

Mahbub ul Haq

Human Development Challenge in South Asia

We are presenting you today the first Report on *Human Development in South Asia 1997*. This Report has been prepared by the Human Development Centre over the course of the last one year. The Report was prepared in close collaboration with UNDP and I do wish to express my sincere thanks to Nay Htun for his consistent support and encouragement, to Robert England for his help at every step and to UNDP Resident Representatives in SAARC nations for their substantive support with background material and data for this Report. I am grateful to my good friend Nay Htun for the statement he has just delivered on behalf of UNDP. And I sincerely thank Mr. Wasim Sajjad for agreeing to be our Chief Guest for this launching ceremony. Mr. Wasim Sajjad is not only a leading thinker and outstanding intellectual in our country, we are extremely proud and honoured that he is a distinguished member of the National Advisory Board of the Human Development Centre.

The basic message of our Report is a profoundly disturbing one. South Asia has emerged by now as the poorest, the most illiterate, the most malnourished and the least gender-sensitive region in the world. The governments of South Asia have made very little investment in providing the basic social services of education and health to their 1.2 billion people. The region is ill-prepared to enter the global competition of the 21st century. This is the blunt truth which is not yet being faced by the policy makers of the South Asia region nor adequately recognized by members of the international community.

But the basic objective of our report is not to shock but to persuade policy makers to take urgent steps to correct the present situation. The South Asia region has enormous development potential. If sufficient investment is made in human development, if the overall policy framework is liberalized and rationalized, if some fundamental institutional reforms are carried out, South Asia can become the East Asia of the 21st century. This will require a

very solid, patient effort, spread over a long period of time. Today, the South Asia region has to face the challenge of completely restructuring its development priorities.

Let me first start with a brief outline of the scale of human deprivation in South Asia. Nearly one-half of the world's illiterates and 40 per cent of the world's poor live in South Asia. Out of a total population of 1.2 billion, around 500 million people are in the category of absolute poor, surviving on less than one dollar a day. More than one-half of the adults are illiterates, and over one-fourth of the total population does not have access to even a simple daily necessity like clean drinking water.

The burden of this human deprivation falls heavily on children and women. About 85 million children in South Asia have never seen the inside of a school. An estimated 134 million children lose their very childhoods, working long hours in inhuman conditions, many working for an average wage of only 8 U.S. cents a day. Half of the world's malnourished children live in South Asia.

The situation of women is even more shocking. It is summed up in a disturbing comparison in the Report. South Asia is the only region where men outnumber women. While there are 106 women to 100 men in the rest of the world, since biologically women outlive men, in South Asia the ratio is exactly the reverse: only 94 women to 100 men. About 74 million women are simply 'missing' in South Asia – the unfortunate victims of social and economic neglect from cradle to grave. Adult female literacy is only one half of male literacy. Female literacy rate is only 36 per cent in South Asia compared to an average of 55 per cent in the developing world. South Asia has the lowest ratio of female administrators and managers – only 3 per cent compared to 20 per cent in Latin America. And such indices of gender disparity persist in a region where four out of seven countries (namely, Bangladesh, India, Pakistan and Sri Lanka) can boast of a female head of government at present or in the recent past.

The many shocking statistics and disturbing graphs given in the Report are sufficient to shatter the complacency of policy makers in South Asia and the relatively detached attitude of the international community. If South Asia slowly disintegrates, it will not only be a catastrophe for its teeming millions, it will be a global tragedy as well. The scale of this human tragedy will be far more extensive than anything witnessed in Somalia, Rwanda or Burundi in recent years.

However, the Report is not pessimistic about the future of South Asia. In fact, it offers a new vision of hope. The real wealth of this region are its people. If sufficient investment is made in these people, they can radically change the development prospects of South Asia in the 21st century.

The Report presents a blueprint for such an investment plan for basic social services over the next 15 years. If such a plan is implemented by all SAARC nations, then they will be able to provide universal primary education, basic health care for all, safe drinking water for the entire population, adequate nutrition for malnourished children, family planning services for at least 80 per cent of married couples and new credit institutions for the poor to create self-employment opportunities.

Such a package of measures is expected to cost an average of \$ 8.6 billion a year during the next 15 years, or an additional 1.6 per cent of the combined GNP of South Asia, assuming that GNP grows by 5 per cent a year. While this is a significant cost, it is certainly not unrealistic. The Report points out several ways that such a package of basic social services can be financed.

First, the SAARC leaders can agree on a compact to reduce their defence spending in line with the rest of the world and earmark the resources thus released for urgent social priority needs. If military spending is cut, for instance, by 5 per cent a year in real terms, it can generate a peace dividend of around \$ 8 billion a year and can finance most of the basic social services package. Thus, if the South Asian countries display the required

statesmanship and vision and if they find a peaceful solution to their outstanding disputes, they can radically transform the development prospects of the region.

Second, the Report recommends that South Asian countries should retire their expensive domestic debts by privatizing their public assets through international markets. The servicing of these domestic debts is now taking away 5 to 6 per cent of GNP. If this debt servicing is considerably reduced, or wiped off altogether, the current budgets for education and health can be more than doubled.

Third, tremendous dynamism and creative energy is building up by now in non-government organisations and at the grassroots level. The Report cites many examples of successful civil society initiatives in various SAARC nations. If their governments lend a supporting hand, these NGOs and private initiatives can provide social services at the grass roots level in a very cost-effective manner.

The Report recommends that the forthcoming SAARC Summit in the Maldives in early May 1997 should direct their governments to prepare a concrete plan of action for priority human investments over the next 15 years, alongwith a realistic financing strategy. The Report also suggests that the SAARC Summit should invite the most prominent thinkers of the region to form an unofficial commission to produce a report on a new vision for South Asia in the 21st century.

Let me conclude by saying that this is just the first report on Human Development in South Asia prepared by our Centre in a series that will be continued every year. If this Report succeeds in stimulating a major debate on human development issues in the South Asia region, it would have served its purpose.

Let us face it. We in this region are not the hapless victims of fate. We can shape our own destiny. After all, human destiny is a matter of choice, not chance. Our report outlines the choices that we all can make – and we all must make. On those choices will depend the future of South Asia.