

Book Review

Khadija Haq, (Edited) *The South Asian Challenge*, Oxford University Press 2002, Second impression: OUP Pakistan 2003, pp 333.

The South Asian Challenge is a compilation of nine essays on South Asia by eminent economists and social science researchers. The idea was initiated by Dr. Mahbubul Haq who had set up a South Asia Commission to analyse and identify the challenges facing the region, in order to publish a report on its recurrent issues of poverty and economic crises, and to offer new directions for meaningful change. Before the Commission could draft an outline of the Report, Dr. Mahbubul Haq passed away. Subsequently it was decided by the Human Development Centre in Islamabad to publish this collection of essays as a tribute to his memory and his quest for a new world.

All the papers in this collection discuss the different components of development – political institutions, civil society, economic policy – and their experience in South Asia. The basic thesis is that while South Asia is a region vibrant with potential and possibility, it is also a place where a culture of violence, mistrust and political instability and a convergence of institutional vested interests have created a disabling environment for the people, and from which it would take a great deal of political will and civic intervention to enable them to go forward.

The first essay in this collection is by Dr. Meghnad Desai, Professor of Economics at London School of Economics. He begins by quoting from an article that Mahbubul Haq had written for *Dawn*, April 27, 1998, wherein he had poignantly asked, “...will the fourth great wave of development (after Japan, East Asia and China) touch the shores of South Asia? Can South Asia become the next economic frontier in the 21st century? Or, will it miss the opportunity once again, as it has so often done in the past?”

Dr. Desai explains why opportunities have been missed in the past, by analysing the fall out of colonial politics in the region. The administrative and economic policies of the colonists led to unequal development among different provinces of the sub-continent and which were sharpened and exacerbated in post-independence years by the rich and vocal provinces attracting larger funds from the treasury while the neglected regions grew poorer, giving rise to the phenomenal poverty levels still present in the region. Again, the way areas were demarcated for partition culminated in a permanent conflict between Pakistan and India on Kashmir, which subsequently ensured a strong military dominated economic polity in the two biggest players of South Asia. However, at the same time, it was colonist rule

that laid the basis of a commonality of perceptions and bonding among the peoples of a diverse, vibrant and ethnically varied sub-continent.

According to Dr. Desai, it is in this commonality rather than the conflict that the way to development lies for the entire region. The argument is that when the European Union was conceptualised, there were wide differences of constitution, laws and legal traditions, banking procedures, currency, language, and levels of development. In South Asia, there already exists a commonality of interest in western type democracies, a common Anglo-Saxon language of administrative, legal and political discourse, and that is understood across the seven countries unlike those in the EU, a currency that has developed from the same rupee in content and terminology, unlike the newly introduced Euro, a common history, a similar level of development, and a way of looking at the world that is different from the Latin American or Chinese or Japanese ways of looking at things. He is almost prophetic in his proposals for a common South Asian strategy for development. The 12th SAARC summit in Islamabad in January 2004 concluded on a note of unprecedented optimism: a common market and a common strategy for competing in the global textiles market. The foundations have been laid, and Dr. Desai's vision elucidated in 2001 may yet come true.

But the basis for cooperation lies in an understanding of the causes of poverty and lack of initiative in the South Asia of today. In their paper "Asian Drama Revisited", Paul Streeten and Adeel Malik compare the promise of the sixties with the reality of 2001 in terms of Myrdal's yardsticks. The concept of the "Soft State" is still very relevant in all parts of South Asia: both the state and civil society have still not developed to the extent that they can take their obligations seriously: work for welfare of the citizens, ensure equal distribution of resources, stop the evasion of taxes and bank loans, and devise and implement properly planned economic and developmental activities. Another common and still pervasive phenomenon in South Asia was the continued use of inappropriate developmental models and irrelevant concepts to economic planning which were creating problems (but also serving vested elite interests) back in the sixties.

"Asian Drama Revisited" is a fine piece of research with an interesting conclusion: as long as economic growth was dependent on investment, developing countries who had so-called "benign" dictatorships could and did well – Chile, South Korea, Taiwan, Singapore and China. But when the emphasis shifted to the productivity of investment, in terms of development of human resources and social capital, then democracies could provide better incentives and institutions to sustain growth. "...human development and economic growth lead, sooner or later, to the irresistible call for freedom." By

this thesis, it would seem that ultimately the ends justify the means. If so, would they recommend this path for present day South Asia?

In his paper “Globalization: What does it imply for South Asia?” Shahid Javed Burki discusses how Globalisation can help bring about positive change in South Asia if certain policy decisions are taken and implemented: 1: freezing of defence expenditure at 1996 levels will result in a release of \$80 billion for development, as suggested earlier by Dr. Mahbul Haq; 2: political stability; 3: poverty alleviation and investment in health and education; 4: development of physical infrastructure; 5: decentralisation in decision making; and 6: motivation of expatriates for the transfer of technology and remittances.

Francis Stewart and Taimur Hayat in their paper analyse the different kinds of conflict that exist in the region – ranging from border conflicts, ethnic and tribal clashes, insurgencies and secessionist civil wars to terrorist attacks due to religious intolerance. The result of this culture of conflict is not only that the state and society are militarised and consequently brutalised: it also translates into homeless refugees, displacement, disability, disruption of civic services and reduction in economic activity. For example, during the Bangladeshi war of independence, per capita GDP fell by over 20% and food production per head decreased by 12.5% during 1969 to 1972, a factor that also contributed to the famine of 1974.

South Asia’s Crisis of Governance is a paper by Rehman Sobhan, who looks at the institutional infrastructure inherited from the colonists, and how it has not evolved commensurate with the needs of a free people. The key institutions of governance – democracy, judiciary, the administrative system, the military and the role of civil society – are analysed in the context of the evolution of political systems and their accountability to the citizens. The author gives a very concise and balanced review of the problems emanating from the power struggles of different vested groups, culminating in effective convergence of interests, so to speak, against the people. The role of civil society has achieved a critical significance in the developing countries, but its influence is limited and should not be used by the governments to shrug off their responsibilities. Also, the distinction between those organisations that have their roots in the history and political culture of each country, and those who are being manufactured by donor resources should be recognised for the sustainability of civic activism.

Nurul Islam discusses the agricultural development strategies in Asia and the lessons of experience and future prospects. Swaminathan also talks about the persistence of poverty in South Asia and the impact of the green

revolution. Gustav Ranis and Rashid Naseem in their paper “The Tortoise and the Hare” compare the development in east and south Asia in a policy framework. Arjun Sengupta’s paper emphasises that only a participatory process can ensure “The Right to Development”.

All in all, the collection of papers in *The South Asian Challenge* discuss the issues facing South Asia today, and bring out new facts and figures to light. But it is Dr. Desai’s paper that illuminates the reader with a brilliant synopsis of what has been and what could be. The book is useful in understanding the complex background in which change, although difficult, is inevitable.

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