DEVELOPING SOUTH ASIA

(A Modernization Perspective)

Pradip K. Ghosh, Editor

Foreword by Gamani Corea, Secretary-General of UNCTAD

Prepared under the auspices of the Center for International Development, University of Maryland, College Park, and the World Academy of Development and Cooperation, Washington, D.C.

International Development Resource Books, Number 18



Greenwood Press

Westport, Connecticut • London, England

Library of Congress Cataloging in Publication Data

(International development resource books, ISSN 0738-

83-26600

Main entry under title:

Developing South Asia.

1425; no. 18)

Bibliography: p.

Includes index.

1. South Asia—Economic policy—Addresses, essays,

lectures. 2. South Asia-Economic conditions-Addresses,

essays, lectures. I. Ghosh, Pradip K., 1947-II. Series.

HC430.6.D48 1984 338.954 ISBN 0-313-24154-6 (lib. bdg.)

Copyright © 1984 by Pradip K. Ghosh

All rights reserved. No portion of this book may be reproduced, by any process or technique, without the express written consent of the publisher.

Library of Congress Catalog Card Number: 83-26600

ISBN: 0-313-24154-6

ISSN: 0738-1425

Greenwood Press

First published in 1984

A division of Congressional Information Service, Inc.

88 Post Road West, Westport, Connecticut 06881

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

DEVELOPING SOUTH ASIA

International Development Resource Books

Pradip K. Ghosh, editor

Industrialization and Development: A Third World Perspective Urban Development in the Third World Technology Policy and Development: A Third World Perspective Energy Policy and Third World Development Population, Environment and Resources. and Third World Development Health, Food, and Nutrition in Third World Development Economic Policy and Planning in Third World Development Development Policy and Planning: A Third World Perspective New International Economic Order: A Third World Perspective Foreign Aid and Third World Development Multi-national Corporations and Third World Development Economic Integration and Third World Development Third World Development: A Basic Needs Approach Appropriate Technology in Third World Development Development Co-operation and Third World Development International Trade and Third World Development Disarmament and Development: A Global Perspective Developing South Asia: A Modernization Perspective Developing Latin America: A Modernization Perspective

Developing Africa: A Modernization Perspective

Copyright Acknowledgments

Reprinted with the permission of the Population Council from "The urban prospect: Reexamining the basic assumptions," by Lester R. Brown, *Population and Development Review* 2, no. 2 (June 1976): 267-277.

Reprinted with the permission of the Population Council from "Food for the future: A perspective," by D. Gale Johnson, *Population and Development Review* 2, no. 1 (March 1976): 1-19.

Reprinted with the permission of the Population Council from "Population, development, and planning in Brazil," by Thomas W. Merrick, *Population and Development Review* 2, no. 2 (June 1976): 181-199.

Reprinted with the permission of the Population Council from "Observations on population policy and population program in Bangladesh," by Paul Demeny, *Population and Development Review* 1, no. 2 (December 1975): 307-321.

Reprinted with the permission of the Population Council from "Population policy: The role of national governments," by Paul Demeny, *Population and Development Review* 1, no. 1 (September 1975): 147–161.

Reprinted with the permission of the Population Council from "Asia's cities: Problems and options," by Kingsley Davis, *Population and Development Review* 1, no. 1 (September 1975): 71-86.

Articles from *Impact of Science on Society*, Vol. XXIX, no. 3, © Unesco 1979. Reproduced by permission of Unesco.

Articles from *Impact of Science on Society*, Vol. XXIII, no. 4, © Unesco 1973. Reproduced by permission of Unesco.

Articles from *Impact of Science on Society*, Vol. XXV, no. 1, © Unesco 1975. Reproduced by permission of Unesco.

Articles from *Impact of Science on Society*, Vol. XX, no. 3, © Unesco 1972. Reproduced by permission of Unesco.

Articles from *Impact of Science on Society*, Vol. XXIII, no. 2, © Unesco 1973. Reproduced by permission of Unesco.

Articles from *Impact of Science on Society*, Vol. XXV, no. 3, © Unesco 1975. Reproduced by permission of Unesco.

Articles from *Impact of Science on Society*, Vol. XXIV, no. 2, © Unesco 1974. Reproduced by permission of Unesco.

Articles from Scientists, the Arms Race and Disarmament, © Unesco 1982. Reproduced by permission of Unesco.

Articles from *The Use of Socio-Economic Indicators in Development Planning*, © Unesco 1976. Reproduced by permission of Unesco.

Articles from Methods for Development Planning: Scenarios, Models and Micro-Studies, © Unesco 1981. Reproduced by permission of Unesco.

Article from Socio-Economic Indicators for Planning: Methodological Aspects and Selected Examples, & Unesco 1981. Reproduced by permission of Unesco.

THE RESEARCHERS AT THE UNITED NATIONS

IN GRATEFUL RECOGNITION OF THEIR LEADERSHIP ROLE IN THIRD WORLD DEVELOPMENT RESEARCH

"THE ULTIMATE OBJECTIVE OF DEVELOPMENT MUST BE TO BRING ABOUT A SUSTAINED IMPROVEMENT IN THE WELL-BEING OF THE INDIVIDUAL AND BESTOW BENEFITS ON ALL. IF UNDUE PRIVILEGES, EXTREMES OF WEALTH AND SOCIAL INJUSTICES PERSIST, THEN DEVELOPMENT FAILS IN THE ESSENTIAL PURPOSE"

- UNITED NATIONS GENERAL ASSEMBLY RESOLUTION 2626 (XXV), 24 OCTOBER 1970.

Abbreviations

ADC Andean Development Corporation

AsDB Asian Development Bank

ASEAN Association of South-East Asian Nations

CARIFTA Caribbean Free Trade Association

DAC Development Assistance Committee (of OECD)

ECA Economic Commission for Africa
ECE Economic Commission for Europe

ECOMAS Economic Commission for Latin America
ECOWAS Economic Commission of West African States

EDF European Development Fund
EEC European Economic Community

EFTA European Free Trade Association

ESCAP Economic and Social Commission for Asia and the Pacific FAO Food and Agriculture Organization of the United Nations

GATT General Agreement on Tariffs and Trade

GDP gross domestic product gross national product

IBRD International Bank for Reconstruction and Development

(World Bank)

IDA International Development Association
IDB Inter-American Development Bank
IFC International Finance Corporation

IIEP International Institute for Educational Planning

ILO International Labour Office IMF International Monetary Fund

LAFTA Latin American Free Trade Association

ODA official development assistance

OECD Organisation for Economic Co-operation and Development

OPEC Organization of Petroleum Exporting Countries

UNDP United Nations Development Programme
UNEP United Nations Environment Programme

UNESCO United Nations Educational, Scientific and Cultural

Organization

UNHCR Office of the United Nations High Commissioner for

Refugees

UNITAR United Nations Institute for Training and Research

UNICEF United Nations Children's Fund

UNIDO United Nations Industrial Development Organization

WFP World Food Programme
WHO World Health Organization

Foreword

I am pleased to know of the International Development Resources Book project. The 20 resource books which are published under this project, covering the whole spectrum of issues in the fields of development economics and international cc-operation for development, and containing not only current reading materials but also up-to-date statistical data and bibliographical notes, will, I am sure, prove to be extremely useful to a wide public.

I would like to commend the author for having undertaken this very ambitious and serious project and, by so doing, rendered a most valuable service. I am confident that it will have a great success.

Gamani Corea

Secretary-General United Nations Conference on Trade and Development

Preface

Stimulus for the publication of an international resource book series was developed in 1980, while teaching and researching various topics related to third world development. Since that time, I have built up a long list of related resource materials on different subjects, usually considered to be very important for researchers, educators, and public policy decision makers involved with developing country problems. This series of resource books makes an attempt for the first time to give the reader a comprehensive look at the current issues, methods, strategies and policies, statistical information and comprehensive resource bibliographies, and a directory of various information sources on the topic.

This topic is very important because within the framework of the current international economic order, developing an effective developing south asia: a modernization perspective policy is envisaged as a dynamic instrument of growth essential to the rapid economic and social development of the developing countries, in particular of the least developed countries of Asia, Africa and Latin America.

Much of this work was completed during my residency as a visiting scholar in the Center for Advanced Study of International Development at Michigan State University. Suzanne Wilson, Mary Ann Kozak, Kathy White and Susan Costello, students at the University, provided much needed assistance with the project. I am thankful to the M.S.U. Sociology department for providing necessary support services and Dr. James T. Sabin, Vice President, editorial of Greenwood Press who encouraged me in pursuing the work and finally agreeing to publish in book form.

I would also like to gratefully acknowledge the encouragement given to me by Dr. Denton Morrison to pursue this project and Dr. Mark Van de Vall who has been an inspiration to me since my graduate school days.

Finally, preparation of this book would not have been completed without the contributions from B. Hewavitharana, A. Vaidyanathan, Minuddin Baqai, Prakash C. Lohani, S. J. Rao, Rehman

xxii Preface

Sobhan, Mrinal Dalta-Chaudhury and the Research Staff of the ESCAP. I am also gratefully indebted to Journal of Economic Literature, U.N. Documents and World Bank Publications for the much needed annotations, and a very special thanks to Tom and Jackie Minkel for their assistance in the preparation of this book in camera form.

Contents

A bbreviatio	ons	xvii
Foreword		xix
Preface		xxi
PART I	CURRENT ISSUES, TRENDS, ANALYTICAL METHODS, STRATEGIES AND POLICIES, COUNTRY STUDIES	
	Introduction	3
	Indian Economic Performance and Prospects A. Vaidyanathan	9
	Pakistan's Development Pattern and Prospects Moinuddin Baqai	52
	Prospects for the Economic Development of Bangladesh in the 1980s ESCAP	98
	New Patterns of Developments for Sri Lanka B. Hewavitharana	123
	Nepal's Economy in Retrospect and Its Prospects for the 1980s Prakash C. Lohani	179
	Some Reflections on Income Distribution and Poverty in Asia with Special Reference to India S. J. Rao	239

	-	al Economic Cooperation in South Asia: and Prospects	267
		Sobhan	207
		nch to Rural Development in South Asia Datta-Chaudhuri	294
PART II	STATIS	STICAL INFORMATION AND SOURCES	
	I.	Bibliography of Information Sources	313
	II.	Statistical Tables and Figures	328
PART III	RESOU	JRCE BIBLIOGRAPHY	
	I.	Development (General)	399
	II.	Development Policy and Planning: South Asia	427
	III.	Economic Policy and Planning: South Asia	445
	IV.	Industrialization and Development in South Asia	478
	V.	Urbanization and Development in South Asia	492
	VI.	Technology Policy and Planning in South Asia	498
	VII.	Energy Policy and Development in South Asia	504
	VIII.	Population, Environment and Resources in South Asian Development	507
	IX.	Health, Food and Nutrition in South Asian Development	516
	X.	New International Economic Order and South Asian Development	518
	XI.	Multinationals in South Asian Development	520
	XII.	Economic Integration in South Asian Development	523

		Contents	XI
	XIII.	Basic Needs in South Asian Development	525
	XIV.	Appropriate Technology in South Asian Development	527
	XV.	Development Co-operation in South Asian Development	532
	XVI.	Foreign Aid and South Asian Development	534
	XVII.	International Trade and South Asian Development	539
PART IV	DIREC	TORY OF INFORMATION SOURCES	
PART IV	DIREC	TORY OF INFORMATION SOURCES United Nations Information Sources	547
PART IV			547 557
PART IV	I.	United Nations Information Sources	
PART IV	I. II.	United Nations Information Sources Bibliography of Bibliographies	557
PART IV Appendix	I. II. III.	United Nations Information Sources Bibliography of Bibliographies Directory of Periodicals	557 562

PART I

INDIAN ECONOMIC PERFORMANCE AND PROSPECTS

Table	1.	India: selected production targets for	
		1978/9 in successive Five-year Plans	11
Table	2.	India: Growth of net domestic product at factor	
		cost, 1950/51 to 1972/73	14
Table	3.	India: targets and achievements of various	
		agricultural programmes, 1961-1966 to	
		1969-1974	15
Table	4.	India: estimates of additions to foodgrain	
		production potential, 1952-1953 to 1972-1973	17
Table	5.	India: net manufacturing output, 1950-1951 to	
		1972-1973	20
Table	6.	India: current account deficits, capital	
		formation and imports, 1960/61 to 1973/74	21
Table	7.	India: trends in imports, 1960-1962 to 1970-1972	21
Table	8.	India: growth of exports, 1960-1961 to 1973-1974	23
Table	9.	India: trends in domestic saving, 1960-1961 to	
		1972-1973	25
Table	10.	India: trends in saving, 1960-1961 to 1972-1973.	25
Table		India: trends in public revenue and expenditure,	
		1960-1961 to 1972-1973	26
Table	12.	India: selected indicators of change in average	
		living standards, 1950/1951 to 1972/1973	30
Table	13.	India: percentage distribution of number of	
		holdings and area operated, by household size,	
		1960/61 and 1970/71	32
PAKIST	CAN'S	DEVELOPMENT PATTERN AND PROSPECTS	
Table	1.	Pakistan: basic statistics on economic growth,	
		1950-1978	54
Table	2.	Pakistan: GDP, GNP, and per capita GNP growth	
		rates based on three-year moving average	58
Table	3.	Pakistan: sectoral growth rates, 1950-1977	58
Table		Pakistan: sectoral shares of GDP, 1950-1977	58
Table		Pakistan: basic statistics on investments,	
100.0		1965–1978	61
Table	6.	Pakistan: gross domestic investment and its	
10010		financial sources, 1975-1978	63
Table	7.	Pakistan: balance of payments, 1973-1978	6.5
Table		Pakistan: terms of trade and price indexes of	
		imports and exports, 1973-1978	78
Table	9.	Pakistan: projected demographic profile	78
Table		Pakistan: projected growth in GDP	79
Table		Pakistan: projected structure of GDP	79
Table		Pakistan: projected acreage, yield and output	
		growth of major crops	83
Table	13.	Mexico, Egypt, Turkey, Pakistan: comparative	
		yields of major crops	8:

Table	14.	Pakistan: projections of income elasticities of demand for major foods	82
Table	15.	Pakistan: projections of per capita availability	02
		of major foods	82
Table	16.	Pakistan: projected sectoral structure of	86
Table	17.	employment	00
		employment	86
Table	18.	Pakistan: projected sectoral productivity	86
	10	levels	80
Table	19.	Pakistan: projected energy consumption, by energy	88
Table	20	Pakistan: projected energy production from known	00
labie	20.	sources	88
Table	21	Pakistan: projected energy deficits, year 2000.	88
Table		Pakistan: projected health network, 1978-2000 .	91
Table		Pakistan: projected school enrolment and	
14010		requirement of teachers and schools, 1978-2000.	91
Table	24.	Pakistan: projected macro-economic framework,	
		1978-2000	94
PROSPI IN THI		FOR THE ECONOMIC DEVELOPMENT OF BANGLADESH DS	
Table	1.	Economic structure of Bangladesh, 1969/70	102
Table	2.	Bangladesh: acreage, production and yield of	
		major crops, 1969/70	102
Table	3.	Bangladesh: production, imports and consumption	100
		of foodgrains	106
Table	4.	Bangladesh: estimated gross fixed investment, 1973-1978	106
Table	5	Bangladesh: Five-year Plan period GDP levels	
Table	٦.	and growth rates, by sector	108
Table	6.	Bangladesh: major physical targets of the First	
		Five-year Plan, 1973/74 - 1977/78	109
Table	7.	Bangladesh: two-year Plan, 1978/79 - 1979/80,	
		sectoral growth targets (gross domestic product	
		at constant 1972/73 factor cost)	110
Table	8.	Bangladesh: first Five-year Plan: Financing	112
		of domestic investment	115
Table		Balance of payments estimates	117
Table	10.	Bangladesh: per capita availability of foodgrains and cloth, 1973/74 - 1977/78	115
Table	11.	Bangladesh: employment and unemployment estimates,	
		1972/73 and 1978/79	115
Table		Bangladesh: rural land ownership in 1977	116
Table	13.	Bangladesh: sectoral shares of GDP and	118
		employment, 1977/78	110
Table	14.	Bangladesh: macro-economic changes at assumed 6	
		and 7 per cent GDP growth rates, 1980-1990 (at 1980 prices)	118
		TAON birces)	

Table	1.	Sri Lanka: comparison of development targets and achievements, 1960s and 1970s (average	
Table	2.	annual rates of growth, constant prices) Sri Lanka: performance in the paddy subsector	124
Table	3.	(average annual rates of growth)	128
		plantation crops (average annual growth rates) .	128
Table	4.	Sri Lanka: fertilizer, replanting and	
		production targets and achievements in the	
m-1-1 -	_	plantation sector, 1960s and 1970s	130
Table	5.	Sri Lanka: industrial sector: selected	1 2 2
Table	6	indicators	133
Table		Sri Lanka: estimates of unemployment Sri Lanka: public investment programme, 1977	137
Table	<i>,</i> .	1 1070 /1\ 1 1070 1000 / 1\	141
Table	8	Sri Lanka: projected paddy requirements and	141
Table	٥.	production	151
Table	q.	Asia and Sri Lanka: final internal use of	TOT
14010	٠.	resources (percentage of gross domestic	
		expenditure)	157
Table	10.	Asia and Sri Lanka: structural change among	131
		sectoral outputs	161
Table	11.	Asia and Sri Lanka: structural change in	101
		manufacturing	164
Table	12.	Asia and Sri Lanka: consumption of nutrients	164
Table		Asia and Sri Lanka: structural change in foreign	
		trade (percentage shares of respective totals) .	167
NEPAL	'S EC	ONOMY IN RETROSPECT AND ITS PROSPECTS FOR THE 1980S	
Table	1.	Nepal: economic and social infrastructures,	
		early 1950s	182
Table	2.	Nepal: First Plan, allocation of expenditure	185
Table	3.	Nepal: First Plan, targets and achievements	185
Table	4.	Nepal: Second Plan, allocation of expenditure .	188
Table	5.	Nepal: Second Plan, targets and achievements	188
Table	6.	Nepal: Third Plan, allocation of expenditure	190
Table	7.	Nepal: Third Plan, sources of finance	190
Table	8.	Nepal: Third Plan, targets and achievements for	
		major crops	191
Table	9.	Nepal: Third Plan, output targets and	
		achievements of major industries	193
Table	10.	Nepal: Third Plan, GDP, labour productivity	
		and per capita income	195
Table	11.	Nepal: Third Plan, capital formation	196
Table		Fourth Plan, sources of finance	197
Table		Nepal: Fourth Plan, allocation of expenditure	199
Table	14.	Nepal: Fourth Plan, GDP growth rate, labour	
		productivity, and per capita income (1964/65	
		prices)	199
Table	15.	Nepal: Fourth Plan, capital formation (1964/65	
		prices)	200
Table	16.	Nepal: Fourth Plan, targets and achievements	001
		for major crops	201

Table	17.	Nepal: Fourth Plan, growth of industrial	
		production	203
Table	18.	Nepal: Fifth Plan, sources of finance	205
Table	19.	Nepal: Fifth Plan, allocation of expenditure,	
		by functional and institutional sectors	206
Table	20.	Developing countries: shares of major of tax	
Idolo	20.	revenues in total revenue	215
Table	21	Nepal: total assets and gross profits of public	
Table	21.		218
		enterprises	
Table		Nepal: population, 1952-1954 to 2000	218
Table	23.	Nepal: cultivated land and population by	
		regions, 1971	220
Table	24.	Nepal: sectoral distribution of labour force,	
		1961 and 1971	220
Table	25.	Nepal: estimate of "visible" underemployment,	
10010		1977	220
Table	26	Nepal: percentage distribution of net income	
Table	20.	per family, by income classes	223
m . 1 1 .	0.7		223
Table	27.	Nepal: percentage distribution of net income	223
		per family by income classes, rural and urban	
Table		Nepal: direction of trade	226
Table	29.	Nepal: structure of exports	226
SOME 1	REFLE	CTIONS ON INCOME DISTRIBUTION AND POVERTY IN ASIA	
		AL REFERENCE TO INDIA	
Table	1.	Percentage of the rural population below the	
IUDIC		poverty line in selected ESCAP developing	
			241
		countries	
Table	2.	Concentration ratio of household income,	243
		consumption and asset holding: rural India	243
Table	3.	Growth of aggregate agricultural production	
		and increases in prices and incomes of	
		agricultural labourers in different states of	
		India between 1963/64 and 1970/71	246
Table	4.	Consumption of calories by consumer units in	
14010		households by state, India, 1971/72	249
Table	5	Farm size distribution in the Republic of Korea,	
Table	٦.	1968 and 1974	256
		1906 and 1974	230
PART	II		
STATI	STICA	L INFORMATION AND SOURCES	
Table	1.	Social indicators by income group of countries .	329
Table	2.	Social indicators by geographic areas	
		(developing countries)	332
Table	3.	Comparative social indicators for developing	
14016	٠.	countries (by geographic area and country)	334
Table	. /.	Comparative economic data	338
		India: economic data sheet 1 (1955-1971)	350
Table		India: economic data sheet 1 (1935-1971) · · · ·	352
Table		India: economic data sheet 1 (1974-1977)	354
Table		India: economic data sheet 2 (1971-1977)	
Table	8.	Pakistan: economic data sheet 1 (1955-1971)	356