

A. Profile of SAARC Economies

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THE EMERGENCE OF REGIONAL CO-OPERATION

Recent years have witnessed new world tendencies of movement towards collective self-reliance on a regional scale. Inter-regional co-operation among the country states and inter-regional co-operation have become much more vital in the last few decades of development of the world economy. In recent years less developed countries (LDCs) have paid increasing attention to extend their economic co-operation among themselves. The South Asian Association for Regional Co-operation (SAARC) owes much to the event relating to the economic and technical co-operation among the less developed countries, from Afro-Asian Conference (Bangdung, 1955) down to Buenous Aries plan of Action (1978), Caracas Plan of Action (1981), UNCTAD VI (Belgrade 1983) and Economic Declarations of the recent Non-Aligned Movement (NAM) Summits. It was realised that during the past two decades, technological and financial dependency of less developed countries on the developed had significantly increased. As a result, the less developed countries became highly vulnerable to international fluctuations and their bargaining power had been greatly curtailed. As such regional co-operation among less developed countries has come to be considered as one of the strategies too control their excessive dependence on few industrial nations. In deed the Nothern Economies have been benefitting from co-operation among themselves like EEC and OECD. The realisation in the South that south-south Co-operation is beneficial, has led to the creation of institutional arrangement, for co-operation in different regions; OAU, OAS, COMECON, AFTA, CACU, CFTA, ACM GCC, ASEAN and SAARC. SAARC as a forum of regional co-operation emerged in Dec. 1985. It has seven founder members, namely Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and SriLanka. The First SAARC summit was held at Dhaka, the capital of Bangladesh during Dec. 7-8,1985. It had its Second Summit at Bangalore, India, during Nov. 16-17, 1986. The seven South Asian leaders in their Third Summit held in Kathmandu, the capital of Nepal in Nov. 2-4, 1987, resolved to extend their co-operation in suppression of terrorism, to form a South- Asian food security reserve adopting the Kathmandu Declaration to intensify their co-operative efforts in new areas of trade, industry disaster management and environment conservation. The SAARC members decided that measures for co-operation should be progressively carried out within a broad framework of long term perspective. The members stressed the need for further consolidation and rationalistion of the ongoing activities pursued within the SAARC framework. The Fourth SAARC Summit was held at Islamabad, the capital of Pakistan on Dec. 30-31, 1988. In 1989 no summit could be held due to internal disturbances in host country, SriLanka. The leaders of seven nations met for the Fifth Summit at Male of Maldives on Nov. 21-23, 1990 and the Sixth Summit was held at Colombo in SriLanka on Dec. 21,1990. The present SAARC Summit has been put off due to internal trouble in some of the member countries.

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Frequent postponements the SAARC Summit reflect the internal conflicts and bilateral disputes which plague the region. The one area where the organisation has begun showing some promise, particularly since the Fifth Summit at Male of Maldives, is economic co-operation. No doubt the internal economy at present is in the midst of economic crisis. LdCs are the worst sufferers with their exports falling, the prices of primary commodities collapsing to the lowest level, terms of trade deteriorating sharply and this leading to acute balance of payments difficulties, debt servicing burden becoming unbearable as a result of rising interest rates, shortening maturities etc. In this prevailing circumstances the seven members are finding it hard to stick together.

ECONOMIC FEATURE

SAARC economies are agrarian and economically backward. They are all low income and least developed countries, whose per capital GDP estimated by World Bank did not exceed US \$ 500 (World Development Report, 1991). The per capita income is varied between US\$ 120 and \$500 while that of middle income countries ranged between \$640 and \$2040. The magnitude of per capita GNP has been fairly high (\$14610-29880) in high income countries. Four of the member countries of SAARC-Bangladesh, Bhutan, Maldives and Nepal are officially designated by the United Nation as least developed among LdCs. SAARC economies presents a case of a symmetry. Economic scenario is not homogeneous. Mass poverty and poor use of resources are the common problems of all the member countries. Their vulnerability to external markets is high because of their mono-cultural economies and limited export base, underdeveloped infrastructure, low levels of human resources development and lack of access to capital markets. SAARC countries are inherently fragile and insecure. Some of the problems which are very much common in almost all the SAARC economies are poverty, low per capita yield, inequality in income distribution, high unemployment ratio, growth of population, growing imbalance in the balance of trade, low saving and investment ratios, problems of external debt, primary exports etc. It is observed that fifty percent of South Asia's population living below the poverty line. The average annual growth rate of labour force during 1980-85 was almost 2.3 percent in SAARC countries and as employment opportunities did not commensurate with that, unemployment problem became a common feature world/bands,1988). All the SAARC countries suffered from huge deficits in their balance of trade during 1980-87 and most of those deficits have been financed by long term capital movements. The severity of the burden of external debt and debt servicing also shadowed of the economic fortune of SAARC economies. In 1985 total external debt as a percentage of GNP was as high as 55.4 percent in SriLanka, 47.5 percent in Bangladesh, 36 percent in Pakistan, 17.7 percent in Nepal and 15.1 percent in India.

DIVERSITY AMONG SAARC COUNTRIES

There is a great diversity in the SAARC region in terms of resources. At one end of the spectrum, lies Maldives with a population of less than a quarter of a million (214 thousand) and a geographical area of 300 sq. km. and at the other end; there is India with a population of 853094 thousand and geographical area of 3.3 million sq of km. India accounts for 73 percent of the combined geographical area of SAARC region while rest

six members account only 27 percent. In terms of value added in manufacturing, India accounts for about 84 percent. In 1986, taking together four countries—India, Pakistan, Bangladesh and Sri Lanka—accounted for about 99.7 percent of total manufacturing value added. The rest three countries, Nepal, Bhutan and Maldives accounted for only 0.3 percent. The region, though poorly endowed with mineral resources; 90 percent resources available in the region, belongs to India (Table 1). In water resources Nepal's vast hydro electric potential is point of frequent reference. The theoretical potential is 83,000 M/W which is about 1.5 percent of the world's total potential but the economically feasible potential which could be harnessed, is 42,000M/W.

SAARC AND WORLD ECONOMY

All the SAARC countries except India are producers and exporters of primary products. The trades of these countries are primarily with the developed industrial nation with limited intra-regional trade. South Asia accounts for hardly 1 percent of global exports and 1.5 percent of global imports. Its combined agricultural and industrial output is only 2 percent of world's total. Intra-regional trade within an Asia is merely 2.25 percent exemplifying weak Complementarity among the economies and existence of trade barriers. The aggregated exports of South Asia are less than one half of Hongkong or South Korea or China and hardly two thirds of the exports from Singapore. India, Pakistan, Sri Lanka and Bangladesh have continuing sizeable deficits on current A/C. While Hongkong, South Korea and Singapore have registered surplus and there is an ample scope for significant expansion of trade exchanges among Asian countries.

Investment ratios are low in each of these countries for development. Intra-regional trade among SAARC countries is less than 10 percent except land locked Nepal and Bhutan and sea-locked country Maldives which import significantly from other SAARC countries. Textiles and clothing dominate the manufacturing sectors of all SAARC nations except Maldives, and these are also the major exports in while the member countries compete each other.

GNP PER CAPITA

All the SAARC countries belong to the Low Income Economies (LIEs) as their GNP per capita is lower than US \$450 in 1988. The per capita GNP of the SAARC countries in 1988 ranged between \$ 170 to \$ 420. Sri Lanka had the highest per capita GNP \$ 420 followed by Maldives \$ 410, Pakistan \$ 350, India \$340, Bhutan \$ 180, Nepal \$180 and Bangladesh \$170. Among the SAARC members Bangladesh, Bhutan and Nepal are the poorest countries in the South Asian Region. So far as Nepal is concerned the low rate of growth of the GDP and relatively higher rate of growth in population resulted in a marginal growth in real per capita income during 1964/65-1989/90. The overall GDP recorded a real growth of about 3 percent per annum during the period, while per capita income recorded an annual rate of growth of about 0.8 percent per annum during the same period.

Among the SAARC countries during the period 1965-88, the growth rate of GNP per capita of Sri Lanka was highest 3.0 percent followed by Pakistan (2.5 percent) India (1.8 percent) Nepal (10.5 percent) and Bangladesh (0.4 percent). The growth rate of all SAARC economies were low than the average for all the LIEs (3.1 percent). The GDP growth rate of the SAARC economies are lower than the average for all the LIEs which stood at 5.4 percent and 6.1 percent respectively. Pakistan recorded a growth rate of 5 percent 1965-80 which recorded 6.6 percent during the subsequent years 1980-87. Sri Lanka stood second in growth performance achieving 4.6 percent from 4.0 percent followed by India 3.7 percent to 4.6 percent, Bangladesh 2.4 percent and Nepal 1.9 percent to 4.7 percent. In case of Nepal the average annual growth rate of GNP per capita remained confined to 0.6 percent for the period 1965-89.

AVERAGE INFLATION RATE

During the period 1980-87 among the SAARC members Sri Lanka had the highest inflation rate of 11.8 percent followed by Bangladesh 11.1 percent, Nepal 18.8 percent, India 7.7 percent and Pakistan 7.3 percent, Compared to 1965-80 the inflation rate in Sri Lanka increased to 9.4 percent to 11.8 percent, Nepal 7.8 percent to 8.8 percent and India 7.6 percent to 7.7 percent during the period 1980-87. While in the case of Bangladesh and Pakistan it lowered down significantly from 14.9 percent to 11.1 percent and 10.3 percent to 7.3 percent respectively. Between the periods of 1965-80 and 1980-87 higher inflation rates accompanied higher GDP growth rates in the case of Sri Lanka, India and Nepal but in the case of Bangladesh and Pakistan lower inflation rates accompanied higher growth rates of GDP, All the SAARC economies are marked by excess liquidity and increasing rates of inflation. The average rate of growth in money supply was much higher than desired primarily due to expansion of domestic credit, particularly in the government sector. Growth in foreign assets also contributed to undesired money supply growth. An uncontrolled expansion in government expenditure and less than adequate revenue mobilisation created a situation in which heavy government borrowing from the banking sector became inevitable which reduced productive investment by crowding out the demand for bank resources by the non-banking sector; and increased money supply by means of domestic credit expansion. Although money supply growth is not the only cause of inflation in SAARC economies, it did contribute to an excess liquidity situation, thus fuelling demand pressure in the economy.

DENSITY OF POPULATION

South Asia has 30 percent of the world's population. Among the SAARC member countries Bangladesh is the most densely populated country with 803 people per sq km., followed by Maldives 718, Sri Lanka 262, India 259, Pakistan 152, Nepal 136 and Bhutan 26. Except to Bhutan all the SAARC countries have higher population density than the average for all the LIEs which is 75 per sq. Km (Table 1).

STRUCTURAL FEATURE

The production structure is largely traditional in almost all the SAARC countries. In Nepal the contribution of agriculture sector to GDP which provides

employment to 90 percent population, has significantly been higher (58 percent) in comparison to industry (14 percent) and tertiary sectors (28 percent). But in India and Pakistan the share of agriculture in GDP declined significantly between 1965-87 indicating significant structural change. In India the share of agriculture declined from 47 percent in 1965 to 30 percent in 1987 followed by Pakistan 40 percent and 23 percent. During the same period the share of industry and services sectors increased from 22 percent and 31 percent to 30 percent and 40 percent respectively. In India and Pakistan the increases were from 20 percent and 40 percent to 28 percent and 49 percent respectively. In SriLanka the shares of the three sectors almost remained the same, the share of agriculture declined from 28 percent to 27 percent the share of industry and services changed from 21 percent 51 percent in 1965 to 27 percent and 46 percent in 1987 respectively. Viewing from the occupation structure of the labour force, the structural change in non of the SAARC nations can be considered as significant. The occupational structure has remained static with more than 90 percent of the labour force engaged in agriculture for their livelihood. This degree of labour force concentration in agriculture is the highest in the world. The reliance of a growing labour force on agriculture, where labour productivity is already low, has led to declining labour productivity in agriculture. The work force engaged in agriculture in early 1980s was 93 percent in Nepal followed by Bhutan 90 percent, Bangladesh 75 percent and India 70 percent.

In mid of 1990 Pakistan has the highest percentage of urban population (32 percent) followed by India 28 percent, SriLanka 21 percent, Maldives 20.6 percent, Bangladesh 13.6 percent, Nepal 9.6 percent and Bhutan 5.3 percent. In respect of structure of manufacturing India and Pakistan experienced significant changes among SAARC economies. In Pakistan the share of manufacturing sector and food processing industry in the total manufacturing was 34 percent in 1986. In Bangladesh food processing and textiles and clothing together accounted for about 77 percent of the total manufacturing sector in 1977 and it was still high in 1986 which stood at 52 percent. So far the Indian economy is concerned the manufacturing industries accounted for 34 percent in 1970 which came down to 27 percent in 1986. In respect to Pakistan it came down from 62 percent in 1970 to 55 percent in 1986. The machinery and transport equipment together accounted for 20 percent of total manufacturing in India in 1970 which increased to 26 percent by 1986. The corresponding figure for Pakistan increased from 6 percent to 8 percent. In Nepal the manufacturing and industry sector including cottage industries, account for less than 10 percent of GDP and provide jobs for only about 2 percent of the labour force, These sectors lack dynamism and have been unable to establish growth-inducing forward and backward linkages with other sectors of the economy. (Table no 1).

FOREIGN TRADE SECTOR

Coming to the last part of 1980s all the SAARC economies have been reconciling growth strategy with privatization, market liberalization and structural adjustment. They have open economy with global trade and other economic relationship. But the economies differ in respect of their degree of openness. The SAARC economies have large trade deficits in foreign trade. The primary reasons attributed to increasing deficits are massive imports of project goods, construction

materials, and other consumer items over the limited exports. In Nepal, the trade accounts exhibit divergent tendencies. Between the period 1974/75 and 1989/90, the total trade deficit increased 15 fold and the deficit in the current account balance increased 65 fold. The rising trade imbalances were basically caused by a rapid increase in the import of goods and a slow growth in exports. The substantially higher increase in the current account balance during the period was caused by an increase in the trade deficit as well as a less than adequate increase in the services account and transfers. In recent years in Nepal, foreign trade has been liberalized and structural changes have occurred both commodity-wise and country-wise. The share of trade with India came down to 23 percent in 1990 against 77 percent with other countries. A wide gap existed between the exports and imports and over all trade deficit has increased considerably.

The import percentage of GDP ratio in Bhutanese economy had the highest degree of openness (35.2 percent) followed by Sri Lanka (34.5 percent) Nepal (22.2 percent), Pakistan (18.4 percent), Bangladesh (14.9 percent) and India (8.6 percent). The export percentage of GDP ratio in Sri Lanka is remarkable which is (23.1 percent) followed by Pakistan (13.2 percent), Bhutan (10.0 percent), Bangladesh (6.1 percent), Nepal (5.9 percent) and India (5.7 percent). The structure of merchandise imports in 1987 imports of primary commodities as percentage of total imports was the highest in Pakistan (42 percent) followed by Sri Lanka (37 percent), Bangladesh (31 percent), India (27 percent) and Nepal (21 percent). The imports of fuels alone accounted for (19 percent) of total imports in Pakistan followed by Sri Lanka (17 percent), India (11 percent), Bangladesh (9 percent) and Nepal (8 percent). The structure of merchandise exports in 1987, primary exports predominated in Sri Lanka (60 Percent) followed by Bangladesh (49 percent), Pakistan (33 percent), India (31 percent) and Nepal (2.8 percent). The highest percentage of manufactured exports has of Nepal 72 percent out of which 37 percent was accounted by the exports of textiles and clothing followed by India, (69 percent) of which textiles and clothing amounted to (16 percent) Pakistan (67 percent) of which textiles and clothing accounted to (41 percent), Bangladesh (50 percent) and Sri Lanka (40 percent) of which textiles and clothing amounted to 25 percent). Thus among the SAARC member countries Nepal, India and Pakistan have more diversified export sectors than the other economies of the region.

In the trade sector percentage in the SAARC member economies, the largest share of Indian exports went to the industrial market economies which was (57 percent) followed by Pakistan (49 percent), Bangladesh (48 percent), Sri Lanka (45 percent) and Nepal (39 percent) in 1985. The highest percentage of Nepal's exports had the destination in the developing economies (57 percent) followed by Bangladesh (46 percent), Sri Lanka (44 percent) and India (20 percent) and among the SAARC economies only India had significant exports to the non-market economies i.e. 17 percent of total exports.

BALANCE OF PAYMENTS

Allmost every country in South Asia is in the grip of the vicious circle of the shortage of foreign exchange resources, obligation of rising interest payments on foreign debt as well as huge deficits in their balance of payments. All the SAARC economies have been running substantial deficit in the current account of their BOP.

The current account deficit before official transfer in 1987 as percent of GDP was the highest in Bhutan (22.4 percent) followed by SriLanka (9.5 percent), Nepal (7.6 percent), Bangladesh (5.5 percent), Pakistan (2.3 percent) and India (2.1 percent). In 1987 the receipts of workers remittances were the highest in Pakistan (\$2172 millions) followed by India (\$ 2000 millions), Bangladesh (\$617 millions) and SriLanka (\$348 millions).

EXTERNAL DEBT

The severity of the burden of external debt and debt servicing also shadowed the economic fortune of SAARC countries. All the SAARC economies have significant external debt outstanding. The total longterm debt outstanding as percentage of GNP, in 1987 SriLanka had the highest percentage (64.7 percent) followed by Bangladesh (50.6 percent), Pakistan (38.2 percent), Nepal (32.5 percent), Bhutan (19.9 percent) and India (16.5 percent). As for the debt servicing commitments, total long term debt service as percentage of export receipts was the highest in Pakistan (26.3 percent) followed by Bangladesh (24.2 percent), India (24.0 percent), SriLanka (20.2 percent) and Nepal (9.7 percent). If we consider 15 percent as the safe level for the debt service ratio Pakistan had rather high debt service rates. Thus all the SAARC countries seem to be in the danger of falling into a debt trap.

GROWTH IN CONSUMPTION

In economic well-being, annual growth rate in private consumption is a rough indicator of growth. All the SAARC economies except Pakistan between the periods 1967-80 and 1980-87 registered an increase in annual growth rates of private consumption. SriLanka's growth rate of private consumption increased from 40 percent to 6.3 percent, India's from 2.7 percent to 4.9 percent and Bangladesh's from 2.7 percent to 3.7 percent.

DEMOGRAPHIC FEATURES

Given the GNP growth rate, the higher the population growth rate the lower would be per capita GNP growth rate. Among the SAARC member countries, Pakistan registered the highest population growth rate of 3.28 percent in mid of the 1980, followed by Maldives (3.05 percent), Bangladesh (2.68 percent), Nepal (2.41 percent), Bhutan (2.21 percent), India (2.08 percent) and SriLanka (1.30 percent). The population problems among the SAARC countries seem to be acute in Pakistan, Bangladesh and India. (Table1).

Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka in mid of the 1980. In the same period, the male and female life expectancy at birth was the higher in Sri Lanka had 41.4, 36.3, 31.5, 42.7, 38.0, 44.4 and 21.6 per (thousand respectively. Similarly crude death rate was 14.7, 16.2, 10.8, 12.2, 13.9 11.6 and 5.9 for Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka (68.9 and 73.2 years) India (59.0 and 59.3), Pakistan (57.8 and 57.8), Maldives (55.3 and 55.3), Nepal (52.9 and 51.7), Bangladesh (52.1 and 51.1) and Bhutan (49.6 and 48.3). Total fertility rate (per woman) for the same year was highest in Pakistan (6.2) followed by Maldives

(6.1), Nepal (5.7), Bhutan (5.5), Bangladesh (5.3) India (4.2) and SriLanka (2.6). The infant mortality rate (per 1000 births) for same period was the highest in Bhutan as well as in Nepal (123) followed by Bangladesh (114), Pakistan (104), India (94), Maldives (93) and SriLanka (26). (Table no. 1).

EDUCATION

In education front, SriLanka's position was better than its SAARC counter parts. Enrollment in primary schools as percentage of respective age group, in 1986, SriLanka was the highest with 103 percent followed by India (92 percent), Nepal (79 percent), Bangladesh (60 percent), Pakistan (44 percent) and Bhutan (23 percent). In secondary level education SriLanka topped to list with 66 percent followed by India (35 percent), Nepal (25 percent), Bangladesh (18 percent), Pakistan (18 percent) and Bhutan (4 percent).

PER CAPITA ENERGY CONSUMPTION

Percapita energy consumption (Kg. of oil equivalent) is an economic indicator of economic development. By energy consumption criterion Nepal remains a country with inordinately low energy consumption. In 1987 among SAARC member countries, India shows the highest per capita energy consumption of 208 Kg. followed by Pakistan (207 kg), SriLanka (160 kg), Bangladesh (47 kg). and Nepal (23 kg). In 1989, the energy consumption per capita of Nepal was 24 kg., as for the dependence of energy imports (measured by the energy imports as percentage of merchandise exports) Nepal is highly dependent (31 percent) followed by Pakistan (26 percent), SriLanka (25 percent), Bangladesh (21 percent), and India (17 percent).

CONCLUSION

From the above scenario one is tempted to conclude that in the era of increasing regional economic co-operation SAARC will have to face a number of major constraints for its success. The urgent need is mutual trust and co-operation amongst SAARC members through proper sharing of all forms of complementary resources and undergo joint for the smooth working SAARC. The significant inter-country differences among SAARC member countries in respect of socio-economic development is one of the major reasons for active regional co-operation. There are enormous potentialities of effective economic co-operation. The identified areas of co-operation among SAARC are agriculture, rural development, telecommunication, science and technology, meteorology, population, health, transport, postal services, sports, arts and culture, power generation, utilisation of power resources, environmental protection etc. Besides, programme such as prevention of drug trafficking and drug abuse, SAVE, tourism, suppression of terrorism, scholarships, fellowships and youth volunteer programme have to be implemented effectively. The South Asian Food Security Reserve and SAARC Agriculture Information Centre in Bangladesh and meteorological Research Centre in India are harbingers of development over a widefield.

It is true that co-operation among the SAARC countries has not moved in the direction as expected, although the achievements are few but not the least. The creation

of South Asian Emergency Fund Security Reserve for banishing hunger from the region is the crucial one. SAARC has decided to undertake exploratory studies on co-operation in combating natural disasters. Studies are also underway for encouraging co-operation in regional trade in SAARC countries. Co-operation in the prevention of drug abuses and evolving of policies for fulfilling basic needs by the year 2000 are priority work at SAARC. SAARC members are trying to seek economic co-operation on bilateral basis in Keeping with the spirit of SAARC's Charter. No doubt the SAARC economies with narrow and fragile economic structure suffer from increasing threats to their economic security related with poor resource base, specialization of exports confined to limited items, high dependence on foreign aid and technology, external debt etc. Poverty has been an important destabilizing factor in increasing the vulnerability of the SAARC economies. There is imperative need that less developed countries must collectively struggle against the problems of poverty and under-development and through regional co-operation among themselves to accelerate development. The main problem is the creation of political will. Only then, the steps sofar undertaken would be fruitful. The economic co-operation in SAARC member countries is still in its evolutionary process and therefore needs a sustained momentum. The success of SAARC will depend on how the member states use their machinery, to uplift the socio-economic condition of the people by mutual and unanimous decisions. Co-operation may not be an end in itself but of course it can be means to an end-end being welfare and development of the countries. Principle of each for all and all for each can definetly take the countries a long way in the achievement of collective self-reliance and in increasing collective bargaining power of the less developed countries.

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Annex

Table 1
Basic Indicators of SAARC Economies

Indicators	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	SriLanka
Population (thousand) Mid-1990	115593	1516	853094	214	19143	122626	17217
Average Annual Growth Rate (%)	2.68	2.21	2.08	3.05	2.41	3.28	1.30
Population Projected to 2010 AD (thousands)	188196	2328	1223483	358	28900	205496	21520
Crude Birth Rate	41.4	38.3	31.5	42.7	38.0	44.4	21.6
Crude Death Rate	14.7	16.2	10.8	12.2	13.9	11.6	5.9
Total Fertility Rate	5.3	5.5	4.2	6.1	5.7	6.2	2.6
Infant Mortality Rate (Per, 000 births)	114	123	94	93	123	104	26
Male Life Expectancy at birth (yrs)	52.1	49.6	59.0	55.3	52.8	57.8	68.9
Female Life Expectancy at birth (yrs)	51.5	48.3	59.3	55.3	51.7	57.8	73.2
Density (Persons Per Km ²)	803	32	259	718	136	154	262
Percentage of Urban Population	13.6	5.3	28.0	20.6	9.6	32.0	21.4
GNP Per Capita (us dollars) 1988	170	180	340	410	180	350	420
GNP Per Capita Average Annual Growth Rate (%) from 1980 to 1988	0.4	-	1.8	2.3	0.5	2.5	3.0
Average Annual Rate of Inflation (%) from 1980 to 1989	14.9	8.9	7.4	7.1	8.7	6.6	11.0
School Enrdlment 1986	37	16	60	73	54	30	8.4
Illiteracy (%) 1985	67	16	57	4	74	70	13
Area (ooo Sq. Km)	144	47	3288	+	141	796	66

The sign indicates '+' less than 500 Sq. Km.

Sources:- 1) ESCAP, *Population Data Sheet 1990*
2) World Bank - *World Development Report 1990*

BOOK REVIEW

Gill, Gerald J. (1992), *Seasonality and Agriculture in the Developing World a Problem of the Poor and Powerless*, Cambridge University Press 1991, Indian Edition, Foundation Books, New Delhi, pp. 343 including Index, Price Rs 45.00 (I.C.).

This is a very timely book on seasonality and its impact on the agriculture of the developing world. Actually this could be an asset to agriculturists, donor agencies planners and policy makers, particularly in the developing countries and must for the students of agriculture economics. This is an outcome of a painstaking and well researched effort of Mr. Gill who is well versed in the problems of agriculturists in the Third World being the author of a number thought provoking and stimulating articles and editor of several books pertaining to the Third World agriculture. This book constitutes nine chapters and one appendix chapter with case study findings based on seasonal labour migration in Bangladesh of South Asia. This is a very comprehensive book on seasonality. Within a limited space of 343 pages, the author has wittily incorporated important agriculture problems, rather rural problems, in South Asia, South East Asia and Africa by dwelling upon the important variables ranging from climate, environment, nutrition, technology, and agricultural extension, just to mention a few.

The first four chapters discuss the effect of seasonality on consumption pattern, rural poor and environment and the sources of seasonality. Chapter five basically deals with ways and means to counter the seasonality problem whereas chapter six extensively considers seasonal migration and its consequences. On the other hand, chapter seven dwells upon the exclusive problem of market failure in the developing countries and comes up with free competition as a means to counter such market failure in such countries. Discussion on technological change and technology transfer in the context of these countries is carried out in chapter eight. It has paid due attention to the impact of bio-technologies and high yielding varieties or green revolution which is basically bias towards the big farmers. Also it is has dealt with resource depletion in the process of technology transfer. Chapter nine deals with implications for policy and planning.

The author has very eloquently discussed the multifacet problems of agriculture, rather rural poor, in the Third world countries concentrating on Asia, and Africa. Although these problems were much talked about they were unperceived problems of rural poverty in the terminology of Chambers (1980).

At the outset, the author has very touchingly presented the typical household scenario in the Third World when one of the most pressing causes of child and infant mortality is the unavailability of edibles, not to talk about nutritious food as such.

It is without doubt that the confluence of such problems is no other than seasonal variation in agriculture. He has rightly explained the "problem of the poor and powerless" by examining and exploring the socio-economic and geographical roots of seasonality and its impact on the poor who are most hard hit by the seasonal variation in agriculture.

Seasonal variation in its true sense is rather an independent variable which is greatly responsible in the generation of the unwanted evil, the "Vicious Circle of Poverty" in low income countries which leads to a marked fluctuation in the income level of the poor. Such a fluctuation in the level of income deprives the rural poor who are either the marginal farmers or the landless peasants (the ultra-poor) from the adoption of even the most traditional counter - seasonal technology such as handicrafts and charcoal burhing, in the words of the author himself. As such, the door for exploitation of the poor by the rich (particularly the landlords) remains not afar. A very awful and trecharious environment, a "one-sided patron-client-linkage" in the words of the author is created as in case of southern Bangladesh where the poor peasants were forced to give their daughters in marriage to the landlords during the harvesting period.

It is his valid contention that seasonal variation in agriculture gives rise to uneven resource distribution and the flow of output which would be reflected in the agricultural prices. For agricultural output responds unusually to price movements although slow to react rising prices, particularly in the short run (Campbel and Fisher, 1982:19). In this way, the agriculturists under compulsion become risk averters at the cost of potential profit thereby their level of income does have a least chance to rise. "Technological change may of course benefit them, but it is very unlikely that their welfare will be a factor in other people's investment decisions" (P. 129). Thus, there is a need for counter - seasonal technological change which is not without danger of labour - displacement.

It is quite convincing that farming system approach coupled with rapid rural appraisal on the one hand and farm management research for small farmer development as proposed by Dillon and Hardaker (1980). So counter seasonal variation in rural agriculture in the developing world have to be given due attention whereby people's participation at the grass root level could be enhanced.

On the whole, the work by Gill is a welcome approach in the right direction at the right time. The suggestion advanced by him could act as a catalyst in the process of rural agricultural development that would foil the evil impact of seasonal variation in agriculture and thus would pave smooth way for rural development.

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