistan.

Economic and political dissent in East Pakistan led to violent political repression and tensions escalating into civil war (Bangladesh War of Independence) [67] and the Indo-Pakistani War of 1971 and ultimately the secession of East Pakistan as the independent state of Bangladesh [68]. Estimates of the number of people killed during this episode vary greatly, from about 30,000 to over 2 million depending on the source.

Civilian rule resumed from 1972 to 1977 under Zulfikar Ali Bhutto, until he was deposed and later sentenced to death in what amounted to a judicial murder in 1979 by General Zia-ul-Haq, who became the country's third military President. Pakistan's secular policies were replaced by Zia's introduction of the Islamic Shariah legal code, which increased religious influences on the civil service and the military. With the death of General Zia in a plane crash in 1988, Benazir Bhutto, daughter of Zulfikar Ali Bhutto, was elected as the first woman Prime Minister of Pakistan. Over the next decade, she alternated power with Nawaz Sharif, as the country's political and economic situation worsened. Pakistan sent 5,000 troops to the 1991 Gulf War as part of a US led coalition and specifically for the defence of Saudi Arabia [69]. Military tensions in the Kargil conflict [70] with India were followed by a Pakistani military coup d'état in 1999 [71] in which General Pervez Musharraf assumed executive powers. In 2001, Musharraf named himself President after the forced resignation of Rafiq Tarar. After the 2002 parliamentary elections, Musharraf transferred executive powers to newly elected Prime Minister Zafarullah Khan Jamali, who was succeeded in the 2004 Prime-Ministerial election by Shaukat Aziz, followed by a temporary period in office by Chaudhry Shujaat Hussain.

The Muslim League formed Pakistan's first government under the leadership of Muhammad Ali Jinnah and Liaquat Ali Khan. The Muslim League's leadership of Pakistani politics decreased significantly with the rise of other political parties, including the Pakistan People's Party in West Pakistan, and the Awami League in East Pakistan, which would ultimately led to the creation of Bangladesh. The first Constitution of Pakistan was adopted in 1956, but was suspended in 1958 by Ayub Khan. The Constitution of 1973, suspended in 1977 by Ziaul-Haq, was re-instated in 1991 and is the country's most important document, laying the foundations of government. Pakistan is a federal democratic republic with Islam as the state religion. The semi-presidential system includes a bicameral legislature consisting of a 100-member Senate and a 342-member National Assembly. The President is the Head of State and the Commander in Chief of the Armed Forces and is elected by an electoral college. The prime minister is usually the leader of the largest party in the National Assembly. Each province has a similar system of government with a directly elected Provincial Assembly in which the leader of the largest party or alliance becomes Chief Minister. Provincial Governors are appointed by the President.

Pakistan has long had troubled relations with neighbouring India. The long-running dispute over Kashmir resulted in full fledged wars in 1947 and 1965. Civil war in 1971 flared into the simultaneous Bangladesh War of Independence and the Indo-Pakistani War of 1971. Pakistan conducted nuclear weapon tests in 1998 to counterbalance India's nuclear explosion of 1974

and Pokhran-II [72] of 1998 respectively and became the only Muslim nuclear weapons state. The relations with India are steadily improving following peace initiatives in 2002. Pakistan maintains close economic, military and political relationships with the People's Republic of China.

## 2.7.2 Economic Conditions of Pakistan

Pakistan is a rapidly developing country which has faced a number of challenges on both political and economic fronts. Despite being a very poor country in 1947, Pakistan's economic growth rate was better than the global average during the subsequent four decades, but imprudent policies led to a slowdown in the late 1990s [73].

Recently, wide-ranging economic reforms have resulted in a stronger economic outlook and accelerated growth especially in the manufacturing and financial services sectors. There has been great improvement in the foreign exchange position and rapid growth in hard currency reserves in recent years. The 2005 estimate of foreign debt was close to US\$40 billion. However, this has decreased in recent years with assistance from the International Monetary Fund (IMF) and significant debt-relief from the United States. Pakistan's gross domestic product, as measured by purchasing power parity (PPP), is estimated to be US\$475.4 billion [74] while its per capita income (PCI) stands at US\$2,976. [75] Despite clear progress, reports by the Asian Development Bank, the World Bank and the UN Development Program place the poverty rate in Pakistan between 23–28 percent. [76] The poverty rate is at 24 percent in 2006, and notes that levels have fallen by 10 percent since 2001. Pakistan's GDP growth rates have seen a steady increase over the last 5 years. However, inflationary pressures and a low savings rate, among other economic factors, could make it difficult to sustain a high growth rate, according to some analysts [15] [77] [78].

According to the SAAPE Report, "Pakistan's economy remains in a state of crisis. Successive years of fiscal and external deficits have resulted in the accumulation of large domestic and external debts" [64].

The growth of non-agricultural sectors has changed the structure of the economy, and agriculture now only accounts for roughly 20 percent of the GDP. The service sector accounts for 53 percent of the country's GDP, with wholesale and retail trade form 30 percent of this sector. In recent times, the Karachi Stock Exchange has climbed, along with most of the world's emerging markets. Large amounts of foreign investments have been made into several industries. The top industries in Pakistan are telecom, software, automotives, textiles, cement, fertilizer, steel, ship building, and more recently, aerospace.

In November of 2006 China and Pakistan signed a Free Trade Agreement hoping to triple bilateral trade from US\$4.2 billion to US\$15 billion within the next five years;[79] Pakistan's annual exports in 2005 amounted to US\$15 billion and is poised to cross US\$18 billion in 2006 and US\$20 billion (No.80) in 2007. Pakistan is also home to a thriving arms industry which exports US\$200 million annually, mostly defense equipment and arms to countries in the Middle East and South Asia, and its defense officials are hopeful that these exports will surpass US\$500 million a year within the next five years. In keeping with its rapid economic development in recent years, Pakistan registered an economic growth rate of seven percent in the financial year 2006–07, the fourth consecutive year of seven percent growth. [81][82] In its June 2006 Economic Survey the global finance giant Morgan Stanley listed Pakistan on its list of major emerging markets in the world economy, placing it on a list of 25 countries

displaying continued moderate to strong growth over a sustained period of time.[83] The report noted "its economy has been growing quickly in recent periods and corporate direct investors have taken notice".[84] Concurrently, highlighting the strides made on the economic front in recent times, Moody's Investors Service in December 2006 upgraded Pakistan's credit rating from B2 to B1, noting a "positive outlook". [85] In late March 2007, the Asian Development Bank "Outlook 2007" report predicted that strong growth would continue in 2007 and 2008 with growth rates of 6.5 to 7 percent, with manufacturing, exports and consumer expenditure leading the way. [86] Further progress was highlighted by news that the FDI for FY 2006-07 would touch US\$7 billion, eclipsing the targeted US\$4 billion. Telecoms, real estate and energy are major industries for FDI. [87][88]

# 2.7.3 Social Conditions and Human Development in Pakistan

According to the Pakistan National Human Development Report 2003: Poverty, Growth and Governance [89] although the economic indicators of Pakistan for the period 1960-1990 had been much better than the other developing countries, the social indicators were diagrammatically opposite. This was mainly due to the deterioration of the structure of the government. [89] Pakistan like Bangladesh is under the threat of droughts often affecting the poor. The Planning Commission of Pakistan has provided 23.9 percent as headcount ratio of people below the poverty line with urban at 14.9 percent and rural almost double at 28.1 percent. ! The human development indicators showed the same drastic spatial variations with 97percent of the population in Punjab having access to drinking water in 2005 while in Baluchistan less than half the population at 47 percent had access to drinking water. [17] The Human Development Index stood at 0.463 in 1990. In 1990-92, only 37 percent of the population had sustainable access to improved sanitation, 83 percent of the population had access to clean water source, 24 percent of the population was undernourished, adult literacy rate (15 years and above) stood at 35.4 percent, whereas the youth literacy rate (ages 15-24) was just below fifty percent. Twenty three percent of the GDP in 1990 was directed towards imports, while only 16 percent formed the exports, thus creating a huge fiscal deficit in the economy. The public expenditure on education was 2.6 percent of the GDP in 1991. [13]

Pakistan ranks 105 in the Gender-related development (GDI) index in 2004, with a value of 0.513. Yet, there are stark differences in the development of men and women. The adult literacy rate of females is 36 percent against 68 percent for the males. The estimated earned income (PPP) of the female in 2004 was US\$977; while that of males is US\$3,403. Only 5.6 percent of the women are present in the government at the ministerial level in 2005. [13] Although the statistics depict the status of women in Pakistan much worse than the other South Asian countries, it still needs to be noted that the UNDP states that the military regime of General Pervez Musharraf has made an effort to increase the participation of women in all the tiers of the political and electoral process. [13]

But, it needs to be underscored that much has been achieved in the last decade. Although exports still stand at 16 percent of the GDP (as of 2004), the imports have come down to 15 percent of the GDP. As of 2004, the adult literacy rate has increased to 49.9 percent; the youth literacy rate registered an increase to 65.5 percent. For the same year, 59 percent and 91 percent of the population had access to clean water source and improved sanitation respectively. Pakistan ranked 134 in Human Development ranking of 2004, with a value of 0.539 on the Human Development index, with life expectancy at 63.4 years. The public health expenditure formed about 0.7 percent of the GDP in 2003, while the private health expenditure stood at 1.7 percent of the GDP. About 23 percent of the births were attended by

skilled personnel in 2003. The public expenditure on education declined to two percent of the GDP in 2002-04. [13]

One of their major strengths of civil society is that they present alternative views, which has included tracking excess militarisation and expenditures with implications for social sector expenditures. The failure of the democratic framework becoming a part and parcel of society has been witnessed repeatedly in the recent history. Pakistan has the highest military expenditure (as a percentage of its GDP) in the region closely followed by India.

## 2.8 SRI LANKA

#### 2.8.1 Political Scenario

The Constitution of Sri Lanka establishes a democratic, socialist republic in Sri Lanka, which is also a unitary state. The government is a mixture of the presidential system and the parliamentary system.[90] The President of Sri Lanka is the head of state, the commander-inchief of the armed forces, as well as head of government, and is popularly elected for a sixyear term. In the exercise of duties, the President is responsible to the Parliament of Sri Lanka, which is a unicameral 225-member legislature. The President appoints and heads a cabinet of ministers composed of elected members of parliament. The President's deputy is the Prime Minister, who leads the ruling party in parliament and shares many executive responsibilities, mainly in domestic affairs.

Members of parliament are elected by universal (adult) suffrage based on a modified proportional representation system by district to a six-year term. The primary modification is that, the party that receives the largest number of valid votes in each constituency gains a unique "bonus seat." The president may summon, suspend, or end a legislative session and dissolve Parliament any time after it has served for one year. The parliament reserves the power to make all laws. On July 1, 1960 the people of Sri Lanka elected the first-ever female head of government in Prime Minister Sirimavo Bandaranaike. Her daughter Chandrika Kumaratunga served multiple terms as prime minister and as president from 1999 to 2005. The current president and prime minister, both of whom took office on November 21, 2005, are Mahinda Rajapaksa and Ratnasiri Wickremanayake respectively. [90]

Sri Lanka has enjoyed the longest period of continuous multi-party democracy with universal suffrage in a non-western country (since 1931). Politics in Sri Lanka are controlled by rival coalitions led by the left-wing Sri Lanka Freedom Party, headed by President Rajapaksa, the comparatively right-wing United National Party led by former prime minister Ranil Wickremesinghe and Marxist JVP. There are also many smaller Buddhist, socialist and Tamil nationalist political parties that oppose the separatism of the LTTE but demand regional autonomy and increased civil rights. Since 1948, Sri Lanka has been a member of the Commonwealth of Nations and the United Nations. It is also a member of the Non-Aligned Movement, the Colombo Plan, Asia-Pacific Economic Cooperation and the South Asian Association for Regional Cooperation. Through the Cold War-era, Sri Lanka followed a foreign policy of non-alignment but has remained closer to the United States and Western Europe. The military of Sri Lanka comprises the Sri Lankan Army, the Sri Lankan Navy and the Sri Lankan Air Force. These are administered by the Ministry of Defence. Since the 1980s, the army has led the government response against the Marxist militants of the JVP and

now the LTTE militant forces. Sri Lanka receives considerable military assistance from Pakistan and China.

# **2.8.2 Economy**

In the nineteenth and twentieth centuries, Sri Lanka became a plantation economy, famous for its production and export of cinnamon, rubber and Ceylon tea, which remains a trademark national export. The development of modern ports under British rule raised the strategic importance of the island as a centre of trade. During World War II, the island hosted important military installations and Allied forces. However, the plantation economy aggravated poverty and economic inequality. From 1948 to 1977 socialism strongly influenced the government's economic policies. Colonial plantations were dismantled, industries were nationalised and a welfare state established. While the standard of living and literacy improved significantly, the nation's economy suffered from inefficiency, slow growth and lack of foreign investment.

"Sri Lanka has provided tremendous lessons in recent history to show that keeping the poor, the less powerful ethnic communities and social groups out of the centres of economic policy decision-making leads not only to increased poverty and inequality but also to political unrest, instability and violence that in turn becomes a serious obstacle to poverty eradication." [64. pg 176]

From 1977 the UNP government began incorporating privatisation, deregulation and promotion of private enterprise. While the production and export of tea, rubber, coffee, sugar and other agricultural commodities remains important, the nation has moved steadily towards an industrialised economy with the development of food processing, textiles, telecommunications and finance. By 1996 plantation crops made up only 20 percent of export, and further declined to 16.8 percent in 2005 (compared with 93 percent in 1970), while textiles and garments have reached 63 percent. The GDP grew at an average annual rate of 5.5 percent during the early 1990s, until a drought and a deteriorating security situation lowered growth to 3.8 percent in 1996. The economy rebounded in 1997-2000, with average growth of 5.3 percent. [95] The year of 2001 saw the first recession in the country's history, as a result of power shortages, budgetary problems, the global slowdown, and continuing civil strife. Signs of recovery appeared after the 2002 ceasefire. The Colombo Stock Exchange reported the highest growth in the world for 2003, and today Sri Lanka has the highest per capita income in South Asia, standing at US (PPP) US\$4,390. Although Sri Lanka experienced a negative growth rate in 2001 (minus two percent), it bounced back to a consistent growth rate of five percent in 2005, curbing the inflation rates from a galloping 14 percent in 2001 to 10 percent in 2005.]

# 2.8.3 Social Conditions and Human Development in Sri Lanka

Like the other South Asian countries, Sri Lanka also witnesses the unequal treatment towards women. Over the years, the statistics have improved, depicting an improvement in the overall scenario. The Human Development Index has improved from 0.74 in 2000 to 0.75 in 2004, when Sri Lanka was ranked 93. The life expectancy at birth has increased from 63 years in 1970-75 to 73.9 in 2000-05, whereas the infant mortality rate has declined from 63 per 1000 live births in 1970 to 12 per 1000 live births in 2004. There has also been a decline in the under-five mortality rate from 100 per 1000 live births in 1970 to 14 per 1000 live births in 2004. About 96 percent of the births were attended by skilled professionals in 1996-2004.

[13] Thus, Sri Lanka has better conditions conducive for maternal health than the rest of Asia. This can also be inferred as there has been a steady decline in the child mortality rates as well. The public health expenditure forms about 1.6 of the GDP in 2003 whereas the public health expenditure forms about 1.9 percent of the GDP in the same year. [13] The country is nearing the hundred 1 literacy mark, as the adult literacy rate (15 years and older) touched about 90 percent in 2004, whereas the youth literacy rate (15-24 years) was recorded as 95.6 percent in the same year. The government has a major contribution in the field of education, as it formed one of the highest priorities of the government. The public spending on education formed about eight percent of the total government expenditure in 1991. [13]

In 1990, about 70 percent of the population had sustainable access to improved sanitation, which increased to about 91 percent in 2004. About 79 percent of the population has access to improved water source in 2004, as compared to 68 percent in 1990. The percentage of undernourished population has also declined marginally from 28 percent in 1990-92 to 22 percent in 2004. [13]

The population of Sri Lanka comprises 49 percent females and 51 percent males. (SAAPE, 2003) They contribute to the household income, maintain the household as well as work overseas. Despite the contribution, the role of women is considered insignificant as merely 18.6 percent of the households in Sri Lanka are headed by women. (The Demographic Survey, 1994, [20]). [22] About 70 percent of married women (ages 14-49) use contraceptives (1996-2005). [13]

According to UNAIDS, Sri Lanka is a "low-level epidemic" country, as the HIV prevalence rate among the adults is 0.06 percent in 2005. [22]

The political unrest and the civil war, the massive regimes of poverty and escalating military presence, the struggles of setting up a government that commands development oriented futures as well as peace and secular governance are all major milestones the country and its people will have to build. Since Sri Lanka has been a victim of armed conflict, there have been considerable restraints put on the working of the civil societies. "In Sri Lanka, reform of the State-civil society relationship, currently asymmetrical and unequal, is vital to achieving democracy and peace." [64]. Sri Lanka has one of the best human development indicators in the region, yet its impact is lessened or eroded with the constant conflict in the country.

# 2.9 Conclusions

# **Social and Human Development**

It is to be noted that of the world's fifty Least Developed Countries (LDCs), ten are in Asia; thirty-four countries are in Africa, five in the Pacific and in the Caribbean one country. Of the eight South Asian countries, five of them have been categorised as LDCs. [98] While the indicators that are used for categorising the countries as LDC may be debatable, it is to be underscored that much has to be done by national governments to raise their countries out of that status. The tables provided clearly reveal enormous weakness in the ability of states to have provided decent living standards for citizens. For Human Development ranking, Sri Lanka is the highest ranking among the South Asian countries but ranks only ninety-three in the global list. Afghanistan has still not received a HDI ranking but going by the indicators, it is likely to be the lowest ranking country in South Asia. With the exception of Maldives, and Sri Lanka (both within the hundred ranking) all the other countries fair poorly. For adult

literacy rate, births attended by skilled health personnel, infant mortality and under-five mortality, Sri Lanka and Maldives show a credible performance as against the negligible performance of government social sector provisioning in the other countries. India with its much touted 8.3 percent economic growth rate shows a shockingly poor performance for institutional care and presence of skilled health personnel for births. Infant mortality rate is the highest in Afghanistan at 165 per 1000 live births, followed by Pakistan at 80 per 1000 live births. Similarly, for under-five mortality rate, Afghanistan records a tragic 257 deaths per 1000 live births and Pakistan 101 per 1000 live births. In the area of population with sustainable access to improved water source, Afghanistan is again recording only 39 percent with the highest being Pakistan at 91 percent.

Clearly, serious attention needs to be drawn across most of the countries towards institutional quality health care service for the rural poor, better quality of life for children below the age of five, provision of compulsory education at a war-footing in all countries, with the exception of Maldives and Sri Lanka so that adult literacy rates can be enhanced over a period of the next ten years.

#### **Economic**

One of the basic economic indicators for comparison is the per capita Gross Domestic Product (GDP), which depicts the standard of living of the economy as a whole. Sri Lanka ranks first among the South Asian countries with respect to per capita GDP at US\$4,390, followed closely by India at US\$3,139. Sri Lanka also has the smallest percentage of people living under US\$1 a day. India is among the worst as almost 35 percent of the population live below US\$1 a day.

Contribution of the government is crucial for the overall development of an economy along with the private expenditures made towards the social development. Except Maldives and Bhutan, who have the highest public expenditure on health in the region, the private expenditure on health exceeds the public expenditure by the government (as a percentage of GDP). One of the reasons for this disparity could be lack of infrastructure and adequate allotment of resources by the government. For instance, Pakistan ranks lowest for public expenditure on health with just 0.7 percent, while it has the highest military expenditure in the region (3.4 percent of GDP). Thus, prioritisation of key issues coupled with adequate allotment of funds forms the basics of public policy. The data for the public expenditure on education echoes the inference drawn above. Two of the LDCs among the South Asian countries have the highest expenditure on education by their governments. Bangladesh and Maldives lead the list with 15.5 percent and 8.8 percent respectively. India, which is one of the most developed economies in the region, has the lowest public contribution towards education, whereas its expenditure towards military is second highest in the region (three percent of the GDP). Expenditure on research and development, depicting the volume and depth of knowledge development, is quite low in the countries, the highest being 0.8 percent of GDP by India.

With the expansion of foreign trade and the world becoming a global economy, the deficit or surplus from foreign trade transactions form a major portion for the government's revenue. Yet, only Maldives has a wide margin surplus in the balance of payments from its foreign trade. Pakistan, according to the data, has a marginal surplus. The rest of the countries experience deficits in foreign trade, thus draining out their resources at the cost of crucial social sector developments.

# **Gender-related Development Indicators**

No Gender-related Development Index (GDI) value has been provided for the countries of Afghanistan, Bhutan and Maldives. If Maldives had a GDI value, going by the indicators, it will certainly be higher than India and closer to Sri Lanka's. Yet, it must also be said that without exception, many of these countries provide enormous evidence of rising violence against women, despite economic growth and increasing economic opportunities for women. Gender related discrimination and violence cut across countries and jumps the barriers of caste and class. The life expectancy for women in South Asia range between 46.7 years in Afghanistan to 77 years in Sri Lanka. These figures do not reveal the critical evidence in countries like India of escalating female foeticide and infanticide. In political representation, despite the right to vote having been received long ago, women at ministerial level in governments remain critically low, India being the lowest at 3.4 percent of the total in Parliament and Maldives being highest at 11.8 percent. Afghanistan shows a better indicator of 10 percent of women in Parliament.

The female economic activity rate shows Bangladesh at 52.9 percent at the highest and Pakistan at the lowest at 32 percent. This particular indicator may not be entirely reliable given the different types of informal sector engagement of women in labour and the fact that women's contribution through housework to the national economies remains to this day unaccounted for.

One of the most severe areas of concern remains the high rates of maternal mortality ratio. Afghanistan is completely lacking in institutional and timely care for women during birth and has a record of 1600 maternal deaths per 100,000 live births. Nepal, Pakistan and India are all in the range of 530-540 maternal deaths. Given the escalating privatisation of health care in South Asia as a whole, and the reduction of quality primary health care services for the poor, it is not surprising to note that equitable access to decent health care for women throughout their entire life-cycles is a matter of urgently- needed policy focus and needs to be out high on the agenda of all South Asia national governments. Basic free health care and free and mandatory education need to be significantly on the national plans in South Asia. These indicators, as they stand today, reveal serious negligence of people's welfare. The public domain must constantly include these essential services as a critical part of the quality of citizenship and the quality of state-performance. Development indicators reveal the growth of a callous society that has not forced governments to self-audit their performances in meeting the needs of people in poverty. As pointed out in this report earlier, poverty is not only about low income, but also about quality of life status for all citizens.

TABLE 2A: SELECTED SOCIAL AND HUMAN DEVELOPMENT INDICATORS FOR THE SOUTH ASIAN COUNTRIES

Countries	Indicators							
	1 (a)	1 (b)	2	3	4	5	6	7
Afghanistan	-	-	46.4	28.1	14	165	257	39
Bangladesh	0.530	137	63.3	-	13	56	77	74
Bhutan	0.538	135	63.4	47.01	37	67	80	62
India	0.611	126	63.6	61	43	62	85	86
Maldives	0.739	98	67	96.3	70	35	46	83
Nepal	0.527	138	62.1	48.6	15	59	76	90
Pakistan	0.539	134	63.4	49.9	23	80	101	91
Sri Lanka	0.755	93	75.3	90.7	96	12	14	79

**Source**: Human Development Report (HDR) 2006; Beyond Scarcity: Power, Poverty and the Global Crisis; United Nations Development Program (UNDP); published by: Palgrave Macmillian; edited by: Bruce Ross-Larson, Meta de Conquereaumont and Christopher Trott; lead author: Kevin Williams; pg 283-394

#### Note:

- 1(a). Human development index (HDI) value, 2004
- 1(b). Human development rank (HDI), 2004
- 2. Life expectancy at birth (years) (HDI), 2004
- 3. Adult literacy rate (percent; ages 15 and older) (HDI), 2004
- 4. Births attended by skilled health personnel (percent), 1996-2004
- 5. Infant mortality rate (per 1,000 live births), 2004
- 6. Under-five mortality rate (per 1,000 live births), 2004
- 7. Population with sustainable access to an improved water source (percent), 2004

GRAPH 2A: SELECTED SOCIAL AND HUMAN DEVELOPMENT INDICATORS FOR THE SOUTH ASIAN COUNTRIES

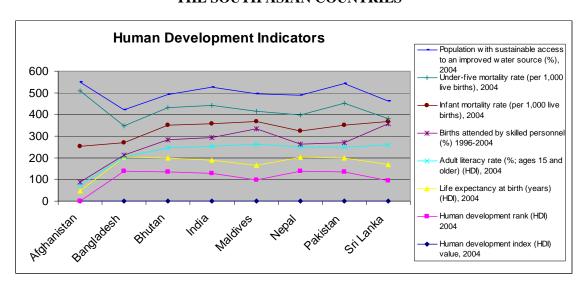


TABLE 2B: SELECTED ECONOMIC INDICATORS FOR SOUTH ASIAN COUNTRIES

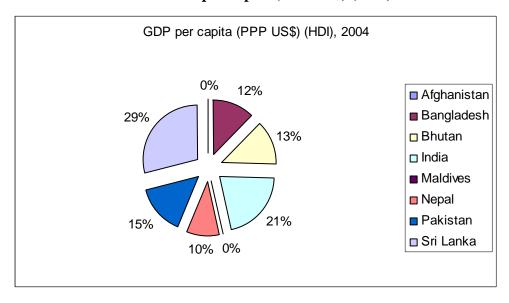
Countries	Indicators								
	1	2	3	4	5	6	7	8	9
Afghanistan	-	-	2.6	3.9	-	-	-	-	-
Bangladesh	1,870	36	1.5	2.2	15.5	21	15	1.2	-
Bhutan	1,969	-	2.6	0.5	-	437	227	-	-
India	3,139	34.7	1.2	3.6	3.3	23	19	3	0.8
Maldives	-	-	5.5	0.7	8.1	83	95	-	-
Nepal	1,490	24.1	1.5	3.8	3.4	31	17	1.7	0.7
Pakistan	2,225	17	0.7	1.7	2.0	15	16	3.4	0.2
Sri Lanka	4,390	5.6	1.6	1.9	-	45	36	2.8	-

**Source**: Human Development Report (HDR) 2006; Beyond Scarcity: Power, Poverty and the Global Crisis; United Nations Development Program (UNDP); published by: Palgrave Macmillian; edited by: Bruce Ross-Larson, Meta de Conquereaumont and Christopher Trott; lead author: Kevin Williams; pg 283-394

#### Note:

- 1. GDP per capita (PPP US\$) (HDI), 2004
- 2. Population living below US\$1 a day (percent), 1990-2004
- 3. Public health expenditure (percentage of GDP), 2003
- 4. Private health expenditure (percentage of GDP), 2003
- 5. Public expenditure on education (as percentage of GDP), 2002-04
- 6. Imports of goods and services (percentage of GDP), 2004
- 7. Exports of goods and services (percentage of GDP), 2004
- 8. Military expenditure (percentage of GDP) 2004
- 9. Research and Development expenditure (percentage of GDP) 2000-03

GRAPH 2B: GDP per capita (PPP US\$) (HDI) 2004



GRAPH 2C: SELECTED ECONOMIC INDICATORS FOR SOUTH ASIAN COUNTRIES

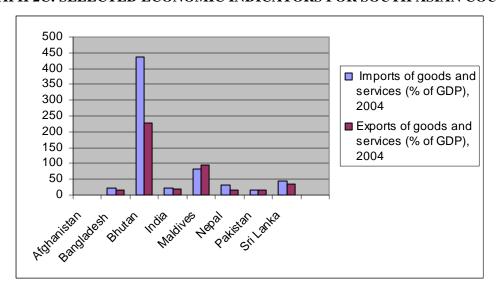


TABLE 2C: GENDER RELATED INDICATORS FOR SOUTH ASIAN COUNTRIES

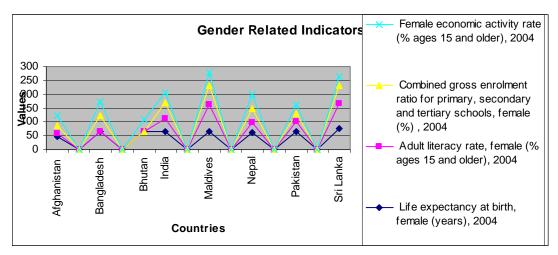
Countries	Indicators							
	1	2	3	4	5	6	7	8
Afghanistan	-	46.7	12.6	26	38.1	1963	10.0	1600
Bangladesh	0.524	64.2	-	58	52.9	1935,1972	8.3	380
Bhutan	-	64.6	-	-	44.3	1953	-	260
India	0.591	65.3	47.8	58	34	1935,1950	3.4	540
Maldives	-	66.6	96.4	69	46.1	1932	11.8	140
Nepal	0.513	62.4	34.9	52	49.7	1951	7.4	540
Pakistan	0.513	63.6	36	32	32	1935,1947	5.6	530
Sri Lanka	0.749	77	89.1	64	35	1931	10.3	92

**Source**: Human Development Report (HDR) 2006; Beyond Scarcity: Power, Poverty and the Global Crisis; United Nations Development Program (UNDP); published by: Palgrave Macmillian; edited by: Bruce Ross-Larson, Meta de Conquereaumont and Christopher Trott; lead author: Kevin Williams; pg 283-394

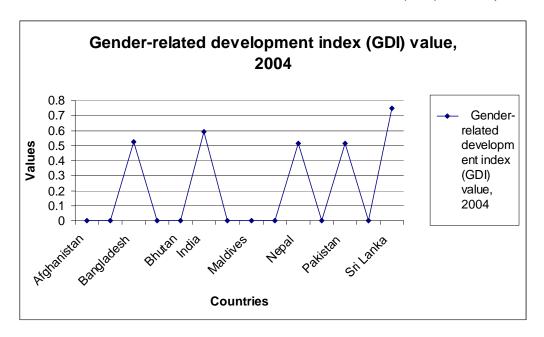
## Notes:

- 1. Gender-related development index (GDI) value, 2004
- 2. Life expectancy at birth, female (years), 2004
- 3. Adult literacy rate, female (percent ages 15 and older), 2004
- 4. Combined gross enrolment ratio for primary, secondary and tertiary schools, female (percent), 2004
- 5. Female economic activity rate (percent ages 15 and older), 2004
- 6. Year women received right to vote
- 7. Women in government at ministerial level (as percent of total), 2005
- 8. Maternal mortality ratio reported (per 100,000 live births) 1990-2004

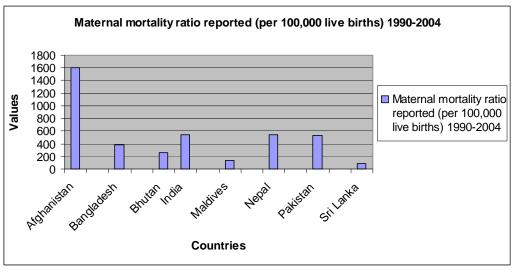
GRAPH 2D: SELECTED GENDER RELATED INDICATORS FOR SOUTH ASIAN COUNTRIES



GRAPH 2E: GENDER-RELATED DEVELOPMENT INDEX (GDI) VALUE, 2004



2F: MATERNAL MORTALITY RATIO REPORTED (per 100,000 live births) 1990-2004



### 3. RECOMMENDATIONS – FURTHERING THE DEVELOPMENT AGENDA

"A decent standard of living, adequate nutrition, health care, education, decent work and protection against calamities are not just development goals- they are also human rights...The International Covenant on Economic, Social and Cultural Rights takes into account that a State Party may not have the resources or the capacity to achieve the standards set out in the Covenant immediately-hence foresees progressive realisation of these rights in the long term. Along with progressive realisation, no discrimination may be exercised in the meeting of these rights, and maintaining the core obligations for the economic sustenance of citizens. – food, housing, health and education."

Afghanistan: "Economic and Social Rights in Afghanistan, The Afghanistan Independent Human Rights Commission, May 2006

Going by the data and the field narratives of grassroots organisations, it is clear that severe imbalances mark the progress of all the nations that are members of South Asia. Severe contradictions are present, as shown above, in all these countries; and unless the states and civil society struggle to find serious resolutions to these contradictions it is likely that the region will continue to take the one step forward and two steps backwards. All the governments of South Asia have got used to living with the contradictions. As this report nears its conclusion, the Indian state of Karnataka, which has pioneered world-wide an economic resurgence with the IT sector, comes under President's rule for the second time in two months because of highly corrupt contestation politics. We have here a public display of the manner in which dishonest political parties treat the state as their private property: major infrastructure projects have been halted; and land-grab deals have been worked out with complete lack of transparency. The obvious lack of a citizens' movement, which can guarantee that the guilty are brought to book, is evident. Pakistan is also enduring political instability under Emergency, while Bangladesh struggles with the latest calamity caused by a cyclone that caught the government unprepared.

The issues of poverty, gender inequalities, and caste remain as cornerstones of the social problems that afflict this region and which require attention. There is an intensification of the debates on the civil action required to seek of solutions for these chronic troubles. Thos who frame development policies must realise that the disenfranchised are their real constituency; they must consult members of this constituency on how the best solutions can be sought for their problems, what their needs are, what joint action should be taken, and what should be the right budget allocations. Decentralisation is critical in development initiatives at the micro-level, especially in large countries or in remote areas. NGOs often form the local representation. Some recommendations that have been provided [23] include the following:

- Sharpen the focus on the major goals of development; and examine, for example, how important is the primary focus of poverty eradication.
- Highlight the integrated nature of policy making that must include at least gender, class, environmental, and human-rights issues. Review, five years after ICPD and the Social Summit, the status of the commitments of governments and donors.
- Emphasise the institutional processes required to sustain development.
- Coordinate development efforts so that they move together and create, along with the state's efforts, incremental changes for large numbers of the poor. Thus we should encourage cooperation between the state, civil society, and donors.
- Assess the impact of the cooperation between donors and civil-society organisations.

• Take account of human, physical, sectoral and structural aspects of development so that we may arrive at a qualitative and quantitative assessment.

The challenges for development have not changed over the years. However, post-independence there has been decreasing political will among the South Asian governments to solve the chronic problems of hunger, displacement, unemployment, and social violence caused by inequality. Various sections of civil society and academics have repeatedly brought these issues to the attention of the public; yet little has been done to create significant changes. The responsiveness of governments to people's problems and the ability of the state to implement distributive justice in society must be improved substantially.

Despite the active roles of NGOs, social movements, and international donors in poverty-eradication programmes, ultimately the State has to bear the final responsibility of protecting the poor and vulnerable populations within a country. Despite foreign-donor presence, which is very pronounced in Bangladesh, and that includes the presence of the World Bank, development aid has been questioned since it can induce a dependency trap.

"Added to this is the faltering commitment of donors to basic issues of human development such as basic education, health –indeed it is true that in 1997 only 1.44 percent of combined bilateral ODA went towards basic education, only 1.72 percent of bilateral ODA towards basic health and only 1.24percent of bilateral ODA towards population and reproductive health ... just over half (50.7 percent) of DAC ODA was spent in low income countries with an average per capita income of US\$2 a day in 1997. On the whole, ODA to LICs and LLDCs fell by US\$3.6 billion in 1997, more than 12 percent" [23].

Obviously civil society cannot replace governments as is often implied when it is suggested that civil society becomes the third zone, and takes on contract assignments from governments. Civil society's role is to work with citizens to monitor government performance and to remind the State of its duties and obligations. The accountability of development funds, whether private or from the state, has become a matter of concern; and people's right to information is becoming a popular wave in social changes seen in India. Participatory democratic involvement of communities in decision making on content and implementation of programmes has also been strengthened at the village level thanks to the Right to Information Bill. CSOs have also called for the gender audit of all development programmes to enable the perspectives of women as users and as beneficiaries to be integrated into the programmes. Regular surveying, reporting, evaluating, democratic consensus sharing are all successful examples of NGO-donor-government cooperation.

"If with care the state and the voluntary sector were to address in the diverse field efforts the issues of human development that reflect the notion of livelihood (the status of tribal and other marginalised populations), the position and the condition of women and the equally critical central idea of dignity of the individual as enshrined in the Constitution of several countries then we will have responded effectively to the idea of how we may assess and understand the work of the voluntary sector. The rules need to be comprehensively framed and the standards for governance for both state and civil society need to be substantially the same. The efforts to recommend to national governments, donors, World Bank and other large civil society actors the agenda for effective social development must be accelerated."

### 3.1 The Role of SAARC

The South Asian Association for Regional Cooperation (SAARC) is an organisation that was established on 8 December 1985. Today SAARC has eight members, the last being Afghanistan, which was included in April 2007 at the 14<sup>th</sup> Summit. SAARC is the only major regional body that is fully endorsed and accepted by all eight Governments in the South-Asian region. Clearly SAARC has great potential but, unfortunately, it has few successes to its credit since its formation almost twenty-two years ago. Given the various crises that mark this region, there is an extraordinary need for SAARC to serve as a powerful platform for bringing peace to South Asia, greater accountability in its member states, and a better quality of life for the 1.5 billion people who inhabit this region. In April 2006, the European Union, the United States, and South Korea requested SAARC for observer status. These requests were granted in August 2006. It is interesting to note that this year Iran has made a similar request. By contrast, the ASEAN hardly makes any effort to establish and intensify a wider platform for cooperation in Asian. Had SAARC and ASEAN cooperated effectively on the South Asia Free-Trade Agreement (SAFTA) tariff reductions would have had a better chance of being implemented. At present, the unwillingness of Pakistan to engage seriously with the implementation of SAFTA in the smaller consortium of SAARC hinders the effectiveness of SAARC in being a major trade-regulation platform. Similarly, India and Pakistan continue to focus on Kashmir; this has impeded seriously the possibilities of setting good governance standards for the region. Unless the members of SAARC restrict entirely the agendas of meetings to serious development issues and beneficial trade cooperation, little can be achieved. The member states should recall that the Declaration on South Asian Regional Cooperation, agreed on in August 1983, focused on Human Resource Development, Transport, Agriculture and Rural Development, Health and Population, Telecommunications, Science, Technology, and Meteorology.

Two decades have passed by and very little has been achieved in terms of meeting certain targets. At every SAARC meeting members reiterate that destitution and poverty continue to mark the entire region South-Asian region; however, little effort is made to foster technical cooperation between the countries or to agree upon financial commitments for social-sector expenditures. So far there have been no serious attempts to enhance trade cooperation in South Asia and hence make it a serious trading bloc like the European Union. The objectives laid down in the SAARC Declaration have not received any committed attention as, for example., the following ones from Articles 1 and 6, respectively, of this Declaration: "... to promote the welfare of the peoples of South Asia and to improve their quality of life ... to strengthen cooperation among themselves in international forums on matters of common interests ..."; the aim of having technical committees that should formulate programmes, projects, and recommendations on cost sharing and the implementation and coordination of sector programmes. The citizens of the SAARC countries rarely hear of any material progress regarding these objectives. ASEAN has 58 NGOs with formal affiliation; in contrast, SAARC serious cooperation with civil-society organisations. Had it done so, it has not developed would have been propelled to be a more accountable and active body than it is. Three major areas in which SAARC could benefit from cooperation with NGOs in more time-bound action plans are listed below:

1. Poverty eradication, with special emphasis on Health, Education, Employment, and Food-Security, is the most important area. A Committee should be set up, with Planning-Commission members, independent academics, members of civil-service and civil-society organisations that have a proven track record in service and field

operations. The Millennium Development Goals (MDGs) are internationally accepted; it would be useful for SAARC to consider adopting the MDGs. Then, as a regional body, it should formally track the achievement of these goals in South Asia.

- 2. The maintenance of peace in the region and joint programmes for disaster management, in which the members of the militaries can also cooperate, are nearly as vital as the removal of deprivation.
- 3. It is essential to form a joint Knowledge Commission with a focus on science and technology, agriculture, indigenous knowledge systems, a consolidation of the history and the civilisational goals of the region. Such a Commission could also build a culture based on people's practices and understanding, academic exchanges, and document civil-society-inspired best practices.

Many civil-society organisations have tried to encourage SAARC to consider reforms. In May 1994 an initiative called "People's SAARC" was started, in Kathmandu, by a group of like-minded organisations of the region. They met again in New Delhi in July 1995. However, it became difficult to sustain such meetings despite their usefulness. During these meetings, several organisations suggested a relaxation of visa procedures, as in the European Union which has developed common visas for member states. There has been no progress on such common visas. It was also proposed that civil-society initiatives in poverty eradication could be enabled to develop a body of work that documents the best practices in the different countries, thus allowing for outreach and implementation by thousands of NGOs working towards poverty alleviation. A spirit of constructive commitment for development of the region is lacking at present. Diverse countries with common problems can seek common solutions in this era of globalisation. But it is unfortunate that the world does not yet see SAARC as a forceful regional player, capable of representing the interests of the region with pride for the collective advances being made, and developing trade and development in a manner of which South Asian citizens can be proud.

## 3.2 Role of Governments

Social development includes a comprehensive framework that dovetails the tangible with the intangible. Some of the recommendations for rapid social development include the following:

- Enhance infrastructure Infrastructure to promote the connectivity and integration of communities needs to be enhanced along with access to education, health, and the marketing of rural produce. For instance, even the more developed countries like India and Sri Lanka have developed adequate economic infrastructure but they still need to develop the social infrastructure-schools for free and mandatory education to the poor, well-equipped hospitals, roads. These help in synchronising the economic accolades with those in the social sector.
- Compulsory education and quality public education All countries in South Asia, with the exceptions of Sri Lanka and Maldives, are in urgent need of serious government action for the elimination of child labour and for compulsory education. In the area of basic education, much needs to be done to see that every child is in school and that there is a special focus on closing the gender gap in basic education (Additional Bibliography [4]) and the retention of poor children in schools. The tables in the Appendix show that, in Bangladesh and India, respectively, 71 percent and 64

percent of children drop out of school before grade five. Adult literacy rates have certainly improved across the countries of South Asia, with Sri Lanka recording a quantum leap from 77 percent in 1970 to 90 percent in 1995. Compared to this India's improvement from 34 percent in 1970 to 52 percent in 1995 shows a lack of political will in the State. [23] In India an estimated 60 million children, up to age of 14 years, still have no access to education [94].

- Effective and affordable safety nets for the most vulnerable In all South-Asian countries, with the exception of Maldives, this requires more government attention and implementation. Unlike the US and the European countries, South Asian countries are unable to grant a social security to its citizens (except Maldives). This is mainly due to the over-riding fact that these countries are over-burdened with the development of the economic infrastructure, than to improve the social indictors like education and health, tackle the gender issue that the key issue of providing safety nets is often side-lined, if not ignored. Thus, it is left to the private initiative. One classic example could be of the Grameen Bank model of Bangladesh and the Microcredit system and the self-help groups in India.
- Food security and malnutrition This requires geographically targeted care provision to address problems of low birth weight, child malnutrition, anaemia, etc. Although some of the countries are self-sufficient in agriculture, they still face the problem of food insecurity. This is mainly due to the mismanagement of food stock by the government authorities. Buffer stock is often destroyed by rodents. The number of people living under the US\$1 a day forms a major section, which also adds to malnutrition. Well structured projects like 'Food for Work' programme have failed due to high corruption levels and the number of middle men present.
- **Reform of the state services** This should include, *inter alia*, the following: The right to information on available benefits for citizens, the empowerment of the poor to present their needs to elected representatives, as embodied, for example, in the right to Information Bill in India; and decentralisation for better servicing of the needs of the poor. Confusion and ambiguity about the roles and responsibilities of elected representatives can only be cleared by information, education and training. Professionalisation of the social-service sector is critical for transparency and efficiency. High-quality, demand-driven service delivery is needed.
- **Participatory democracy** Representatives from communities of the poor must be invited to be present in government committees to suggest where the problems lie and identify successful approaches and strategies. An important aspect of democracy, the involvement of the citizens is especially needed in these countries education and awareness are essential for ensuring effective participation in the democracy by the majority. Several efforts are currently underway in most of the South Asian countries to alert citizens on rights and the effective implementation by Government.
- **Redundant government employment** A high percentage of the labour force is employed in the government; for example, in Sri Lanka, 12 percent of the labour force finds employment in the government and in Bangladesh there are 1 million civil-service officers. The efficiency of these government employees requires a people's audit. Redundancy in government employment is common to all countries of South Asia, with the exceptions of Maldives and Afghanistan.

- Social integration Socially divisive polices are common in large parts of South Asia; their prevention requires the active interventions of the media and citizens' groups.
- Community preparedness for disaster management Work must be carried out in conflict zones, temporary shelters must be repaired, as also basic sanitation, schools and roads for displaced populations especially in Sri Lanka, Afghanistan, Pakistan, and India.
- Elimination of corruption In 2002 Transparency International published a Corruption Perceptions Index (CPI). Among the 102 countries covered, Bangladesh topped the list as the most corrupt nation. The problem has less to do with good constitutional provisions and statutory laws but more to do with the citizens not being able to overcome repressive, entrenched practices in society and in institutions. Indeed there is a systemic failure of justice and this common to most of the countries in the South-Asian region in varying degrees.
- Civil society and innovation There should be greater contribution to innovation and exchanges of critical opinions in the micro-credit and agriculture and livelihoods sectors; experimentation is also necessary in group-based mobilisation. Leading micro-credit organisations include BARC, ASA, Proshika, Swanirvar in Bangladesh; they have about 1,02,19,000 members and a total disbursement of approximately Rupees 10,912 crores (with members savings totalling Rupees 808.8 crores). It is important to study these efforts and replicate them with attention to country-specific requirements. Furthermore, the criticisms of micro-credit programmes, for example., the high rate of interest, lack of productive enterprise development with the savings, and that the poorest of the poor are not reached, need to be addressed so that the region, as a whole, can benefit from improved practices. Most of these innovations come from the private individuals/NGO sector. The integration of the government and civil society is essential for effective innovation and success in reaching acceptable social development standards for all.
- Non-government organisations NGOs are also involved in developing appropriate irrigation technologies, working towards village-based cultivation of local crops, preparing river beds for fish cultivation, social forestry, local fair trade for local food produce, preparation of grain banks at the village level for local use, energy conservation, alternative technology development such as bio-fuel transport and gas. The increasing importance of Corporate Social Responsibility (CSR) has also involved the corporate officials in the development sector. Eg, DELL in Bangalore contributes regularly to Freedom Foundation, an organisation devoted to care for people living with HIV/AIDS. Deutsche Bank (Bangalore) has adopted a small school and funds it completely. Tapping these resources, the government may provide recognition to the corporate sector for channelising their funds towards the development of the social sector.
- The position of women The most critical issue in civil society is the position of women. The State of the Women Population Report (UNFPA) notes that 47 percent of women in Bangladesh report are facing domestic violence, 56 percent dowry threats, 44 percent marital rape, and 76 percent verbal abuse. Kidnapping, fatwa, forced prostitution, acid-throwing are all listed as "prevalent" in civil-society literature in the

South-Asian region. Female foeticide and infanticide mark the descent of India into a society that does not have any respect for its girl children and women. The Census Data from the Government of India has provided shocking data on highly imbalanced sex ratios in medium-indicator states like Punjab and New Delhi. Mobile sonography units have been used frequently to determine the sex of the unborn child; this is followed by female-foeticide procedures on women, victims of a growing, violently patriarchal society [91]. The sex ratio is extremely unfavourable for women of this area. There are only 93 women for every 100 men in South Asia; this should be compared with the global average of 106 women for every 100 men. The representation of women in decision-making positions is the only way to close the gender gaps in education, health and nutrition. But better economic and political opportunities must be afforded to women. The feminisation of poverty is a reality that needs to be changed rapidly. There must be equal wages for equal work; and rights of employment must be guaranteed for women in the informal sector. We must also tackle patriarchal violence, the trauma of growing fundamentalism, and the violence of conflict situations that have displaced women in multiple ways.

- **Economic growth with social justice** Economic growth and improved access to social services for the most vulnerable populations are not impossible ends in themselves; these may easily converge to being compatible goals. To spread the benefits of high economic growth more evenly, policy makers need continuously to be guided by the political will for distributive justice.
- Good governance on social sector programmes Various programmes of the government, such as food subsidies, employment-guarantee schemes (India), disaster-relief programmes, and rehabilitation, need to be implemented with consistent evaluation to monitor whether they are really reaching the poor and to ensure safeguards against leakages.
- **Proper evaluation of development projects** We must ensure that future development programmes do not result in further rural—urban migration, and this will require an increase in agricultural investments. The growth of urban poverty is a reality in South Asia since the poor move on a permanent or seasonal basis in search of livelihood opportunities. The decline of investments in agriculture and the inability of the State to stimulate non-farm rural industry have expelled millions of tribals, peasants, and subsistence farmers from their traditional occupations and forced them to migrate to towns in search of wage labour.
- **Decentralisation** The State needs to decentralise development to be successful. There must be quick transfers of resources to the local bodies so that peoples' involvement is ensured, with a transparent utilisation of budgets and early disbursements of funds and, consequently, participatory implementation of programmes. Most state-level governments express their inability to devolve funds to the local levels because of vested political interests. There is also an inbuilt notion that people themselves cannot manage development and an unflinching faith in the top-down approach [1]. Convergence of actions requires community mobilisation, active partnership of government and non-governmental organisations and civil-society actors. The formation of people's development plans, in the Indian state of Kerala, provides an important example of state-led leadership in decentralisation.

• Financing for social development from domestic resources – It is of crucial importance that the financing for social development is not done entirely on a loan basis, with assistance from foreign governments and multilaterals [97] but generated internally by governments. In India, social-sector expenditure began to decelerate in the mid 1980s. There was a decline in per-capita real expenditure on health and education, particularly in the poorer states. Since 1991, the situation has become worse, resulting in heavy borrowings from the World Bank to make up the deficits in programme expenditures in health and education. Bangladesh records some of the highest ever expenditures by the private sector rather than the government on the social sector.

## **Conclusion**

The South-Asian region reflects the wealth of diversity, the tragedy of its unresolved problems stemming from income inequalities and their attendant vulnerabilities, and the hope of economic success as well as significant achievements in creative civil-society processes, which hold out to the rest of the world the possibilities of human agency at its best. When, for the first time, an Atoll Chief is a woman in Maldives, it is a matter of celebration. By the year 2000, every inhabited island in Maldives had at least one NGO. By 2002, the total number of NGOs there was 374. Compare this to India's old tradition of voluntarism that has displayed all forms of cooperation and confrontation with the State; some of these organisations are foreign funded whereas many others are indigenously supported initiatives; many are local, others regional, and several international. More than 55,000 NGOs are registered with the Home Ministry in India; and there are various indigenous social movements and complex formations, depending on the issues.

Bangladesh and Pakistan have very well developed civil-society groups with powerful professional experience in field-level implementation as well as international lobby and advocacy. Nepal has recently witnessed a major movement towards the creation of a democratic state by popular will after years of resistance. Despite the restoration of democracy in 1990 through a popular movement, the systems that guarantee a decent living for the poor have certainly not been put in place. People were of the opinion that there had been a considerable deterioration in the rule of law, the well-being of the people, and especially in the lives of the peasantry who have faced the ire of the Maoist insurgency as well as the State forces. Civil-society actors have also complained of the highly bureaucratic approach of the Government to the registration of NGOs. There has been little appreciation of the contributions of the several associations of people trying to transform an unequal society into an equitable one. The struggle for democracy in recent times has been an extraordinary battle of all democratic forces to reduce the power of the corrupt monarchy and to restore the Constitution to its full stature. Creating the conditions for the functioning of democracy has been an extremely difficult task; and it cannot be said that this process has reached any degree of maturity; nevertheless it has been a major demonstration to the rest of the world about how people can unite to bring rights back into governance and how negotiations can continue across a table rather than on a field of armed resistance. The Government of Nepal will not have an easy road ahead unless systems are put in place for a permanent and stable democracy and a society freed from poverty and injustice. Unfortunately, coalition politics often do not provide for stability, especially when the coalition government is riddled with fragmentation and divisiveness. Many NGOs in Nepal, involved in land-reform issues, and women's organisations have taken part in the struggle for democracy. RRN and ANWA are two major organisations in Nepal that have played an active role, with all political parties and

people's organisations, to bring democracy back to Nepal. Even though Nepal is an LDC country, its civil society is a vibrant reminder that people's voices have not been quelled by the military and that the people are willing and able to work with democratically elected governments to bring succour to a country that is extraordinarily rich in its traditions and culture, but riddled with poverty and degradations of various kinds.

In Pakistan, with the country under Emergency as this report is being completed, it is clear that there is a vibrant civil society; this is not necessarily made of NGOs alone. Hundreds of lawyers and concerned citizens have resisted the might of the government and demanded the restoration of democracy and early elections. Their protests provide evidence that there is wide consciousness in society that demands a democratic government. Economic slowdown is linked with growing poverty and poor governance and high investments in military acquisitions. In urban-development missions, leading women's organisations, for example, Shirkat Gah have been instrumental in securing for women an evident role in public life and in the decisions of the government. NGOs have been highly effective in the delivery of essential services in a sustainable and equitable manner.

Sri Lanka's social movements, involved in land-reform issues and agriculture-wage-protection matters, have played a significant role during the aftermath of the tsunami, when the Government used the rehabilitation phase to try to convert the coastal area from a traditional one, providing livelihood for the thousands of fishermen in Sri Lanka, into a programme for rehabilitation (see, for example., the Monlar website - www.monlar.org).

There are countless instances of processes in which social change is occurring from below, providing hope that citizenship in democracies is not just electoral politics but the efforts by citizens to improve the quality of life for those left on the nether side of development. Perhaps what is new in this era is the wide engagement of a large number of social groups, including citizens' organisations, in pressurising the State for better provisioning of welfare needs. Providing basic elementary education and health care has become a key political issue that the state cannot ignore; and many NGOs have formed pressure-monitor lobbies to make sure that the state is accountable here.

The full participation by citizens in defining the sector allocations of resources and the policy implications thereof cannot be underestimated. Hence the idea of an enlightened public is the most significant outcome of democracy. As the public discourse becomes oriented increasingly towards market profit and a consumption-oriented life style and, simultaneously, as economic growth is seen as the only measure of government performance, it is crucially important that citizens aim to develop good societies, in which there is honest governance and where morality is not merely part of academic or religious discourse but is ever present in the way in which we conduct affairs of government. With this we must combine the notion of governmentality, that is, governments have a duty to perform in ensuring the rule of law, in ensuring the protection and promotion of all sections of society, and in ensuring that no citizen is excluded from the fruits of democracy and development. The condition of the South-Asian region remains an urgent challenge for the 21st Century: We must guarantee a decent citizenship to its dispriveleged millions. If this mission is not carried out with the utmost attention, this century will see the loss of hundreds of languages and dialects and rich, indigenous knowledge systems that belong to the South-Asian people, the loss of complex skills that have been suppressed in the indignity of poverty, and, finally, the loss of extremely talented women, who do not get the opportunity to live to be adults - educated, skilled, articulate and equal citizens.

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