



Topic: South Asia And Economy: An Analysis Of The Causes Of Economic Problems In The Region

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Abstract

South Asia is a region consisting of eight countries. As diverse as the region is, the problem of economy is same throughout the region. There are several economic issues prevailing such as poverty, low GDP per capita income, economic breakdown in some countries of the region, low literacy etc. To solve the problem, we need to understand the causes behind the issue. Here, there are several causes behind these economic issues in the region. The low literacy rate, lack of good educational institutions and skilled labor force, gender inequality and inequality of other kinds, politics and lack of social awareness and social norms are few reasons behind these issues. Several initiatives have been taken by the governments to curb these issues, however, the region still needs to go ahead with this development and solve the prevailing economic issues.

INTRODUCTION

South Asia has advantages in terms of population and workforce, resources, strategic location but still these factors are not serving as fruitful for the region as much as they can be. If we look at the previous year, The region kept on confronting difficulties going from financial and political flimsiness to compassionate emergencies. A champion improvement has been India's climb as a significant worldwide power. From turning into the primary country to land a shuttle close to the moon's south pole under its Chandrayaan-3 mission and its as of late finished administration of the G-20 to its developing financial, political, India's developing height on the world stage was progressively clear during the year.

On the monetary front, South Asian nations have followed disparate financial ways — meaningful of the way that the locale stays one of the world's most un-incorporated. India, for instance, displayed amazing development, with

its Gross domestic product expanding by 7%. Conversely, adjoining Pakistan, staggering from the monetary demolition brought about by extreme flooding in 2022 has looked for help from the IMF and endeavored to rebuild its obligation with reciprocal lenders.

In Sri Lanka, following an extreme monetary emergency in 2022 that prompted the uprooting of the Rajapaksa siblings from power. However, to secure crucial IMF bailouts, this stabilization necessitated the implementation of several difficult structural economic reforms.

Nepal confronted financial difficulties, entering its most memorable downturn in more than sixty years. Public discontent over the nation's developing financial burdens was exacerbated by the openness of significant debasement embarrassments, including a situation where high-positioning authorities deceitfully ensured Nepali residents as Bhutanese displaced people for resettlement in the US.

Social strains and homegrown agitation keep on testing South Asia. In India in 2023, ethnic conflicts emitted in the northeastern territory of Manipur in May. Strains kept on running high from that point forward. The conceivable association of Indian authorities in extrajudicial death plots focusing on supposed Sikh separatists on unfamiliar soil with careless dismissal for the strategic repercussions came to the front in 2023. The death of a Canadian resident connected to the Khalistan development prompted a serious conciliatory disagreement among India and Canada.

Pakistan's issues with psychological oppression deteriorated in 2023, strengthened by the Afghan Taliban's catching of force in adjoining Afghanistan and the breakdown of a truce with the Tehreek-e-Taliban Pakistan (TTP). The flood in brutality, particularly in regions lining Afghanistan, was accused on the Afghan Taliban's help and asylum to the TTP. Pakistan responded by announcing its intention to expel more than 1.7 million Afghan migrants without a visa, citing their involvement in numerous attacks, including suicide bombings. The expulsion of Afghan travelers set off a gigantic philanthropic emergency and demolished pressures between Islamabad and Kabul. Inflation has also been an issue in Pakistan.

Contrary to their previous commitments, the Taliban regime in Afghanistan continued its socially regressive policies in 2023, restricting women and girls from higher education and the professional workforce. All these things are evident that the region is not doing so well in its economic and social development. The region has an advantage in terms of its large population, youth, wealth of resources, diverse topography, diverse culture, and strategic geopolitical location, but it has not utilized these advantages to their full potential for its economic and social development.

Aim:

To find out the probable causes of the various economic problems that have been in the south Asian region since many years. The aim of this study is to know the vast economic problems that continues in the South Asian region.

Literature review

Socio-economic Scenario of South Asia: An Overview of Impacts of COVID-19 by Arti Yadav and Badar Alam Iqbal, 2021

The text looks at how COVID-19 affected South Asia's socioeconomic growth and development. It talks about the pre-pandemic financial situations of individual South Asian nations, the worldwide monetary withdrawal, and the ensuing consequences for Gross domestic product development, business levels, and different areas. The writing

shows that South Asia encountered a negative financial development rate in 2020 because of measures taken to control the pandemic. The joblessness rate expanded across the locale, influencing different areas heterogeneously. Casual specialists were especially hard-hit, with huge employment misfortunes revealed.

- Moreover, the pandemic had suggestions on wellbeing, instruction, neediness, and imbalance levels. The shortfall of government managed retirement measures during the pandemic drove many individuals into outrageous destitution. The text features differences in wellbeing framework, schooling levels, and broadband network among South Asian nations, influencing their readiness for the emergency.
- The text digs into the unpredictable subtleties of how the Coronavirus pandemic has impacted the financial scene of South Asian nations. It starts by giving a setting of every country's monetary circumstance before the pandemic, featuring exceptional factors like India's Gross domestic product development assumptions, Bangladesh's dependence on the piece of clothing industry, and Bhutan's perfect energy initiative. The study notes the significant contraction in the region's GDP growth, from a positive trend of around 7% in 2018 to an expected 7.7% contraction in 2020 due to COVID-19. India and Maldives are projected to be among the most affected, with negative growth rates.
- The assessment stretches out to the business area, uncovering a locale vigorously populated with a critical working-age populace. The pandemic-incited stoppage has prompted expanded joblessness levels, influencing different areas in an unexpected way. The casual area, especially in India, confronted significant employment misfortunes, adding to expanded joblessness across the locale.
- Topics about health, education, poverty, and inequality are also a huge issue. Despite past development, the locale wrestles with difficulties, for example, low proficiency rates and a huge part of the populace living beneath the destitution line. The pandemic uncovered weaknesses, particularly regarding wellbeing foundation and federal retirement aide, driving many into outrageous neediness. The paper talks about the pre-pandemic upgrades in schooling and wellbeing in South Asia yet calls attention to weaknesses, for example, low proficiency rates and lacking framework. The Coronavirus measures, including lockdowns, impacted government backed retirement and drove numerous into outrageous neediness. The effect on ladies, both regarding work and destitution, is underlined.
- In talking about suggestions and how to go forward, the research paper focuses on the critical job of government mediations and strategy measures. Alleviation bundles, comprehensive approaches, and cooperative endeavors from different areas are considered pivotal for moderating the difficulties presented by the pandemic. Long haul procedures, including destitution decrease, practical turn of events, and backing for business venture, are suggested for the district's recuperation and future versatility. The text accentuates the requirement for government mediations, help bundles, and comprehensive arrangements to address the difficulties presented by the pandemic. The reduction of poverty and income inequality, distributional policies, sustainable development, and initiatives to encourage entrepreneurship are all suggested as long-term solutions. The significance of global cooperation and mastery from different areas is likewise accentuated for the locale's recuperation.

The definite investigation gives a thorough comprehension of the diverse effects of Coronavirus on South Asian economies, and diving into the fact that South Asian nations are not fully reaching their potential, their lack of readiness for pandemic and emergency, and covid 19 has further impacted their economy.

The Drivers of Economic Growth in South Asia: Evidence from a Dynamic System GMM Approach by Mohammed Mafizur, Rezwanul Rana, Suborna Baruka, (April 2019)

This paper used World Bank data and its purpose was to investigate the factors that fueled economic growth in the South Asia region between 1975 and 2016. The research paper dives into the nuanced discoveries of a review examining the complex elements impacting financial development in chosen South Asian nations. The examination utilizes both static and dynamic assessments, introducing the itemized brings about Table III of the mentioned research paper.

1. Energy Utilization (In Energy):

- The research paper recognizes a powerful, genuinely huge, and positive connection between expanded energy utilization and financial development in South Asia.
- The effect of energy use on financial development outperforms that of several factors, uncovering a significant 3% development in Gross domestic product for each 1% increment in energy utilization.
- The conversation highlights the pivotal job of energy as an essential need for both modern and family exercises, stating that higher energy utilization corresponds with expanded creation and modern undertakings.

2. Gross Capital Arrangement (GCF):

- GCF arises as a crucial driver of monetary development, representing the yearly expansion of capital speculation and foundation improvement in the useful area.
- The review adjusts its discoveries to laid out monetary hypotheses, accentuating the fundamental job of capital arrangement, especially with regards to creating economies like those in South Asia.

3. Settlement Inflow (Rem_% GDP):

- Settlements are highlighted as vital supporters of financial development, with the significant inflow expected to influence family advancement decidedly.
- The conceived results incorporate expanded venture and utilization spending, depicting settlement as an impetus for monetary headway in South Asian nations.

4. Exchange, FDI, and Government Utilization Expenditure:

- Shockingly, the review neglects to lay out a critical relationship between financial development and factors like exchange, Unfamiliar Direct Venture (FDI), and government utilization consumption.

The absence of complementary reforms, the unique economic challenges faced by nations in South Asia, and the mediating effect of Gross Capital Formation (GCF) on international economic activities are all investigated as potential explanations.

5. Strategy Implications:

- The closing segment extrapolates significant strategy suggestions from the review's discoveries.
- Policymakers are asked to perceive the critical job of the energy area, form sound energy strategies, and guarantee steady energy supply for key financial substances.
- Also, arrangements to work with higher GCF and settlement inflow are suggested, given their positive effect on speculation, framework advancement, and family pay.

In conclusion, the literature review provides an in-depth analysis of the findings of the study and sheds light on the complex connections that exist between energy consumption, GCF, remittances, and economic expansion in South Asia. The writing survey talks about the effect of energy utilization, gross capital development (GCF), settlement, global exchange, unfamiliar direct venture (FDI), and government last utilization use on the monetary development of chosen South Asian nations. The investigation discovers that an expansion in energy utilization emphatically influences financial development, with a critical effect. GCF and settlement inflow are distinguished as key drivers of development, while global exchange, FDI, and government utilization consumption do not show importance in making sense of financial improvement in South Asia. The discoveries propose strategy suggestions, underscoring the significance of sound energy approaches, advancing GCF and settlement, and reconsidering techniques for worldwide exchange, FDI, and government use to speed up monetary development in the area.

The unexpected findings regarding trade, FDI, and government expenditures call for nuanced policy considerations in the region and prompt insightful discussions about potential mediators. These findings give us an insight into what factors are there that can play a significant role in helping the South Asian region become better and economic development that can further lead to social and overall development of the region.

Research questions

- How is each country of South Asian region doing in its economy?
- What are the causes of low economic development in the South Asian region?
- Is India a major contributor to the economy of the region?

Rationale of the study

This research was done for knowing the causes of low economy, economic problems in the south Asian region. The topic was chosen because despite having advantage in terms of large population, youth, being rich in resources, diverse topography, diverse culture and strategic location in geopolitics, the region has not utilized the maximum benefits of these factors for its development both economic and social.

Research Methodology

- Secondary research has been done to do gather data from official, government websites, international organizations and research papers of scholars and intellectuals.
- Quantitative research has been done to find out the cause of the economic problems in the South Asian region.
- The analytical method has been used to analyze the data that has been collected from the secondary sources to form a meaningful conclusion and find out the cause of economic problems in the region.

Chapter 1: Economic Conditions of South Asian Countries.

INTRODUCTION

In South Asia countries are diverse and have their economic conditions going differently. While there are countries that recently went through harsh times, some are doing comparatively much better. However, overall, the region needs to use their resources and develop strategies in a much better way. As per world bank data from 2023, the government debt is on average 86 % in South Asia, putting it at elevated risk. Pakistan and Srilanka recently faced major economic issues due to several reasons, control of Taliban in Afghanistan, growing mistrust between India and its neighbors such as Nepal and Maldives and overall low ranking in various international indicators can be seen. Looking at how well each country is doing in terms of its economy and overall development and observing them in terms of several factors such as GDP per capita, literacy and if there is economic turmoil recently such as in Srilanka and other factors can help us in better understanding of the current situation and depth of the problem.

INDIA

- Numerous worldwide goliaths and institutional financial backers concur that India is a future market and they have started to put resources into the country. India can turn into a significant objective for worldwide business with the right monetary arrangements.
- However, it ranks 132 out of 191 countries on HDI which is medium (Human development report, 2022). Its ease of doing business ranking by the world bank in 2020 was also 62 which was lowest in the region. It has an adjusted GDP per capita of \$ 9183 in 2023 (WELT, 2024) which is not appreciable. There is additionally an issue of monetary imbalance and the split between the rich and poor people and “those who are well off” and “the less wealthy” will keep on becoming on the off chance that does not see the advantages of development must stream down to different areas like agribusiness, wellbeing, schooling, provincial improvement through legitimate administrative intercession.
- There are social issues, for example, schooling, the literacy rate for many Indian state is low such as female literacy rate in Andhra Pradesh is 68.6 % (NFHS-5, 2020) and average literacy rate is 77.7 % where male literacy rate is 84.7% and for females it is 70.3% (NFHS-5, 2021) which is much lower than males and joblessness, and developing populace should be dealt with.
- The contention in the public arena, regionalism, prejudice, devotion, and agitation will turn out to be too enormous for anybody to control. India would need to hold these disasters of globalization secret and embrace strategies to remember everyone for the course of development. Overall, it is a lower middle-income nation.

BANGLADESH

- As of 2023, Bangladesh is estimated to have a PPP-adjusted GDP per capita of \$8,673 and is Classified as a lower-middle-income country (WELT, 2024), the overall it ranks 129 in HDI (human development report,2022), 52% of the Bangladeshi population survives below the absolute poverty line and two-thirds of all adults are illiterate. There is only one doctor for every 12,500 people and two-thirds of all deaths under age five are attributable to malnutrition. 50% of infants are born underweight, against an average of 19% in developing countries. The population density of 800 persons per square kilometer (km) in Bangladesh exceeds that of all major countries (Malhotra, 2023).
- It has several domestic issues such as social upheavals, natural disasters, economic and political crises, division over issues of ideology and national identity, and weakening of institutions such as the police force, the intelligence branch, and the judiciary, due to political interference. Moreover, institutions, such as educational institutions have continually confronted standard interference from political components prompting intermittent distress and several types of political viciousness further exasperated by the tussle between the powers of strict religious fanaticism and secularism.

BHUTAN

- Bhutan is considered a lower-middle-income country. The economy also saw elevated levels of inflation. In 2023, the Fiscal deficit stood at an estimated 5.2% of GDP (WELT, 2024). The combination of high government Debt and a large deficit gives a worrying picture of the country's fiscal stability.
- Though two-thirds of the population enjoys access to some form of health services. Additionally, although more than two-fifths of the female population is economically active, only 19% of girls are enrolled in primary schools. Taken collectively, males and females receive an average of 6 and 2.4 months of total schooling respectively – the lowest ratios in the SAARC region. Overall, it is ranked 127 out of 191 countries on the HDI ladder (Human development report, 2022) and is ranked 89th in ease of doing business which is also not well.

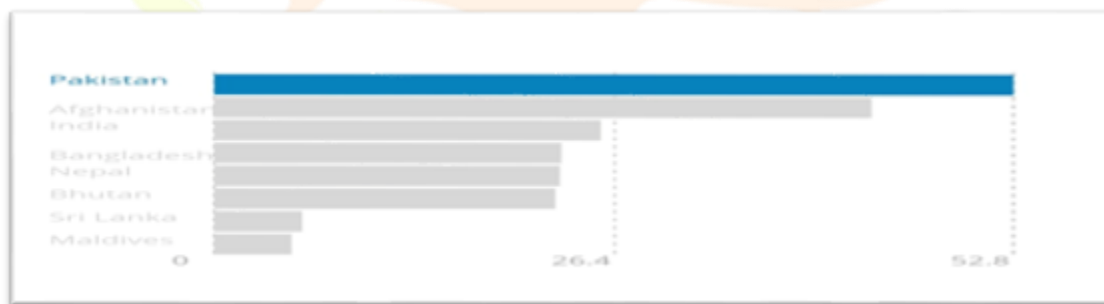
MALDIVES

- It is classified as an upper-middle-income country. Islam as a common religion and Divehi as a common language has provided a strong national identity and cultural distinctiveness. There is considerable political stability, and better human development than in most other countries of the region, which is 90 out of 191 countries which is considered high. Adult literacy is 98%, the highest in South Asia (world bank, 2021), with an adjusted GDP of \$37,094 Per capita (WELT, 2023) it is also the highest in South Asia. There is a government spending 7% of its GNP on promoting education. (Malhotra, 2023)
- However, the main concern for Maldives is on diversifying its sources of income and protecting itself from ecological disaster. There could also be betterment of living conditions and initiatives towards inequality. Maldives's loss in HDI due to inequality is 20.5 percent (Human development report, 2022), which is second lowest in the region in 2021 showing high inequality in South Asia. The 2021 female HDI for Maldives is 0.709 conversely, with 0.766 for guys, bringing about a GDI worth of 0.925. Maldives has a GII worth of 0.348, positioning it 83 out of 170 nations in 2021. (Human development report, 2022)

PAKISTAN

- A lower middle-income country, with an adjusted GDP per capita of \$ 6,774 which is not so good, and a huge inflation of 29.2% in 2023 (WELT, 2024). It ranks 161 out of 191 countries on HDI and human development value of 0.544 which is low (Human Development report, 2022). In Pakistan, growth is forecast at only 1.7 percent in FY23/24 (World Bank, 2023) which is the same as Srilanka and the lowest in the region. Government debt as a share of GDP is expected to have reached 76.6% in 2023, compared to 76.2% the previous year. High debt levels have been a Cause for concern for Pakistan through elevated interest cost payments.
- In 2023, Pakistan came at a difficult financial crossroads. In FY23, large fiscal and external deficits, rising inflation, and dwindling reserve buffers were caused by a challenging external environment, devastating floods, and policy blunders due to which Pakistan has signed a standby agreement with the IMF which is a financial change program to help it to settle the economy and guard against shocks while making space for social and advancement spending to help individuals of Pakistan. This will require more prominent financial discipline, a market-driven conversion scale to ingest outer tensions, and further advancement on changes connected with the energy area, environment versatility, and the business environment. The Fund will pay out SDR (special drawing rights) 894 million, or about US\$1.2 billion, right away (IMF, 2023).
- Along with it there is the issue of high unemployment, which is 8.5%. Also, the infant mortality rate in Pakistan is 53 per 1000 births which is the highest in the region and has the highest female infant mortality rate in the region which is 48 hinting at issues in gender disparity (World Bank, 2021).
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Fig 1.1: Infant mortality rate (per 1000) in south Asia.



(world bank, 2021)

SRILANKA

- Classified as a lower-middle-income country, it faced a profoundly serious economic struggle in recent years with a crash of the economy in 2021. The economy shrank by 7.8% in 2022 and it further declined by 3.8% in 2023 (WELT, 2023). Inflation was also remarkably high which was 69.8% in 2022. The country saw an emergency in economic turmoil and overall political events leading to major long-term impact. Growth in 2024 is expected to be 1.7% (world bank, 2023).
- Since 2023, The Sri Lankan government has implemented a few measures to comply with the IMF program to recover its economy. At the end of June 2023, the Central Bank of Sri Lanka published a domestic debt restructuring plan. In addition, the country signed an “agreement in principle” with the Paris Club, which includes India and Japan, and a separate agreement with China in October 2023 to pay off its external debt. Regardless of Verité Exploration’s IMF tracker detailing that Sri Lanka met just 41 out of 73 responsibilities toward the finish of October, which prepared

for the IMF to consider that Sri Lanka had made “satisfactory” progress, IMF decided to give the second tranche of USD \$337 million (SDR 254 million) to Sri Lanka on December 12 after 48 month extended fund facility (EEF) arrangement. The IMF board gave total of about US \$3 billion (SDR 2.286) bailout to Srilanka to recover its economy and four-year program to reestablish the Srilanka’s financial soundness (IMF, 2023).

AFGHANISTAN

- The GDP per capita was 355.8 US\$(World Bank, 2021). Taliban regime took over the country in 2021. Since then, it has been seeing various issues. Even before the regime took control, the country was under the protection of USA to protect itself from Taliban. It is a country with just literacy rate of just 37% and economic conditions of Afghanistan is not so good either. Many women are not even allowed to work, and many restrictions have been put on the citizens. The country ranks 180 out of 191 countries in human development index (Human Development Reports, 2022). Gender inequality is a major concern in the country after the control of Taliban regime. Loss in IHDI is 30.7 % which shows inequality is also high in the country.

NEPAL

- Nepal is delegated a lower center pay country. Starting around 2023, Nepal is assessed to have a PPP-changed Gross domestic product per capita of \$4,934 and. Assessed inflation in 2023 was high comparative with the typical expansion rate found in the decade to 2021, at 6.7%. though growth rate is going to increase and is expected to see improvement in WELT ranking (WELT, 2024). It is ranked at 143 out of 191 countries in the Human Development Index which is medium (Human development report, 2022). The literacy rate in 63 % which is comparatively lower than other South Asian countries.

CONCLUSION

In conclusion, we can say that the South Asian region has various economic issues that it needs to curb. The GDP per capita is not good in most of the countries. Human development ranks are also not well. There is inequality, gender disparity, economic crisis in countries like Pakistan and Srilanka, inflation is also there, and prices have gone up, poverty is still prevailing in the region, there is also an imbalance between rich and poor. Even though overall GDP of the country is high like that of India then GDP per capita is still not that good. hence, actions need to be taken in the direction to overcome these issues and to provide the South Asian people with better living standards.

CHAPTER 2: CAUSES OF THE ECONOMIC PROBLEMS

INTRODUCTION

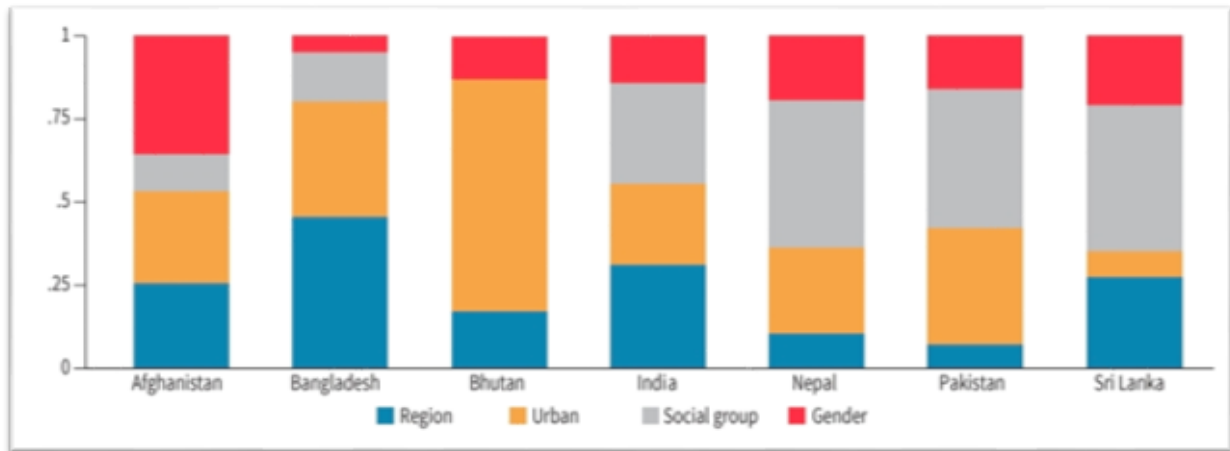
In the South Asian region, there are various issues that are prevailing due to which there are social as well as economic problems persistent in the region. As I mentioned in the previous chapter, the region's economic and social issues are facing. Low GDP per capita even after having high GDP of countries such as India, poor living conditions, economic crisis, and debt are all issues that the South Asian region is facing currently and needs to bring out solutions that can solve these issues. However, to tackle these issues, understanding the problem's cause is a major step. Though there are various causes of these problems and as much as the region is diverse, all of these are deeply rooted in the region and some issues are persistent throughout the region due to which these economic problems are there, and their thorough understanding is needed to understand the problem and to curb them.

CAUSES

INEQUALITY

- Imbalance is winning in the South Asian region in different forms. An overwhelming sum, which is 87% of respondents acknowledge the disparity in their country is high or vary high, and 85 percent of respondents think unevenness has extended in their country all through the past few years. This is unsurprising with the confirmation suggesting that people in South Asia are logically stressed over money related irregularity. Inequality of opportunity measures inequality based on non-controllable factors like race, gender, socioeconomic status, and location in addition to the standard measure of inequality. South Asia has one of the highest levels of disparity in the world. Predictable with discoveries of high inequality of opportunity in the area, specialists accept that inequality in terms of opportunity in their nation is high or very high, and 56% accept it has expanded or expanded fundamentally throughout the course of recent years (South Asia Economic Focus, 2023).
- Even as per the World Bank data, countries have lost points in HDI rank due to inequality. For instance, Afghanistan's loss due to inequality is 30.7% which decreases the HDI to 0.323 in terms of INHI whereas for countries such as Switzerland, it is only 7.1%. A similar thing can be seen in other countries as well such as percentage of loss due to inequality in IHDI in Bhutan is 29.3%, 25% in India, 20% in Maldives, 25.4% in Nepal, 30.1% in Pakistan, 13.6% in Srilanka, and 23.9% in Bangladesh (Human Development Report, 2022).
- The graph below shows how there is a difference in what factors lead to unequal opportunity in terms of education. For instance, gender is a major factor in the lack of access to education in Afghanistan, and the biggest factor in India for discrimination is based on social group which can be referred to as discrimination based on backward class or upper class. Through this, we can see what kind of inequality is prevailing in which country the most and in what ratio.

FIG 2.1: CONTRIBUTION OF CIRCUMSTANCES AND EDUCATION



SOUTH ASIA ECONOMIC FOCUS, 2023

Hence, inequality is a major cause behind the problems in the region. When a society do not have enough and equal opportunities for everyone based on their sex, social class, people of a particular geography etc. then that nation will face these economic issues as a major part of that community is not a fit as a human resource that can contribute to the country's economic development.

EDUCATION

- In South Asia, the literacy rate is also low not only for a particular group but overall, as well. As I mentioned in the previous chapter, the literacy rate for some countries is low. The causes behind this are inequality as I mentioned earlier and gender norms. However, when the people are not educated and literate, they do not have enough skills and are not able to contribute to the economic and technological empowerment of the nation.
- The literacy rate (of % of people who are of 15 years of age and above) is as follows in each South Asian country: The literacy rate of India is 77.7% (NFHS-5, 2021); Bhutan has a literacy rate of 72%; Bangladesh with a literacy rate of 75. The literacy rate of Maldives is 98% which is the highest in the region and the one among the only two South Asian countries with above 90% literacy rate. The other is Srilanka, with a literacy rate of 92%; Nepal has a literacy rate of 71% which is not good compared to the above three countries. The literacy rate of Pakistan is 58% which is the second lowest in the region. The country with the lowest literacy rate is Afghanistan with a literacy rate of 37% only. (World Bank, 2021)
- Also, the quality of education in the region is incredibly low. Even though, exams such as UPSC, JEE which are civil service and engineering exams respectively in India are considered as some of the most difficult exams in the world, not even one Out of the eight South Asian countries have a university that can be listed in the top 100 universities in the world. The population is huge in South Asia but there is not enough quantity as well as quality of higher education institutes that can prepare students for the future with good skills. Students who prepare for the entrance exams have to face tough competition for only a small number of seats. Those who are from a good economic background who can afford education outside the region leave but others are left with no choice but to study in low-ranking private universities.
- Hence, it is evident through the above-mentioned data that people in the South Asian region are not getting the education and a huge amount of population is not even literate. This data becomes even more important considering the population of the region which is huge especially in country like India which has highest population in the world

and only 77.7% literacy rate. Due to this, economic problems arise as people are not skilled enough to get into a formal sector and get a high paying job.

PATRIARCHY AND GENDER INEQUALITY

- In South Asia, patriarchy and gender norms are prevalent on a large scale and are deeply rooted. When gender discrimination exists, almost half of the population is held back from partaking in contributing to economic development.
- When we looked at the literacy rate in each country, we realized that education is still lacking in the region. However, this problem goes even deeper and takes us towards the problem of gender inequality. In the bar given fig 2.1, we can see how gender is still an issue when it comes to being a discriminatory basis for providing equal opportunities. Comparing the literacy rate in terms of the male vs female literacy rate in each South Asian country gives us some clue into the problem.
- The adult literacy rate (% of people who are of 15 years of age and above) of both male and female is as follows in each South Asian country: the only country with equal male and female literacy rate in South Asia is Maldives where both male and female literacy rate is 98%. Sri Lanka also has a far better literacy rate which is 93% for males and 92% for females. However, in other countries, the male vs female literacy rate has a huge gap. In Nepal, the male literacy rate is 81% and the female literacy rate is 63; as per India's national family health survey 5, 2021, in India, the male literacy rate is 84.7% but the female literacy rate is 70.3%; the male literacy rate in Bangladesh is 78% while female literacy rate is 72%; the male literacy rate in Bhutan is 79% and the female literacy rate in Bhutan is 64%; and the last two countries have the worst gap in terms of male vs female literacy rate. Pakistan has a male literacy rate of 69% but the female literacy rate is 46% and in Afghanistan it is only 23% of female literacy rate against 52% of male literacy rate (World Bank, 2021).
- Female feticide was also an issue on large scale in countries like India and even today is still visible in some communities. Sex ratio of these countries indicate that clearly. All these discrimination towards women based on their gender reduces their value and since they make up almost half of the population, it hinders the development of the country and does not use their potential as much as they could.

Women are not given equal opportunities to participate in labor workforce and must have to stay at home and against their will. This shows how women are not given equal opportunity and there is a deeply rooted patriarchal norms that hinder economic and social development.

POLITICS

- Politics plays a significant role in this region. In India, there is an issue of vote bank politics due to which many people are divided on certain religious or cultural basis and often violence can be seen breaking out between different communities. In Pakistan as well it was seen how due to former pm being imprisoned led to huge violence breaking out in the country. In Sri Lanka, how bad policies of the former president led to economic turmoil in the country after which he had to flee as people went to his house to protest and broke in. In Afghanistan, the Taliban regime took over control in 2021 and has even changed its status to officially being a government. It has since the control changed many policies there such as strict control on day-to-day life and especially on women.
- In the Maldives, a new president was elected in 2023, Mohamed Muizzu, who is known for his anti-India policies and talks. This can impact the relations between the country and a little glimpse of it was already seen in PM Modi's visit to Maldives when some derogatory remarks were said by some ministers of Maldives, and it led to Lakshadweep-Maldives controversy which can impact people to people ties between the countries. In Nepal as well influence of China has been increasing impacting relations with India. Having good relations with neighboring countries and having trade is also beneficial for economy and peace.

- Bangladesh also faced problems when a huge amount of Rohingya refugees came in their country had impacted its economy.

SOCIAL NORMS AND AWARENESS

- Social norms are something that cannot be changed easily. However, if these norms hinder the opportunities and development of any individual, community, or country then they should be changed. Harmful social norms such as assuming females as inferior to men, caste discrimination, etc. are prevailing in the region. We can see from above mentioned data how there is a disparity in terms of female literacy. There is a huge reason behind this which is that even today in many communities it is considered that educating a girl child is not so important and even if she is sent to get an education, she is not encouraged to pursue higher education and must get married. Similarly, discrimination and inequality need to be taken care of and the importance of morality, good education, and cooperation needs to be taught at the ground level.
- This harmful thought process cannot be changed even by increasing GDP or by economic development. These issues require ground level efforts. Unless these issues are addressed at the ground level then long-term growth and development will not be proper and just as we see today, GDP increasing the GDP per capita is not so great, such problems will continue to exist.
- Also, it is worth mentioning that sometimes social norms can be good as well. Such as in Bhutan, where it is in their social norms and as a society a value to give more importance to happiness, environment, and peace over joining the race to become a larger economy. The country focuses more on economic development in a way that is sustainable, and less harmful to the environment. Such norms can be good as they lead to overall sustainability and development as well.

CONCLUSION

Hence, we can say that there are various causes behind the economic problems in the region such as inequality, low education rate, patriarchy and gender inequality, politics and inter-state relations, and social norms and lack of awareness. If we want to solve the problem of economic issues, then the governments need to ensure that the above points need to be tackled. Patriarchy needs to be handled, equality should be promoted, social awareness needs to be raised and all the harmful norms need to be left behind and education should be improved, and politics should be for the benefit of people and not just vote bank politics.



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