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# SOUTH ASIAN STUDIES

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## Expansion of Trade between India and SARC Countries

#### TARLOK SINGH

This paper was presented by Mr. Tarloh Singh to the Economic Affairs Group at the India International Gentre, New Delhi, on 16 July, 1985 for a discussion on India's trade with South Asia and ASEAN.

In quantitative terms, South Asia, including India, has a very small place on the trade map of the world. With about 20 per cent of the world's population and 1.9 per cent of GNP, South Asia accounted in 1980-82 for only 0.6 per cent of the world exports and 1.1 per cent of the world imports. Over the period 1972-73 to 1981-82, its share in world exports actually declined from 0.9 to 0.6 per cent.

As in other countries in the region, India's trade policies have adapted themselves continuously to domestic requirements seen in overall terms, i.e., the need to obtain foreign exchange by way of loans and grants, the need to develop domestic industry through import substitution, the need to meet balance of payments deficits, the need to earn foreign exchange through exports. Trada expansion within South Asia had never been a specific policy or pranning objective in the past. This is understandable because, prior to 1971, with Sri Lanka's major exports governed by international conditions and Nepal's special trade relationship with India, India-Pakistan relations dominated the sub-continent. Both India and Pakistan were pursuing broadly similar trade policies and, in consequence,

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the maintenance of minimum prices which are compatible with the costs of production. All the countries of the region have common problems in exporting their manufactured goods to the industrialised countries due to the import restrictions of the latter. They have also common problems in connection with their terms of trade. They can have greater leverage in their negotiations with the market economy countries and the socialist countries, if they act together rather than separately. This will be true of negotiations with the multi-national corporations for the transfer of technology and with the shipping conference lines. This will also be true of the North-South negotiations for the New International Economic Order and the international monetary system. There is almost a complete indentity of interest amongst the South Asian countries in all these matters. So, it is possible to chalk out a common line of action to safeguard the interests of all the countries of the region.

The region is relatively poor in natural resources. It has 20 per cent of the population of the world but only 3.3 per cent of the world's land area. The region's endowment of other natural resources is even worse. It has less than one per cent of the world's brown coal and lignite, crude petroleum, natural gas, antimony, copper, gold, lead, magnesite, magnesium, silver, tungston, zinc, asbestos and diamonds. However, the region is very rich in respect of the resources of the Himalayas and the seas. These resources, if properly developed, can partly make up for the deficiency in other natural resources. These potential resources can be developed best on the basis of regional cooperation by the countries of the region acting together. The investment requirements for their development would be so large as to be beyond the means of any single country. All of them will have to pool their resources together. Even then these resources will have to be supplemented substantially by the international community. The chances of securing the necessary external assistances would be much greater if these countries act together. Besides, some of the commodities produced as a result of the development of these resources would need the whole region as a market. For example, the power potential of the Himalayas is so large that its Pakistan : Pakistani Rs. 10 million+Rs. 500,000 for scholarships

for 1985-86 (to be confirmed in July 1985)

Sri Lanka : Sri Lankan Rs. 3 million for 1985

 Recalling the decision taken at its first session, the Committee re-emphasised that governments might consider allocating specific amounts to each sector out of their total contribution to enable the Technical Committees to decide expeditiously on the apportionment of costs.

#### (ii) External Assistance

- 7. With regard to EEC offer of assistance to the transport sector, the Committee noted that discussions were held between EEC and Sri Lanka. As a result, EEC had agreed to make payment of ECU 100,000 in lump sum relaxing their usual procedure. Disbursement was expected shortly to enable completion of the study in time.
- 8. The Committee noted that the Technical Committee on Scientific and Technological Cooperation had, at its last meeting, decided to convene workshops in the fields of biogas, food technology and renewable energy. EEC which was informed of the decision of the Committee had sought detailed information regarding these workshops. The Chairman of the Technical Committee was obtaining this information from the concerned countries which would be transmitted to EEC.
- 9. With regard to the ITU offer of assistance, the Committee noted that disbursement of the assistance for the project containing proposals on software, training of engineers and holding of seminars was discussed with the Area Representative of ITU in March 1985. Decision of ITU was still awaited. Pakistan, as the coordinating country, was in touch with ITU for obtaining disbursement of the assistance for these activities.
- 10. As regards FAO assistance, the Chairman of the Technical Committee on Agriculture took up the matter with the FAO Regi nal Co-ordinator in Bangkok who indicated support of FAO in principle. However, formal approval of the FAO Headquarters as also an indication of the extent of assistance were awaited.

### PREPARATION FOR THE FIRST SARC SUMMIT

11. The Committee noted with appreciation the progress being made by Bangladesh in making preparations for holding the First SARC Summit Meeting in Dhaka. It also exchanged views on the dates and basic documentation for the Summit Meeting.

#### WORLD ECONOMIC SITUATION

- 12. The Committee reviewed the world economic situation. It noted with deep disappointment that since its last session no progress has been made in international economic cooperation. It reaffirmed the need for a comprehensive North-South dialogue within a universal forum to restructure international economic relations on an equitable basis. The Committee also called for urgent measures to enlarge the flow of concessional resources to the developing countries through such steps as supplementary financing for IDA VII, adequate resources for IFAD, ADF and UNDP, an increase in the capital of the World Bank, a substantial increase in IMF quotas and in allocation of new SDRs.
- 13. The Committee reaffirmed the need for a rapid and progressive elimination of the protectionist barriers created by the developed countries against the exports of the developing countries, in particular, the early phasing out of the Multi-Fibre Arrangements on trade in textiles. It felt that such a roll-back of protectionist barriers was essential to ensure the full participation of the developing countries in a new round of trade negotiations in areas within the framework of GATT. The Committee urged effective participation of the SARC countries at the Ministerial Meeting on GSTP scheduled to be held in New Delhi in July 1985. It also called for early convening of an International Conference on Money and Finance for Development with universal participation.
- 14. The Committee expressed concern over the lack of progress in the implementation of the Substantial New Programme of Action in the first half of the decade and urged that efforts should be made at the global mid-term review scheduled from September 30 to

October 11, 1985 to ensure accelerated implementation of the Programme in the second half of the decade in order to enable the least developed countries to overcome their structural problems and provide basic minimum standards for their peoples.

15. The Committee agreed that South Asian representatives should consult closely and concert on the economic issues in the relevant international, inter-governmental and regional fora.

#### ADOPTION OF THE SARC EMBLEM

16. The Committee considered the proposals submitted by the countries concerned on a SARC Emblem and recommended that a penal of judges be set up to consider various proposals and to select an emblem for consideration at the next meeting of Foreign Ministers.

#### CALENDAR OF ACTIVITIES

17. Pursuant to its decision at the third session, the Committee considered the calendar of activities drawn-up by the Technical Committees and approved a consolidated calendar for the period upto 31 December 1985 (Annexture II). In adopting the calendar, the Committee gave priority to those activities which were of high practical value striving at the same time to keep the number of activities at a realistic level so that effective participation was possible from all the countries. Activities excluded from the calendar for 1985 could be considered by the respective Technical Committees for inclusion in future calendars.

## PROVISIONAL AGENDA FOR THE THIRD MEETING OF FOREIGN MINISTERS

- 18. The Standing Committee decided to recommend the following provisional agenda for the Third Meeting of Foreign Ministers:
  - 1. Election of Chairman.
  - 2. Adoption of the agenda.
  - 3, General statements.

- Consideration of the reports of the Third and Fourth Sessions of the Standing Committee.
- 5. Preparations for the First South Asian Summit Meeting.
- 6. Date and venue for the next Meeting of Foreign Ministers.
- 7. Any other business.
- 8. Adoption of Joint Communique.

#### NEXT MEETING OF THE STANDING COMMITTEE

 The Committee agreed to hold its next session in Dhaka preceding the next meeting of the Foreign Ministers.

#### VOTE OF THANKS

20. The visiting Foreign Secretaries expressed their deep appreciation to the Chairman of the Standing Committee, Dasho (Dr.) T. Tobgyel, and through him to the Government and people of Bhutan for the warm and generous hospitality extended to their delegation and for the excellent arrangements made for the meeting.

#### ANNEXURE I

#### AGENDA

- 1. Election of Chairman.
- 2. Adoption of Agenda,
- 3. General Statements.
- 4. Integrated Programme of Action :
  - (a) Progress in the implementation of the Programme.
  - (b) Financial Assistance.
    - (1) Contributions by South Asian Countries.
    - (ii) External Assistance.
- 5. Preparations for the First SARC Summit.
- 6. World Economic Situation.
- 7. Adoption of the SARC Emblem.
- 8. Calendar of Activities.
- 9. Other business.
- 10. Adoption of the Report/Final Communique.

Sr. No.	fo, Activity	Date	Venue	Committee	Remarks
-	And both the last of the last	. 3	7		9
2	Training course on poverty focussed Rural Development	June 3-22, 1985	India (Hyderabad)	Rural Develop- ment	
ri .	Meeting of counterpart scientists of SARC member countries for multi- location trial on Potato	June 4-7,1985	Bhutan (Thimphu)	Agriculture	
ei	Course for first level executives of the level of inspectors	June 10 to July 6, 1985	India (Mysore)	Postal Services	
4	Seminar on post harvest and food technology	June 26-July 2 1985	India (Mysore)	Scientific and Technological Cooperation	
4	Seminar on rural roads	Mid-June 1985	Nepal	Transport	Date not finalized
9	Meeting of experts in solar energy and biogas	June/July, 1985	India (New Delhi)	Scientific and Technological	Date not finalized
1	Course for middle grade officers	July 8 to Septem- ber 28, 1985	India (Mysore)	Postal Services	
00	Meeting of counterpart scientists of SARC member countries [for multi- location trial on Rice	August, 1985	Bangladesh	Agriculture	
0	Seminar on reclamation of problem soils	September, 18-21, India (Karnal)	India (Karnal)	Agriculture	

10.	Seminar on energy conservation in road transportation	September, 1985	India (Poona)	Transport	Date not finalized
=	Second Meeting of the Export Com- mittee in Tuberculosis	October 28 to November 3, 1985	India (New Delhi)	Health and Population Activities	
12	South Asian Archaeological Congress	October 28 to November 10, 1985	India (New Delhi)	Sports, Arts and Culture	
133	Seminar on data transmission	October 1985	Pakistan	Telecommunica- tions	Date and venue not finalized
7	SARC Cultural Festival	November 14-27, 1985	India (New Delhi)	Sports, Arts and Culture	
4	Seminar on digital Switching	November, 1985	Nepal	Telecommunica- tion	Date and venue not finalized
16.	Seminar on photovoltaies	November/ December, 1985	India	Science and Tech- nology	
17.	South Asian Federation Games	December, 1985	Bangladesh	Sports, Arts and Culture	-op-
90	Seminar on agricultural meteorology	1	Nepal	Meteorology	-op-
6	Workshop on local level planning for rural poor	1	Sri Lanka	Rural Develop- ment	-op-
20.	Workshop on renewable sources of energy	1	Pakistan	Scientific and Tech- nological Coopera- tion	-qo-
-:	Coaching camp in Badminton	1	Maldives	Sports, Arts and Culture	-op-

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# SOUTH ASIAN REGIONAL COOPERATION (SARC) MEETING OF FOREIGN MINISTERS THIMPHU—MAY 1985

Joint Communique issued at the conclusion of the Third Meeting of Foreign Ministers Thimphu, 13-14 May, 1985

- 1. In pursuance of the decision taken at their Second Meeting held at Male' on 10-11 July, 1984, the Foreign Ministers of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, held their Third Meeting in Thimphu in May 13-14, 1985 at the invitation of the Royal Government of Bhutan. It served to prepare for the first Summit Meeting of the Heads of State or Government of the South Asian countries to be held in Dhaka.
- 2. The Meeting was graciously inaugurated by His Majestry Jigme Singye Wangchuck, King of Bhutan. In his address, His Majesty said that the principles of sovereign equality, territorial integrity, political independence, non-interference in internal affairs of other States and mutual benefit provide the basic norms which govern relations between South Asian States within the framework of SARC. His Majesty observed that the seven South Asian States had already implicitly come to accept the fact that political heterogeniety and independent national foreign policies are compatible with close regional co-operation. His Majesty felt that it was essential to the spirit of SARC that all the South Asian States make every effort to improve relations among and between themselves. Unless this was done, regional co-operation would rise only to a level of symbolic gestures. His Majesty was confident that the Dhaka Summit would create a climate of trust and confidence in the region, and would generate the necessary political will to give a new and decisive impetus to regional co-operation in South Asia.
- 3. On behalf of the Foreign Ministers, His Excellency Mr. Khursheed Alam Khan, Minister of State in the Ministry of External

Affairs of India, thanked His Majesty the King of Bhutan for his inspiring inaugural address. It was decided that the text of his address should form part of the records of the Meeting.

- His Excellency Lyonpo Dawa Tsering, Minister for Foreign Affairs of the Kingdom of Bhutan, was elected Chairman of the Meeting by acclamation.
- 5. The Ministers in their general statements reiterated their firm commitment to the process of South Asian regional cooperation and expressed their optimism and high expectations about the forthcoming Summit in Dhaka. They further expressed their belief that these shared sentiments augured well for beneficial regional cooperation and the prospects for peace, friendship and progress in South Asia.
- 6. The Ministers considered the reports of the Third and Fourth Sessions of the Standing Committee held in Male' on February 5-7, and in Thimphu on May 10-11, 1985 respectively and endorsed the recommendations contained therein. They expressed their deep appreciation to the Standing Committee and the Technical Committee for their valuable work in fulfilling their respective mandates. They also noted with satisfaction the progress achieved in the implementation of the Integrated Programme of Action.
- 7. Recalling the decision taken at their Second Meeting, the Ministers expressed their satisfaction at the progress achieved in undertaking operational activities and the formulation of specific projects in the agreed areas of cooperation. They stressed that greater emphasis should now be placed on the formulation and execution of specific projects. They noted that the consolidated Calendar of Activities adopted by the Standing Committee would ensure effective participation.
- 8. The Ministers felt that the enhanced levels of contribution pledged by the South Asian countries for SARC activities for 1985-86 was a clear expression of their support for regional co-operation in South Asia.
- The Ministers reviewed the current world economic situation and expressed their deep concern at the continuing deterioration in

the social and economic conditions in the developing countries. They noted with deep disappointment that since their last meeting no progress had been made in international economic co-operation for development. They reaffirmed the need for a comprehensive North-South dialogue within a universal forum to restructure international economic relations on an equitable basis. The ministers called for urgent measures to enlarge the flow of concessional resources to the developing countries through such steps as supplementary financing for IDA VII, adequate resources for IFAD, ADF and UNDP, an increase in the capital of the World Bank, a substantial increase in IMF quotas and in allocation of new SDRs.

- 10. The Minister reiterated the need for a rapid and progressive elimination of the protectionist barriers created by the developed countries against the exports of the developing countries, in particular, the early phasing out of the Multi-Fibre Arrangements on trade in textiles. They felt that such a roll-back of protectionist measures was essential to ensure the full participation of the developing countries in a new round of trade negotiations in areas within the framework of GATT. The Ministers urged effective participation of the South Asian countries at the Ministerial Meeting on GSTP scheduled to be held in New Delhi in July 1985. They also called for early convening of an International Conference on Money and Finance for Development with universal participation.
- 11. The Ministers expressed concern over the lack of progress in the implementation of the Substantial New Programme of Action in the first half of the decade. They urged that efforts should be made at the global mid-term review scheduled from September 30 to October 11, 1985 to ensure accelerated implementation of the Programme in the second half of the decade in order to enable the least developed countries to overcome their structural problems and provide basic minimum standards for their peoples.
- 12. The Ministers agreed that South Asian countries should consult closely and concert on the economic issues in the relevant international, inter-governmental and regional fora.

development may require an international grid covering practically the entire sub-continent for its proper utilization.

The countries of the region have a comparative cost advantage in trading amongst themselves over countries outside the region, because of the lower transport costs due to their geographica proximity. In view of the rising energy costs, the transport costs are likely to rise, so the transport cost advantage is likely to increase in the future. This can further increase the potential for economic cooperation amongst them.

There are possibilities of establishing common shipping and insurance services for the benefit of all the participating countries. There may also be a scope for the establishment of common facilities for scientific and technical research for evolving technology appropriate to the resources endowment of the countries of the region. They can also study the scope for cooperation with the Middle East countries involving the use of surplus manpower of South Asia and the investment of surplus financial resources of the Middle East.

These countries have common problems of high rates of population growth, of heavy incidence of poverty and of rural underdevelopment. These are areas in which they can benefit one another through technical cooperation and exchange of experience.

#### 2. PROBLEMS IN REGIONAL COOPERATION

There is a strong case for cooperation in the common interests of all the countries of the region. However, there are serious obstacles to such cooperation which cannot be ignored. In this connection the political climate is very important. Promotion of cooperation on the basis of mutual advantage amongst countries may be relatively easy when the political relations are cordial. As a minimum, absence of political hostility is essential. There should be no possibility of a war between the cooperating countries.

Political relations between the South Asian countries have not always been cordial. From time to time there have been problems amongst them which have resulted in conflicts.

- 13. The Ministers expressed concern at the erosion in the spirit of multilateral co-operation. They hoped that the commemoration of the 40th Anniversary of the United Nations during 1985 would provide a useful opportunity for an exchange of views on crucial issues relating to world peace, disarmament and development and a reaffirmation by member states of their commitment to the noble goals of the world organization.
- 14. The Ministers noted with appreciation the progress made by Bangladesh in making preparations for holding the First Summit Meeting of South Asian Countries in Dhaka. They decided to recommend to their Heads of State or Government the dates for holding the Summit Meeting on December 7 and 8, 1985 as proposed by the Government of Bangladesh. The Ministers also exchanged views on basic documentation for the Summit Meeting.
- The Ministers decided to hold their Fourth Meeting on December 5, 1985 in Dhaka preceding the Summit Meeting.
- 16. The Foreign Ministers expressed their deep appreciation to the Chairman His Excellency Lyonpo Dawa Tsering and through him the Royal Government of Bhutan for the cordial and generous hospitality extended to their delegations and for the excellent arrangements made for the meeting.

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 Bellase, Krishna, Grabowski, Richard and Sanchez, Onesino, "The Marginal productivity of inputs and agricultural production in Nepal," The Pakistan Development Review, Vol. XXIV, No. 1, 1985, pp. 51-60. At present there are strains between India and Pakistan on the issues of Jammu and Kashmir and armaments. There are strains between India and Sri Lanka on the issue of Tamils in Sri Lanka. There are also strains between India and Bangladesh on the distribution of Ganges water. However, there are hopeful signs in that all the countries concerned have expressed strong desire to resolve these problems in a friendly and good neighbourly manner.

The Political problems that exist or might arise in the future have to be recognised frankly as a factor influencing the form and the extent of cooperation amongst them. On the other hand, such problems are themselves a major consideration for building greater regional cooperation and understanding as an essential means for finding early and just solutions.

Another problem in regional cooperation is the size of the Indian economy, as compared to the size of the economies of other countries of the region. According to the World Development Report 1984, India had in 1982, 78 per cent of the area, 73 per cent of the population and 77 per cent of the gross domestic product of the region. Thus the Indian economy is more than three times as large as the economies of all the other countries of the region put together. The relative sizes of the economies of the countries concerned are an important factor in matters of cooperation between them. Under the operation of normal economic forces, cooperation between India and the other countries cannot be on an equal footing, unless special arrangements are made to ensure equality in terms of cooperation.

Another problem in economic cooperation is that these countries are at different stages of economic development. In such cases, the relatively more developed countries stand to gain more from cooperation than the less developed. In South Asia, India has reached a higher stage of development than the other countries, and under the operation of normal economic forces is likely to gain more from cooperation than the other countries. However, it is possible to make special arrangements to ensure equitable distribution of costs and benefits of cooperation amongst the cooperating countries.

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## Chronology of Important Events

#### SOUTH ASIAN REGION

January-June 1985

#### BANGLADESH

- January 2 Bangladesh and Indian troops exchanged fire on Kushtia border.
  - Military officials of India and Bangladesh reached on an agreement to avoid border clashes.
  - 4 Gen, Ershad rejected opposition demand for caretaker government to supervise general elections.
  - 5 Opposition Coalition insisted on early general elections under a neutral civil government.
  - 60 Government lodged protest with India over its border security guards killing of a Bangladeshi villager and kidnapping of another near Rangpur.
  - 11 Bangladesh National Party factions clashed in Faridpur in which three hundred were injured.
  - 13 All Military Courts were wound up.
    President Ershad louds SARC policy for region's socio-economic advances.
  - 75 The President dissolved the Cabinet as a first step to restore democracy through parliamentary elections scheduled for April 6.
  - 16 A seven-member Cabinet, consisting of high ranking officers of armed forces was sworn in.

The above Chronology has been prepared by Muhammad Sarwar, Senior Research Fellow of the Centre.

- January 18 The opposition alliance in Bangladesh repeated its call for a neutral caretaker government to conduct elections scheduled for April 6.
  - 19 Four Civilian Ministers were sworn in.
- Lawyers started boycott of courts in support of the demand to end Martial Law. Besides, rallies were held in Dhaka and other places.
  - 27 Lawyers continued their boycott for the end of Martial Law.
  - 28 Bangladesh offered port facilities to landlocked Nepal to route her exports.
  - 30 Two major opposition alliances categorically announced to resist polls if it were held under Martial Law.
- February 3 A 24-hour anti-government strike was observed by doctors, engineers and students, and the lawyers continued their boycott of courts.
- 5 Bangladesh rejected a Soviet protest against the activities of Bangladesh Afghan Mujahid Solidarity Council, on the ground that it was a non-governmental organisation.
  - 6 Lawyers ended 17-day boycott of courts after holding a convention, calling for deciding future action to end Martial Law.
- 7 About 52 thousand civil servants went on an indefinite strike, demanding higher pay, more powers and better ranks in the service.
- 8 Dhaka students clashed with Police and 2 were killed.
  - 11 Awami League decided to boycott April elections and Khalida Zia, strongly criticized government partisanship.
  - 14 Opposition parties decided to boycott April polls. The students clashed with Police and one was killed.
  - 15 Students went on strike in Dhaka against killing of their colleagues.
  - Mobs attacked Awami League and Communist Party offices in Sylhet.
  - 18 General Ershad appointed new Election Commissioner for April elections.

- February 20 15-Party Opposition alliance led by Mrs. Haxina Wajid announced to hold country-wide demonstrations to resist filing of nomination papers by candidates for 6 April polls.
  - 22 Date for filing nomination papers was postponed for indefinite period.
    - 24 Bangladesh National Party staged a demonstration against the military rule in Dhaka.
    - 36 Following protest demonstrations, curfew was imposed in Bharatpur.
  - March I Genral H. M. Ershad withdrew all political concessions and imposed ban on political activities; closed all the Universities and called for referendum on March 21 to seek approval for his programme. Elections fixed for April 6 were also cancelled.
    - Night curfew was imposed all over the country and many political leaders were arrested.
    - 3 Hasina Wajid and Khalida Zia were placed under House arrest.
    - 10 India and Bangladesh began talks on sharing common Teesa River waters, in Dhaka.
    - 15 Anti-Government rallies were held in Dhaka demanding release of opposition leaders.
    - 16 General Ershad offered new round of talks with Opposition Parties.
    - 17 All education institutions were closed in the country.
    - 20 Police arrested 500 persons on the eve of General H. M. Ershad's referendum.
    - 21 According to Bangladesh Election Commission, General Ershad obtained 95.5 per cent "Yes" votes on the total number of ballot cast in the referendum which gave him the right to rule till general elections were held
  - 25 Army detained about 50 political leaders in Dhaka as they attempted to stage a demonstration demanding the end of three year old Martial Law.
    - 31 President H.M. Ershad left for Saudi Arabia on a three days official visit.

- April 9 General H.M. Ershad ordered local body polls with increased powers for up-zilla councils. The opposition denounced the move as an attempt to subotage democratic elections.
  - 10 Following anti-Government student's demonstrations, at least 10 political activists were arrested in Dhaka.
- 75 Foreign Secretaries of India and Bangladesh held talks in Dhaka.
- As a result of police action against unemployed demonstrating workers in Chittagong, two were killed.
  - 20 Dhaka main mosque was raided by Police and hundreds were arrested.
  - 22 PLO Chairman, Yassar Arafat arrived in Bangladesh on a State visit.
  - 23 Indo-Bangladesh talks were held in Dhaka to find out ways to prevent clashes between the border security forces,
- 27 A candidate for local elections was killed.
  - 29 President General H.M. Ershad extended his tenure as Army Chief of Staff for one year.
  - 30 In Chittagong Hills, 233 rebels surrendered to the authorities,
  - May 16 Foreign Affairs Advisor, Mr. Humayun Choudhry said that India and Bangladesh would exchange high-level delegations to resolve outstanding bilateral issues, including sharing of Ganges water.
    - 16-20 Rural Sub-district (up-zilla) elections, previously held in two stages between May 16 and 20, were disapproved by the main opposition parties.
      - 25 Top opposition leaders, Hasina Wajid and Begum Khalida Zia were released from detention.
      - 26 About 25 thousand people were reported to be missing and some 10 thousand feared dead in the cyclone on May 24.
      - 28 Cyclone death toll touched 40 thousand.
    - June 4 President Zia-ul-Haq arrived in Dhaka on a short visit to Bangladesh.

- June 5 Talks on sharing Ganges river water between India and Bangladesh ended in Dhaka inconclusively.
  - 10 India and Bangladesh signed an agreement for exchange of technical information on oil and gas exploration.
  - 34 A prominent opposition leader, Ikhlasudin Ahmed was killed in Jessor by an un-identified gunman.
  - President General H.M. Ershad arrived in Seoul on a five days official visit to South Korea.
  - 17 South Korea and Bangladesh signed an agreement in Seoul for promoting Private Joint Ventures.

### INDIA

January 1 New Government of Mr. Rajiv Gandhi took office, after having been sworn in on the previous day.

Farooq Abdullah of National Conference in held Jammu and Kashmir called for a new state polls.

- 2 The Sri Lankan High Commissioner in New Delhi was summoned to the External Affairs Ministry and banded over a protest note over the killing of Tamils in the Island. (See also under Sri Lanka).
- 3 Rajiv Gandhi appointed a three-men Cabinet Committee to examine Punjab situation and resume negotiations.
- 5 Prime Minister Rajiv Gandhi, in his first broadcast to the nation, after his party's victory in the elections, outlined internal and external priorities, including settlement of Punjab and Assam problems and normalization of relations with immediate neighbours on the basis of "mutual respect, sovereignty, equality and friendship."
- 6 Darbar Sahib's chief priest called for the release of 450 Sikh prisoners in Punjab, lifting of tight security measures and a judicial probe into anti-Sikh incidents.
  - Rajiv Gandhi sought end of Indo-Pakistan confrontation, and wished reduction in level of Pakistan's armament.
- 8 The Chairman of the Atomic Energy Commission said that India would build four more atomic reactors during the Seventh Five-Year Plan (1985-90).

# 3. CRUCIAL ROLE OF INDIA

As has been stated earlier, the size of the Indian economy is more than three quarters of the size of the economy of South Asia as a whole. So there can be no regional cooperation without India's full participation. In this connection the role of the Indian development strategy is crucial. The Indian policy of self-reliance, or selfsufficiency in consumer goods, if fully implemented, closes the Indian market for the consumer goods which the other countries of the region can export to India. As a result of its relatively higher stage of industrial development, India produces certain types of capital goods for which there is a market in other countries of South Asia. If these countries allow unrestricted imports of these goods, their balance of trade with India tends to become unfavourable, because they cannot export their consumer goods to India to pay for their imports of capital goods from India. The essence of economic cooperation is balanced inter-dependence, and not economic independence of one trading partner and dependence of the other. The dependence has to be mutual, so that both parties stand to lose by the termination of the cooperative relationship which would act as deterrent to such termination. Besides, economic cooperation between countries involves costs as well as benefits. If cooperation results in highly unbalanced trade, the country having an unfavourable balance may be sharing more of the costs than the benefits and may not find it in its interest to enter into such cooperative relationships.

Indian industrial capacity for certain types of capital goods remains under-utilized for lack of sufficient demand. Thus the Indian policy of self-sufficiency in consumer goods acts as an obstacle to greater trade between India and its neighbours and to the under-utilization of the Indian industrial capacity for the production of capital goods. This policy needs re-consideration.

A change in the Indian policy of self-sufficiency for consumer goods, need not necessarily have an adverse impact on the existing industrial units for the production of consumer goods. The demand

- January 8 Six Sikh rioters were arrested in Delhi. Many returned to their homes following Rajiv Gandhi's assurance of protection.

  Delhi lodged a strong protest with Sri Lankan Government over the killing of two Indin fishermen by the Sri Lankan Navy. (See also under Sri Lanka).
  - While addressing Foreign Policy Advisors, Rajiv Gandhi called for opening a "new chapter of friendly relations" with Pakistan.
  - 10 Nearly two thousand persons were arrested in New Delhi for anti-Sikh violence.
  - II Indian coast-guard seized a Sri Lankan patrol boat when it intruded into Indian waters.
  - 16 Akal Takht granthi Giani Kirpal Singh was attacked by Sikh extremists near Ludhiana, while two were injured.
    - Indian and Pakistani troops clash occured near Gilgit glaciar resulting into 50 deaths.
  - 18 Eleven senior Indian officials were arrested on charge of espionage including two from Prime Minister's Secretariat, The P.M.'s principal secretary resigned.
  - 20 French Deputy Military Attache was expelled from Delhi after being implicated in the biggest spying scandal in the Indian history.
  - 22 Indian Election Commission announced state elections for first week of March, except in Punjab and Assam.
  - 23 Two more officials in the P.M.'s Secretariat were arrested in connection with the espionage scandal.
  - Is was revealed in the Parliament that at least 2717 people were killed in the nation-wide anti-Sikh riots sparked by Indira Gandhi's assassination.
  - 25 A Bill was introduced in the Parliament to outlaw political defection.
  - 26 Republic day was celebrated all over the country.
    - 27 Dr. Farooq Abdullah met Prime Minister Rajiv Gandhi.

- January 30 The Lok Sabha on January 30 and the Rajya Sabha on January 31, unanimously approved the Constitution 52nd Amendment Bill to prevent defection for the party during the tenure of the Assembly or Parliament.
- February I France recalled her Ambassador from Delhi at India's request.
  - 3 Cases were registered against 15 persons, including high officials involved in espionage scandal.
  - 4 Chief Indian spy Coomar Narayan, confessed before Delhi Court that France, Poland and GDR purchased documents.
  - 6 A Soviet diplomat was expelled from Delhi on charges of involvement in the spying scandal.
  - 8 Congress (I) in a bid to clean up the party's image, dropped about one thousand sitting politicians, including 70 ministers, from the forthcoming state assemblie's elections.
  - 9 A special Sri Lankan envoy met Indian Prime Minister.
  - 12 Polish Prime Minister, Jaruzelski told newsmen in Delhi that his government would investigate reports of Polish involvement in Indian explonage scandal.
    - India and Poland signed an agreement in Delhi for exchange of T.V. Films; documentries and radio programmes.
  - 15 Indian Judge, Nagendra Singh became President of International Court of Justice.
  - 17 Sikh women held demonstrations in Delhi, demanding compensation for losses during November riots.
  - 23 Indian Prime Minister rejected proposal for joint naval patrols with Sri Lanka.
  - March 1 Five persons were killed as a result of bomb-blast in Bihar.
    - 2 Elections were held for ten states and the Union Territory of Pondicherry.
    - 5 In the states and Union Territory elections, Congress (I) retained office in Bihar, Gujrat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Utter Pradesh and (in coalition with the ADMK) won control in Pondicherry. Telugu Desam retained power in Andhra Pradesh

and Janata in Karnataka, while Sikkim Sangram Prishad won control in Sikkim.

- March 7 Army Chief Gen. Vaidya concluded his 3-days official visit to occupied Jammu and Kashmir.
  - 8 Akali Dal threatened to launch an "action programme" by April 15, if the Indian Government did not resolve the Punjabi community's problems.
    - According to V.O.A., four persons were killed in postelection violence in Andhra Pradesh.
  - 9 Six people were killed in the curfew-bound South Indian city of Hyderabad during the violence sparked by polling disputes.
  - In Andhra Pradesh, Telugu Desam ministry headed by Rama Rao was installed, while Congress (I) Chief Ministers were chosen in three other states and the Union Territory of Pondicherry.
    - 16 Indian Sikh leaders including Sant Longowal said that they would not discuss a settlement of Punjab crisis wih Delhi unless their demands were fully accepted.
  - 17 Mr. Igor Gezha, Third Secretary at the Soviet embassy in New Delhi, disappeared and was officially reported on March 25 to have defected to the United States.
    - 19 Troops were sent to Ahmedabad to quell student's violence in which four people were killed.
    - 21 In an apparently unconnected incident, another Soviet diplomat Mr. V. Jhitzicchenko, was shot dead near the embassy on March 21, and responsibility was claimed by the Ukrainian Reactionary Forces.
  - 23 Rajiv Gandhi toured Punjab on Bhagat Singh's anniversary and promised to give Punjab more water and electricity.
    - 24 Soviet diplomat Igor Gheja, who had been missing in New Delhi, defected to United States.
      - 25 Two persons were killed and nine injured during a Hindu-Muslim violence in Hyderabad.

Murch 29 Minister for External Affairs, Khurshid Alam Khan stated in the Parliament that India had not changed her position on Tamil issue after a recent visit of the Indian Foreign Secretary to Sri Lanka.

> Rajiv Gandhi formed a special committee for the Economic and Political Development of East Punjab to minimize tension in the state.

- April 6 Six security personnel were killed and another six seriously injured in an ambush by the Tribal Volunteers in northern Tripura.
  - 9 The Hindustan Times reported that India was negotiating an "unprecedented defence deal" with the Soviet Union.
  - 10 Rajiv Gandhi expressed concern over U.S. arms supplies to Pakistan and its nuclear policy.

NAM Conference was called in Delhi for justice to women.

- 11 The Indian subsidiary of the U.S. Union Carbide Corporation announced the parmanent closure, with effect from July 11, of its Bhopal chemicals plant, where a leak of poisonous gas on December 3, 1984 had caused some 2500 deaths.
- 13 British Prime Minister in Delhi, promised to respond firmly against terrorism and terrorists.
- 17 Minister of State for Home Affairs disclosed that as a result of communal violence in India, 369 people had been killed and 1514 injured from January 1984 to March 30, 1985.
- 19 Rajiv Gandhi inaugurated a three-days NAM meeting on Namibia in New Delhi.
- 20 Fifteen people were killed and another fifty injured in communal violence in Ahmedabad.
- 22 Akali leader, Tohra declared that Darbar Sahib's holiest shrine will be demolished and reconstructed.
- 23 Army was called out in Ahmedabad as caste riots broke out in which 15 persons were killed in one day.
- 27 Harcharan Singh Longowal (Akali Dal President) rejected the Indian Government's offer of settling the Punjab crisis through negotiation.

- April 28 Caste riots spread to Gujrat state and death toll reached 54.
- May 4 Sikh terrorists killed two policemen in Chandigarh.
  - In Delhi, troops patrolled and the police rounded up at least 600 suspects after a night of bomb attacks by Sikh extremists that left more than 64 people dead.
  - 18 Terrorist and Disruptive Activities (Prevention) Bill was moved in the Parliament.
  - 20-21 Rajya Sabha and Lok Sabha both passed the Terrorist and Disruptive Activities (Prevention) Bill.
  - 21-26 Mr. Rajiv Gandhi flew to the Soviet Union for his first official foreign visit since becoming Prime Minister.
- 22 Indian Premier signed a Trade and Scientific Cooperation Agreement in Moscow, and returned home after a six days "successful" visit to the Soviet Union.
- 29 During a state-wide rail role agitation, about 50 thousand people were arrested in Kerala.
  - 31 In Punjab, Sikh extrimists shot dead a Hindu shopkeeper and tried to blew up a bus on the first anniversary of the storming of the Golden Temple.
  - Juste 1 India's third naval air station in Port Blair, named Utkrosh was Commissioned by the Defence Minister.

Sri Lankan President Jayewardene arrived in New Delhi for talks on Tamil Crisis,

The Chief Minister of Maharashtra, Mr. Vasant Rao Patil, resigned.

- 2 Prime Minister Rajiv Gandhi and President Jayewardene payed a joint visit to Bangladesh.
- 3 India and Sri Lanka agreed to work for a political settlement with Tamil dissidents within frame work of Sri Lanka's territorial integrity as a first step to end violence.
- 5 At the commencement of five-country's tour, Indian Prime Minister Rajiv Gandhi arrived in Cairo.
- 6 Thousands of Sikhs attended a rally in Amritsar to mark the first anniversary of the military action in Golden Temple.

- June 6 Rajiv Gandhi held talks with the French President Mitterand in Paris on wide ranging international issues.
  - 7 Government employees went on strike in Gujrat in support of anti-reservation movement and sectarian clashes caused 8 deaths, when troops fired to restore order.
  - 9 France and India agreed on a programme to extract energy from the heavily polluted river Ganges and the agricultural waste.
  - 10 India asked permission from the Soviet Union to export MIG-21 aircraft and its parts, which were being built under licence in India.
  - 12 The Islamic Development Bank approved more than 30 million dollars for the Islamic Educational Institutions in India.
  - 14 Mr. Rajiv Gandhi reached Washington on the last phase of his 5-country's tour.
  - 15 Prime Minister Rajiv Gandhi declared that his government will not sign the NPT.
    - Rajiv Gandhi warned that the United State's 'Star Wars' Programme would add a new dimension of insecurity and new problems.
  - 17 On the conclusion of Rajiv Gandhi's visit to U.S.A., the joint statement expressed concern over the regional security environment.
  - 18 Rajiv Gandhi returned home from U.S.A. at the end of his 5-country's tour.
    - Akali Dal leader, Longowal agreed to consider revision of Sikh demands for autonomy based on Anandpur Resolution.
  - 22 The Aid India Consortium pledged a total assistance of 4 billion dollars for the financial year 1985-86.
    - Indian and British officials discussed the possible sale of Carrier Hermes in London,
  - 23 Indian Airline plane crashed off Irish coast resulting into 323 casualties.
  - 24 Sikh groups declared responsibility for Indian Airliner's disaster.

### NEPAL

- February 7 The 24th meeting of the Asian-African Legal Consultative Committee began in Kathmandu.
  - May 25 More than one thousand political dissidents were arrested in Kathmandu.
  - June 22 Eight people including a member of Parliament were killed in a series of bomb attacks in Kathmandu.

Opposition protested against the newly introduced restrictive Punchait Raj.

### SRI LANKA

- January 2 Indian authorities summoned Sri Lankan High-Commissioner at the foreign office and handed over a protest note over the killing of Tamils in the Island.
  - 6 Army-men in Northern Province raided a church, killed one Tamil priest and 11 others.
  - 8 India lodged a strong protest with Sri Lankan Government over the killing of two Indian fishermen by the Islands Navy. (See also under India)
  - 20 Tamil guerrilas blew up a train in the Northern Province and killed 40 persons including 23 soldiers.
  - 24 Separatist Tamil guerrilas shot down a Sri Lankan Air Force plane in the Northern Province.
  - 31 The ruling United National Party (UNP) for the first time, openly accused India of planning and executing an invasion of the Island.
- February 9 Special Sri Lankan envoy met Indian Prime Minister.

  An African Airliner laden with arms for Sri Lanka was detained in Southern India where it had landed after running out of fuel.
  - Zaire Airways plane carrying arms to Colombo was freed by the Indian authorities.
  - U.S. Government approved a grant of 160 thousand dollars for military training of Sri Lankans in the U.S.
  - 13 Troops killed 27 Tamil dissidents.

- February 15 Minister for National Security reported that security forces had killed 52 Tamils in a raid on a jungle hide out in the North-Eastern Province.
  - 23 The Sri Lankan Parliament extended a nation-wide State of Emergency for another month after increasing violence by Tamil separatist guerrilas in the north and east,
    - 26 It was reported that at least 10 thousand Sri Lankan Tamils had arrived by boats in the South Indian state of Tamil Nadu during February.
    - March 6 Elections to 25 District Development Councils (DDC), due in June, were postponed for one year.
  - 7 Officials declared that security forces had killed 11 Tamil separatists in a raid on March 6.
- 26 Sri Lanka and India agreed on the need to end violence as a first step to create an atmosphere conducive to talks on the Island's ethnic unrest.
  - April 3 Separatist guerrilas killed nine policemen and wounded 10 others in the Eastern Province.
    - 13 Speaking at a special session of the Sri Lankan Parliament, the British Prime Minister called on developing nations to agree to a new course of GATT talks.
    - 15 At least 30 people were killed in violence between Tamils and Muslims in Sri Lanka.
    - 26 Parliament voted to extend a nation-wide state of emergency for one month.
    - 30 India asked Sri Lanka to withdraw its army from the Tamil dominated areas.
  - May 4 Tamil rebels attacked naval base. Casualties occured on both sides and guerrilas rescued injured comrades from hospital.
    - 9 Serious violence occured in the northern town of Velvettituria.
  - 14 Tamil guerrilas retaliated against last week's army massacre in Jafna in which 140 people were killed.
    - 15 Nearly 30 Tamils were killed when their boat was attacked by unidentified assailants off the north coast.

- May 18 Former Sri Lankan Prime Minister, Bandaranaike, called for general elections in the country as a means of dealing with the communal violence.
  - 23 President Jayewardene announced that members of the Parliament were to be given special emergency powers in their own areas.
  - 29 The British Interior Ministry announced that about 1300 Tamil refugees had arrived in Britain during the past month.
  - June 1 President Jayewardene arrived in New Delhi for talks on Tamil Crisis.
    - 2 President Jayewardene and Indian Prime Minister, Rajiv Gandhi payed a joint visit to Bangladesh capital, Dhaka.
      - 3 Sri Lanka and India agreed to work for a political settlement with Tamil dissidents within framework of Sri Lanka's territorial integrity as a first step to end violence. President Jayewardene, while returning home, issued a press statement promising to grant amnesty to all Tamil militants and negociate with them only if they laid down their arms.
      - 72 Tamil separatists blew up a convoy in their latest attack and killed four soldiers and a police man.
      - 18 The five major separatist Tamil guerrila groups in Sri Lanka, agreed to stop hostile acts.
      - 22 Ceasefire agreed upon in Sri Lanka.
      - 26 It was officially stated that talks between the Sri Lankan Government and Tamil separatist leaders would open shortly in Thimpu (Bhutan).
        - 28 Tamil separatist grouping, the Eelam National Libration Front (ENLF) said that they would stay away from talks scheduled for July with Sri Lankan officials, unless Colombo confine its troops to barracks and release political prisoners.

# SOUTH ASIAN REGIONAL COOPERATION (SARC)

(January-June, 1985)

January 13 President Ershad of Bangladesh hailed SARC Policy for region's socio-economic advances.

- January 14 President of Bangladesh opened the three-days Conference of South Asian Countries in Dhaka.
- February 9 The SARC Standing Committee, at the conclusion of the three-day's third session in Maldives, decided to set up seven research organisations to forge greater cooperation in metereology, health, civil aviation, shipping, agriculture and communication,
  - 25 The SARC Conference was held in Dhaka to discuss cooperation in development of tele-communication network.
  - May 10 The Standing Committee of the SARC began its fourth meeting in Bhutan to prepare for the SARC Ministerial Conference beginning on May 13.
    - 13 SARC meeting decided to hold Summit at Dhaka on 7 and 8 December, 1985, where a new regional body called the South Asian Association of Regional Cooperation (SAARC) would be set up.

for consumer goods in India is bound to increase due to the improvement in economic conditions and the increase in population. The consumer goods industries in India would have to be expanded greatly to meet this increase in demand. Some expansion may be allowed but the rate of expansion may be slowed down, so that the local industries do not meet the domestic demand in full but leave some room for imports. This would provide a market in India for the products of the consumer goods industries of the other countries of the region. What is required is a modification of the Indian industrial development policy in the direction of a less rapid expansion of consumer goods industries and a more rapid expansion of the capital goods industries to cater to the needs of the neighbouring countries for capital goods on the basis of market studies for capital goods in these countries.

For economies of India and other countries of the region are complimentary in the sense that India has a comparative cost advantage in the production of certain types of capital goods and the other countries in the production of certain types of consumer goods. This complimentarity may be fully utilized in the interests of all the countries concerned.

The larger imports by India from the other countries of the region would not adversely affect the balance of payments of India, if they are offset by larger exports of capital goods from India to these countries. In short, if India plans to increase its imports from the other countries of the region, its exports to these countries would take care of themselves. This change in the development strategy of India can result in an increase in both the exports of India and its trading partners in the region to the common advantage of all.

A shift in emphasis in favour of the objective of eradication of poverty in India can result in very substantial increase in regional cooperation. Removal of poverty has been a very important objective in the Development Plans of India in the past. But it seems that this policy has not been fully implemented, for there is no evidence to show that the total number of the poor in India has declined,

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### Notes to Contributors

Manuscripts, articles, book reviews and notes or letters on themes of contemporary or historical interest, with particular reference to South Asia, will be welcomed.

Manuscript should be clearly typed on one side of the paper only, and should be double-spaced. Two copies should be submitted.

Bibliographies and footnotes should be placed at the end of the article. Footnotes should be numbered consecutively, and bibliographies should be arranged alphabetically. Foreign words should be underlined.

Bibliographical references should be complete in respect of the title of the book, the name of the author, the year and the place of publication.

Utmost care should be taken to prepare statistical data for publication. All headings, columns, rows, symbols, units of measurement, periods, political and geographical areas, and sources should be clearly stated in each statistical table, instead of giving such explanations in the text.

Tables, maps, and diagrams should be numbered and given at the end of the article, each on a separate sheet of paper. They should be clearly drawn so that they are suitable for photocopying as submitted.

### Abstracts

Authors should submit abstract of their articles, not exceeding 100 words. The first page of the paper should include the title of the paper as well as the name and institutional affiliation of the author.

The Editor reserves the right to make editorial revisions.

The latest estimates show that about half the population of India lives below the poverty line. It is heartening to note that the new leadership in India is assigning a very high priority to the eradication of poverty. It is, therefore, hoped that it would take effective steps for the achievement of this objective. Future successes in the reduction of poverty would result in a very large increase in the demand for consumer goods. It may not be possible for the domestic industry in India, in spite of some expansion, to meet this demand in full, so that substantial imports of consumer goods may be inevitable. Thus a market would be created for export to India of consumer goods manufactured in the other countries of the region.

Considering the magnitude of poverty in India, the programmes for the reduction of poverty would require enormous resources. These resources would have to come from somewhere and would call for a re-ordering of priorities and a diversion of resources from other sectors, possibly including defence, to the anti-poverty programmes. A reduction in defence expenditure would have a multiplier effect. It would re-inforce Indian leaderships urge for peace and would tend to remove the fears entertained by some of the neighbouring countries about the possible military domination of the region by India. This would result in a reduction in other countries expenditure on defence and a diversion of the resources so saved to development. Thus a shift in favour of the eradication of poverty in the Indian development strategy can lead to a more rapid development of the Indian economy, to the industrialization and more rapid rate of growth of the economies of the other countries of the region and to much greater regional cooperation.

## 4. ESTABLISHMENT OF SARC

The countries of the region have established an organization, namely South Asian Regional Cooperation (SARC), the initiative for which was taken by the late President Zia-ur-Rahman of Bangladesh. SARC has held several meetings at the level of foreign secretaries and one at the level of foreign ministers. A summit meeting has also been planned. SARC has been moving forward gradually, cautiously

feeling its way. However, it has made considerable progress and has established a number of expert groups to study the scope for regional cooperation in various fields, including agriculture, health and population activities, meteorology, postal services, arts and culture, telecommunications, and transport. Some concrete proposals for regional cooperation are already emerging. It is hoped that SARC will make more rapid progress in the future.

The idea of South Asian regional cooperation was first conceived by a small group of scholars from the various countries of the region who decided to establish a non-governmental organization, namely, Committee on Studies on Cooperation in Development in South Asia (CSCD) with the Marga Institute of Colombo as its Secretariat. CSCD has undertaken a large number of studies which have made a valuable contribution to an understanding of the problem of South Asian Regional Cooperation. More studies are under way and would hopefully be of use to the governments of the countries of the region in deciding about their future course of action in the field of regional cooperation. CSCD can play an important role in promoting regional ecooperation.

# 5. NEED FOR A SECRETARIAT

SARC has not yet established a permanent common secretariat. One is urgently needed. Lack of an efficient secretariat is a serious handicap. In the final analysis, the strength of an organization is dependent on the strength of its secretariat for carrying out the tasks assigned to it by political leadership. The developing countries generally suffer from this handicap in their negotiations with developed countries, which are well supported by their secretariats. Even the group of 77 does not have the support of a secretariat of its own.

An organization like SARC which is intended to do constructive work in identifying suitable areas of regional cooperation and in promoting such cooperation does need the support of a secretariat. However, the problems in the establishment of a secretariat, such as decisions about location, control, leadership, financing, staffing, etc., have to be fully recognised. It would take quite some time for the countries of the region to arrive at a consensus on these matters. However, a beginning can be made by establishing a common research organisation to undertake studies required for economic cooperation, to keep under constant review world developments which have an impact on South Asian economies and to serve as an advisory body to the countries of the region. It might be controlled by a body in which all participating countries are equally represented to prevent its being dominated by any single country. Its cost should be small and met by the participating Governments on the basis of some fixed formula acceptable to them. Its scope may be expanded as and when required on the basis of the work assigned to it by the controlling body.

### 6. CONCLUSION

One may conclude that there is no question about the compatibility of the South Asian economies, for there is very great scope for economic cooperation to the comman advantage of all countries of the region. There are no doubt some problems, but these are not intractable and can be resolved with mutual goodwill and understanding. It is very gratifying that the countries of the region have decided to cooperate and have established an organization, namely SARC, for the purpose.

The role of India is crucial in South Asian cooperation because of its size and the stage of development. Indian development strategies and industrial policies can have a great impact on the promotion of regional cooperation.

Research requirements for regional cooperation are very large. Studies in depth are required for evolving forms of regional cooperation and for an analysis of the implications of cooperation in the various fields for the economies of individual countries. It is desirable that SARC should have a common secretariat for the purpose. But the problems in the establishment of such a secretariat in the near future are understandable. In the meanwhile, individual scholars and non-official research organizations, both national and international, can play an important role in undertaking the desired research.

# The Afghanistan Crisis and the U. S. Academics

# DR. IFTIKHAR H. MALIK

The resistance in Afghanistan going on for more than five years after the Russian intervention, and the resultant influx of a huge number of refugees to the neighbouring countries has given birth to a complex political situation now in the grip of a stalemate. A landlocked country and situated at the crossroads of history connecting Central Asia with its southern counterpart, Afghanistan zealously maintained its independence since mid-nineteenth century in a rather isolationist existence.1 The Great Game between the Czarist Russia and the British India confirmed Afghanistan's geopolitical vitality for both the contenders until the twentieth century dawned with volatile changes on the world map. Afghanistan escaped the fate of Central Asian Khanates under the Russian oligarchy, and after 1917 successfully withstood Soviet pressure on its northern flanks. The British recognized Afghanistan's independence and neutrality in the Treaty of Rawalpindi in 1919, yet never forsook their role of an alert watchdog. They were equally concerned about it when the Nazis under Hitler started making inroads in the Near East advocating the racial superiority and mutual fraternity of the Aryans.2

With the British raj gone from South Asia, Afghanistan remained still a distant land on the periphery in the American diplomacy, and it was only in the mid-1950s that an initial interest in this region attracted some attention from the U.S. Department of State.<sup>3</sup>

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During the 1950s and the 1960s, the U.S. interests in the dominantly tribal country retained mostly a low-key profile yet somehow sensitive to the Russain aid and training programme for Afghanistan. Despite the competetion with the U.S.S.R. in road-building and some other projects, the U.S. never considered Afghanistan or South Asia for that matter a strategic priority and there remained a consistent dichotomy in the perceptions on regional and global political spectrum, even though many felt as if the U.S. had faithfully stepped in to fill the power vacuum left by the British. The U.S. after its alignment with Pakistan in various treaties, found herself in a dilemma of dealing very cautiously in a tri-polar region with quite a few forces of instability in the wake of many post-independence issues causing serious worries to the U.S. strategists' at a time when the Cold War had geared up the polarization between East and West,

During the late 1960s, Afghanistan was the recipient of an increased Soviet aid that multiplied further with the ascension of Daud into power in 1973.5 The underground Peoples Democratic Party of Afghanistan (PDPA), dating from the later years of the said decade, comprised of Kabul-based elites who had been exposed to outside influences and successfully flourished during Daud's handsin-glove policy toward the Soviet Union.4 The PDPA suffered from a factionalism due to division into two groups called the Khalq and Parcham, and a time, when Daud was in the process of reorienting his foreign policy in the wake of slackening Soviet-Afghan relations, the two factions joined hands together in his opposition, Building its support on the alliances made with some of the Afghan commanders in the army, the PDPA was able to overthrow Sardar Daud in a bloody coup in April 1978 and a new regime under Noor Mohammad Taraki, the leader of the Khalq, took over the power in Kabul. The Khalqites introduced radical changes in the socio-economic and cultural fields of Afghan life much to the annoyance of the traditional elements in the society. The land reforms, new educational policies and closer ties with Moscow caused an influx of refugees to Pakistan and Iran. After his death

even apart from political factors, steadily moving away from one another. However, after the emergence of Bangladesh and, more specially, after the formation of SARC, there is a strong case for India in particular to integrate a regional trade policy for South Asia into its total economic policy framework.

The dimensions of intra-regional trade at present are exceedingly small as will be seen from the two tables below:

TABLE 1 (a)

Intra-regional exports within South Asia: Proportion of total exports in 1980

	Exports to				1		
	Bangladesh	India	Nepal	Pakistan	Sri Lanka	Total for South Asia	
Bangladesh	(-)	1.6	()	7.4	0.3	9.3	
India	0,5	(-)	0.9	_	1.0	2,4	
Nepal	6.8	45.1	(-)	3.7	0.4	56.0	
Pakistan	2.1	2.7	-	(-)	1.5	6.3	
Sri Lanka	0.4	3.3	-	3,3	(-)	7.0	

TABLE 1 (b)

Intra-regional imports into South Asia: Proportion of total imports in 1980

(Percentage)

( Percentage)

principal sign	Bangladesh	India	Nepal	Pakistan	Sri Lanka	Total for South Asia
Bangladesh	(-)	1.9	0.3	2.1	0.2	4.5
India	- CIII I	-	1000	0.6	0.3	0.9
Nepal	0.1	67.4	(-)	0.1	-	67.4
Pakistan	1.4	0.1	0.1	-	0.7	2.1
Sri Lanka	0,1	4,8	-	1.5	(-)	6.4

Source: UN Economic and Social Survey of Asia and the Pacific, 1981.

There could be three explanations for the small magnitude of intra-regional trade in South Asia:

(i) Existence of policy impediments which have not been cleared; in a mysterious shoot-out, Taraki was succeeded by Hafizullah Amin, another Khalqi and a former graduate of the Teachers College at Columbia University. Amin's policies further alienated many more Afghans who started organizing themselves into regular guerilla groups. The situation was very critical for the ruling Khaliq clique in December, 1979, when two very far-reaching developments took place in Afghanistan almost simultaneously: firstly, moving in of a large number of the Soviet troops and secondly, ascension of Babrak Karmal, after the assassination of Amin who was branded as a CIA agent. The Russians intervened in Afghanistan military on December 27, 1979, and in place of confining themselves to their earlier advisory role they assumed the responsibility of protecting the Karmal regime and the communist set-up introduced in the country since April, 1978.

1979 was a very dismal year for America as far as her influence and interests in the Near East and South Asia were concerned. The Shah had been overthrown as a result of Khomeni-inspired revolution in Iran followed by the Hostages crisis? whereas in the Middle East, Camp David Accord had created more regional instability much to the isolation of Egypt, America's new staunch ally. Similarly, Turkey suffered from an equal amount of internal instability along with a growing distance away from the U.S. due to a deadlock over Cyprus. The entire Gulf region in the wake of the Islamic Revolution in Iran presented a worrying scenario for the U.S. and her allies. The American persistent pressure on Pakistan in the late 1970s due to latter's nuclear programme had added to already strained cold bilateral relations and curiously in 1979, Pakistan was a recipient of less than 70 million dollars in aid from the U.S.8 Anti-Americanism in Pakistan shot up exceptionally in the closing weeks of 1979 resulting into demonstrations and sporadic incidents of violence in November, 1979.

India, despite being under a pro-U.S. Janata Government of Morarji Desai, remained steadfast in her closer ties with the Soviet Union, while Bangladesh mostly remained preoccupied in its internal political upheavals. Generally, the Muslim world was registering more revivalist tendencies caused by a host of factors and forces, alienation from the westernization being the most dominant and apparent one. Khomeni's Iran proved a landmark in its rejection of foreign influences on the Muslim societies providing active inspiration to the neighbouring Muslim societies while the American strategists feared a spill-over from the Islamic Revolution in a strategically and economically vital region defined by Brzenzinski as 'the arch of crisis.'

President Carter's emphasis on human rights in the background of Vietnam War and the Watergate suggested a partial American withdrawal or at least a neo-isolationism in the U.S. foreign policies. The Rapid Deployment Force or the development of Diego Garcia as a sophisticated U.S. multi-purpose base in the Indian Ocean could not fill the credibility-gap engendered in the area due to a seeming decrease in the U.S. presence in the region. And just at that moment, the Russians took the world by surprise with a direct military involvement in Afghanistan.

Geo-politically, the Soviet intervention in Afghanistan created security problem for Pakistan,9 simultaneously, it posed a direct challenge for the U.S. interests in the entire region. The American response privately and publicly was the open denunciation of the Russian intervention in Afghanistan with an official re-evaluation of Pakistan's multiple growing security needs.10 The series of visits by important officials from the White House, the State Department and the Congress have been a frequent post-1979 phenomenon.11 The U.S., her NATO Allies beside Japan and many other pro-Washington regimes condemned the Russian role in Afghanistan, registering their protest from various forums. Along with the U.S. official policy on Afghanistan crisis, the American media and intellectuals produced a voluminous historiography on the various themes, developments and personalities in their regional and global perspectives, carried in press,12 scholarly journals,13 special reports,14 books and seminars13 enhancing the public consciousness in the U.S. on South and South West Asia. The increased interest in the region led to activated diplomatic, economic, strategic and academic resurgence of an area

that earlier had lapsed to a 'low-priority' region in the U.S. strategy and academics.

At the various American universities including Columbia, Harvard, Stanford, Nebraska, Michigan, Wisconsin, Chicago and the University of California, various socio-economic and geo-political studies resulted in further, consolidation of South Asian studies on these campuses. In the succeeding pages an effort has been made to review some of the basic works that came out on Afghanistan in particular and South Asia in general in post-1979 years so as to determine the American academic feedback on the vital developments affecting not only the immediate region but also suggesting many policy-options for the U.S.

In a host of books written on the Russian venture in Afghanistan dealing with the socio-economic, regional and international implications of the crisis, Ziring's work is a timely case-study. Lawrence Ziring, Professor of Political Science at the Western Michigan University in Kalamazoo, has been a known author on modern South Asia with special background in Pakistan Affairs. In his Iran, Turkey and Afghanistan: A Political Chronology, Ziring, a frequent visitor to Pakistan and the Near East, tried to summarize the political events in the 'northern tier' given the recent geopolitical changes in the three important countries bordering on the southern flanks of the Soviet Union.16 To Ziring, the events in this 'rimland' have posed serious questions regarding the policy-options for the U.S., as to him, after the Russian intervention in Afghanistan and the Iranian Revolution, the U.S. has been compelled 'to withdraw from its forward position near or on the Soviet frontier and to reappraise its options,"17 Tracing the Russian expansive policies from the days of the Great Game in Central Asia, Ziring concludes that the Soviet Union is doing what the Czars did to earlier Islamic centres in Muslim Central Asia, and Afghanistan is going to be the victim of similar fate.18

Afghanistan crisis provided many American specialists an opportunity to speculate on the internal and external dynamics of the Soviet system and the Russian global strategy vis-a-vis the United States. Alfred Monks, a faculty member at the University of Wyoming, in his analytical study tried to determine the reasons for the Russian intervention in Afghanistan and basing his arguments on the Russian sources suggested that the Soviet Union had only four options in getting out of the crisis:

- (f) unconditional withdrawal;
- (ii) conditional withdrawal under conditions acceptable to itself;
- (iii) a prolonged limited war; or
- (iv) an all-out offensive designed to wipe out the resistance.19

To Monks, the U. S. should work for the resolution of the crisis in consultation with her NATO allies besides taking into confidence the other allies like Pakistan: "The lesson of Afghanistan should not be forgotten. Failure of the West to extend aid to that country was a major factor in its turning to the Soviet Union for help. Hence inactivity can be dangerous policy. We must keep in mind that the Soviets, with their conflict model of international policies, and their doctrine that they must support national liberation struggles against 'imperialist oppression,' will not remain inactive." 20

Monks, like many other political scientists and the South Asia specialists in the U. S., feels that the Russians have wider and larger designs on the entire region and it is of utmost necessity to contain them, otherwise, to him, many regimes in the vital Near East or around may fall an easy prey to the Soviet expansion. All through the 1980s, Afghanistan remained a burning issue for academicians in the United States who tried to analyse its 'fall-out effects' on the region. John C. Griffiths analyzed the Afghanistan crisis in the wider geo-political perspective, whereas, Wimbush and Alexiev tried to study the behaviour and the attitudes of the Soviet Central Asian soldiers deployed in Afghanistan. In some American journals the Soviet scholars on South Asia tried to defend the Russian policy toward Afghanistan but despite extensive and multiple writings on Afghanistan in 1981, the Russians never tried to participate in the debate so often. In the Russians never tried to participate in the debate so often.

The Hoover Institution on War, Revolution and Peace at Stanford University sponsored the publication of Anthony Arnold's first book on Afghanistan 1981. Arnold, an ex-CIA chief in Afghanistan and now a resident of Bay Area in California, based his reflective work on his personal experiences in the former country of his assignment and presented an insider's viewpoint on the spectrum of the events. To Arnold the Soviet Union tried to win the sympathies of the Afghan intelligentsia from 1953 to 1963 by virtue of economic involvement in the development projects while after 1963, it worked to gain political support and until 1978 it was engaged in the 'political manipulations' of the country. From May 1978 to August 1979, the U.S.S.R. was engaged in "the drive for poiltical control." Arnold tried to explain the mystery around the death of Hafizullah Amin whose "real sin in Soviet eyes, however, may have been a refusal to accede to demands that he invite Soviet troops to quell the resistance. . . . The physical preparation for such an event had also been going on for some time."2" To Arnold, Amin was still a better choice than Karmal for his countrymen: "Amin had been a merciless dictator, whose jailers and firing squads were rarely underemployed; but there was no question as to his bravery under fire. Whatever his other characteristics, his country owes him one debt of gratitude; he never tendered the Soviets the key invitation that would have legalized the invasion. He paid for that refusal with his life."25 Arnold dedicated his work to the Afghan gureillas and exhorted the U.S. "to express on a repeated and consistent basis our moral support for the Afghan insurgency and our condemnation of the continued Soviet occupation. "26

Again in 1981, the Newells came out with their latest work on Afghanistan, a more contemporary analysis of the party politics in post-1978 era. The book, dedicated to 'the people of Afghanistan' is an evidence of the authors' personal attachment to the Afghan culture. "We wrote this book when it became obvious that the non-communist world was greatly concerned about Afghan crisis but very little concerned about Afghanistan. . . In the torrents of words that have flowed since the crisis began few have been directed

at the plight of the Afghans themselves."27 The Newells felt no qualms in criticising the U.S. for 'conceding' Afghanistan to the Soviet Union without doing enough to prevent its military take-over by a super power.

The most important book on the emergent geo-political situation in the entire region arising out of the Russian military intervention in Afghanistan from the South Asian perspective has been Selig Harrison's work on Baluchistan published under the auspices of Carnegie Endowment for International Peace in 1981. Based on the interviews of a number of people in Pakistan, Afghanistan, Iran and elsewhere Harrison's alarmist work takes into consideration the movement for 'Greater Baluchistan' under the Soviet guidance either as an autonomous "country" itself or as a part of a communist Afghanistan. Harrison, after interviewing 340 politicians regarding the past and present Baluchi politics, opined that the strategic location of Baluchistan as a gateway to the vital Gulf region could become vulnerable if the separatist tendencies continue on flourishing at a time when the Soviet Union by virtue of its presence in Afghanistan is only 350 miles away from the Indian Ocean. After tracing the history of Baluchi political traditions, Harrison examined the insurgency in Baluchistan during the 1970s, followed by the analysis of the ideological orientation of the Baluchi feudal leaders. The most important part of his study entitled "Moscow, Washigton and the future of Baluchistan" summarizes among other topics the points of convergence and divergence for Pakistan and the United States given the situation in Afghanistan: "It would be dangerously myopic for American strategists to view the Afghan struggle in isolation. Prudence dictates that they should weigh carefully the grave risks that would be incurred if Moscow were to make good on its threat to retaliate in Baluchistan. American officials should take clearly into account Islamabad's political isolation in the Baluch areas and difficulties that would be involved in helping to defend this area in the face of pervasive local opposition. At the same time, the vulnerability of Baluchistan underlines the desirability of finding solution to the Afghan crisis that would bring about the withdrawal

of Soviet forces.... But the Baluch issue makes military aid to the Afghan resistance a risky gamble and reinforces the other factors that point to the need for an Afghan policy focused on diplomacy rather than military confrontation."28

Harrison seems to have ignored the historical yet no less ironical factor in his analysis of the economic and political backwardness of Baluchistan yet the fact remains that his study brought home to many Americans and others the geo-political significance of an important part of South Asia. However, one could take exceptions with Harrison on a number of issues like his objection of U.S. aid to Pakistan and the suggestion to Washington for an independent dialogue with the Baluchi leaders.

Afghanistan crisis kept on engaged a number of known American authors all through the early 1980s and the media reports in the same period depicted the resistance favourably and prominently. Among academics, Stanley Wolpert came out with his handy work on South Asia in 1982 confirming the upsurge in the American varied interest in the region. Wolpert, Professor of History at the University of California, Los Angeles, after his earlier works like Tilak and Gokhale and A New History of India, published his Roots of Confrontation in South Asia: Afghanistan, Pakistan, India and Superpowers, in 1982, which is a summation of the South Asian history all the way from the ancient times to the recent implications of "the Great Game of the Superpowers." The book took a serious note of the Russian invasion of Afghanistan and suggested: "An international Genevatype conference of Afghanistan is most urgently required to retrieve some of the pressure from South Asia as a whole, in addition to diminishing the costs in human and material terms of the Afghan civil war. The Committee of three of the Islamic Conference would be an ideal sponsor for such an Afghan summit, and U.S. policy should be designed to whatever it can to facilitate and support such a meeting. Undiminished economic, diplomatic and moral pressure of every possible variety should have been maintained against the Soviet Union until its troops withdrew from Afghanistan,"19

Alvin Rubinstein, Professor of Political Science at the University of Pennsylvania, Philadelphia, and a specialist on the Soviet foreign affairs, published his Soviet Policy Toward Turkey, Iran and Afghanistan 1982 in the series of Influence in International Relations in arrangements with Praeger of New York. Half the book is devoted to the Russian moves in Afghanisten over the years, especially the geo-political imperatives since 1979. Rubinstein, after taking into account the tri-polar attitudes on 'Pakhtoonistan issue,' observes : "Under Daoud, Afghanistan had been pushed into an uncharted course of rapid internal transformation of high-risk behaviour in foreign policy, both of which marked sharp departures from the past. These policies, once set in motion, could be modified but not completely reversed. Their consequences for the future were enormous, and nowhere more than in relations with the Soviet Union."20 Afghanistan, just before the revolution of 1978, "was nonaligned, accepting of the substantial Soviet presence, generally restrained on Pakhtoonistan question in deference to Moscow's desire that the border between Afghanistan and Pakistan be kept quiet, judicious in refraining from cultivating intimate ties with Peking or exploiting the Sino-Soviet rift, and promisingly receptive to Brezhnev's proposal in June 1969 for an Asian collective security system. In a word, Kabul's foreign policy was as close to Moscow's as that of any non-aligned country, "11 In retrospect, Rubinstein felt that the tragedy could be averted by Afghan rulers if they would not have depended on the U.S.S.R. altogether: "The three steps-reconciliation with Pakistan, reliance of Iran economically, and active affiliation with the non-aligned movement-might, with more time and if fully implemented, have kept Afghanistan independent and the Soviet Union north of the Oxus River."32 There are quite a few parallels in the studies on the subject done by Lawrence Ziring and Alvin Rubinstein as both the books have similar titles and resembling arguments.

Due to Afghanistan crisis the U.S. and Pakistan came closer to each other and the relationship that lay dormant in the 1970s improved radically as "a remarkable achievement for both the countries."33 By the late-1982, it was evident that the Russians had come to Afghanistan to stay and their venture had long-term aspects irrespective of the human side of the issue with the influx of onefourth of Afghan population seeking refuge in Pakistan and Iran. The aid package to Pakistan was to bolster Pakistan's defence and economy due to her security dilemma despite the fact that Pakistan did not volunteer to operate as a front-line state particularly in view of the fact that a more powerful nuclear India had not come out openly in the denunciation of the Russian intervention, rather both the countries seemed to have come closer to each other when Afghanistan bled. The unabated criticism of Pakistan's nuclear programme in the western press and particularly in the U.S. further increased her security concerns34 and thus it was imperative for her to maintain the doors open for a negotiated settlement of the Afghan crisis. Zalmay Khalilzad, a faculty member in Political Science at Columbia University and an Afghani by origin but an American by nationality, felt that Pakistan, despite being a claimant for the increased U.S. aid, "has resisted accommodating the Soviet Union; at the same time, Pakistan has not allowed a substantial improvement in the effectiveness of the Afghan fighters. The current Pakistani government does not favour the consolidation of Soviet power in Afghanistan, believing that such a development would enormously increase the Soviet Union's ability to influence developments in Pakistan. At the same time, Islamabad had not allowed a substantial improvement in the organizational and military capability of the Afghan resistance, fearing that such improvement would bring increased Soviet pressure on itself,"35 Such a view can be termed unrealistic since Pakistan's security is far more important than inviting unwanted risks by taking a rigid stand at a time when she is bordered on her two sides by two hostile powers.

While tracing U.S. academic attitudes on Afghanistan in the early 1980s, 1983 seems to have proved a starting-point for the decline in interest on the crisis due to various external and internal factors. Except for sparse reportage, the American newspapers and media gave more coverage to the situation in Lebanon, Middle America.

Moreover, East-West relations came into increased limelight due to certain vital developments in the Far East. A few books and research articles in the scholarly journals tried to focus the academic interest on Afghanistan in view of the longer duration of the Russian forces, ambiguity about their future course of action, stalemate over the issue despite the indirect talks between Pakistan and Afghanistan under the U.N. auspices, the ongoing resistance, and the U.S. aid-programme for Pakistan and conjecturing on India-Pakistan relations that had started coming under strains in the said year. Anthony Arnold came out with his second book on Afghanistan again sponsored by the Hoover Institution of the Stanford University which seems to be rather a very exhaustive study of the internal factionalism in the PDPA and further post-1979 developments until the death of Brezheniv, the mastermind behind the Soviet moves on Afghanistan. The book16 contains biographical information on the various past and present leaders of the PDPA yet it somehow leaves a lot to be said about the resultant situation in the entire region and mainly addresses itself to the communist movement inside Afghanistan and Kabul-Moscow alliance.

Alvin Rubinstein, in an article in Current History tried to study the various options for the Soviet Union deeply entrenched in the Afghan issue.37 In the same year, under his editorship, The Great Game: Rivalry in the Persian Gulf and South Asla was published by the Foreign Policy Research Institute (FPRI). Based on the papers contributed in a conference in Bellagio, Italy, in 1982 under the aegis of the FPRI and the Rockefeller Foundation, the volume addresses itself to security issues involving the two regions, superpower rivalry in the Indian Ocean and Southwest Asia, India and Europe's relations with the Gulf area and a theoretical article on the relationship between the arms suppliers and a recipient country with some multidimensional scenario to be expected in the years ahead.38 Inclusion of South Asia and particularly of some leading Indian strategists along with one Pakistani-American-Tahir-Kheli-in this conference is easily comprehensible in the light of the emergent geo-political realities of the South Asian region. However, the interest on

- (ii) Absence of complementarities in terms of surpluses available from and needed by countries within the region;
- (iii) Operation of factors which dominate the directions of trade of each of the countries.

The first explanation is important only for India-Pakistan trade relations. The second explanation is weak in as much as even the surpluses available are not availed of at present. Existing opportunities for trade within the region, such as they are, are not being drawn upon. The major markets and sources of supply for the countries of the region lie in the developed countries, as will be seen from the two tables below taken from Dr. Kemal's synthesis study on Import-Export Structure and Trade Expansion in South Asia (November 1984).

TABLE 2 (a)

	Origin of	(Percentage)	
	Share of developed countries	Share of centrally planned economies	Share of developing countries
Bangladesh	49.7	7,6	42,7
India	48.9	9.4	40.5
Nepal	23.7*	11.5*	64.8*
Pakistan	53.5	6,6	38,9
Sri Lanka	50.0*	NA.	NA

<sup>\*1978-79</sup> 

TABLE 2 (b)
Distribution of Exports 1979-80

	The same of the sa				
And when	Share of developed countries	Share of centrally planned economies	Share of developing countries		
Bangladesh	43,8	18.8	37,4		
India	57.6	10.1	31.7		
Nepal	23.4*	6.6*	70.6*		
Pakistan	39.4	10,0	51.0		
Sri Lanka	40.0	NA	NA		

<sup>\*1978-79</sup> 

Afghanistan in the U.S. reflected a steady decline in late-1983 and all through 1984. In June 1984, Time published a detailed essay on the gunrunning in Afghanistan all the way from the west under the active command of the CIA. The article dealt with very sensational and exotic element of this relationship without really taking the Soviets to the task,39 Selig Harrison, in his article in the Washington Post, tried to establish the viability of the Karmal regime and the futility of the Mujahideen.40 Officially, in October, Afghanistan was not discussed at all in the debates between the two contenders for the U.S. presidency except for a passing reference by President Reagan. However, the U.S. senators and senior military personnel visiting Pakistan spoke unequivocally in favour of the Afghan resistance pledging their support for the fighters and the aid to refugees. However, the academic relationship between the U.S. and South Asia seems to be an enduring and multi-faced relationship that seems to be continuing on for some time to come. In a world so exposed to media and cross-cultural contracts with more mobility in academic dialogues necessitate the urgency to understand the viewpoints of the elites on the vital issues influencing the humanity at large, otherwise just recounting of political chronology without the proper academic and intellectual feedback may present just a partisan or a half-done exercise in research. In this perspective, Afghanistan crisis in its American intellectual experience, does not remain a political development in isolation; rather, it is confirmed as a complex scenario with far-reaching and consequential imprints of multiple regional and global implications in the years to come.

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# Pakistan's Economic Development Through the Seventies in the South Asian Perspective

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#### I. INTRODUCTION

It is an undisputed proposition that there exists a close connection between the stage of economic development and the directions of change in the usual economic indicators for different countries. The process of economic growth has been generalised by Professor Rostow in a set of stages of growth, designated as traditional society; the pre-conditions for take off; the take off, the drive to maturity; and the stage of high mass-consumption.1 Rostow's stages of growth are no less controversial now than they were in 1960 and of no less interest either. The aggregate approach to economic development generally recognised a shift from sole reliance on agriculture to industry alongwith improving the economic infra-structure through enlarging the service sector. Similar approach was advanced by Professor Hirschman in the proposition of favouring the idea of industries with strong backward and forward linkages in the process of industrialisation.2 Keeping in view Rostow's stages of growth and linkages proposition of Hirschman, there is a positive relationship between economic development and the sectoral growth of industry and services. The structural changes inherent in industrialisation required rationality and foresight in government policy leading to investment in infra-structure for accelerated growth to obtain the required coordination of industry with agriculture and other activities

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and policies to reduce the external vulnerability of the economy. Almost all the developing countries are characterised by gradual shift in their value added from Agriculture to Industry and Services sectors. Economic growth in South Asia has been fast and uneven with large variability over-time between countries and among productive sectors. The divergence between modern and traditional sectors shows that growth process is well underway but it has not yet reached the whole region, and relatively advanced and backward countries exist side by side.

The concept of growth in developing countries is in many cases conditioned by their colonial past. Consequently, many of them expressed their objectives in terms of catching up with the advanced industrial societies and pattern their economies on this model. The attempts to evaluate the post-war development experience initially emphasised the objectives of maximum GNP growth per capita, which in recent years has been termed as too narrow an objective. During the past decades objectives like reduction in poverty, improvement in income distribution, increase in employment and fulfilment of basic needs have been identified as criteria for evaluating development experience.

A major problem with using growth in average per capita income as the sole index of development is that it grants equal importance to each extra dollar of income, whether it is earned by a rich or a poor person. Ideally, growth should be measured in weighted per capita income, where each extra unit of income is multiplied by the social welfare weight attached to its recipient. Unfortunately, in the absence of general agreement on the precise welfare weights for different income receiving groups, the ideal cannot usually be applied in practice. For this reason one has to make do with second best indicators in conjunction with GNP growth per capita to assess the changes in economic conditions of any region. Some of these indicators relate to investment level, growth rate of exports, sectoral changes and fulfilment of basic needs.

The objective of the present study is to carry out a quantitative assessment of the comparative economic growth in the South

Asian Region. Economic development, being a relative term, involves changes in the direction and magnitude of various Socio-Economic factors. In order to honour the limitations of data availability and to avoid the problems of conceptual justification, the indicators chosen for portraying the relative development picture of the low income South Asian Region include the well-established criteria like changes in the provision of basic needs, the sectoral distribution of GDP, comparative sectoral growth rates, growth rate of GDP and investment, comparative structure of exports and imports and the level of external debt and development assistance to the countries concerned. For keeping the comparison in the proper perspective only low income South Asian Countries which (for whom the per capita GNP in 1982 was not more than \$400)3 have been considered are Bangladesh, Burma, India, Nepal, Pakistan and Sri Lanka.\* This introduction is followed by sections on provision of basic needs, sectoral analysis, structure of International Trade and extent of external debt. The final section relates to the summary of conclusions. All the data used for quantitative comparisons has been taken from World Bank Development Report 1984 (except for figures in Table 5, which are from World Tables 1984).

## II. BASIC NEEDS CRITERION

Although the equitable distribution of income is a prominent objective of all political governments, yet it is taken much less seriously in practice than is the objective of rapid growth. Recently developing countries have made accelerated efforts to endorse and adopt the policies of equitable growth. The attempts to reconcile the objectives of growth and the alleviation of poverty in an operational framework has taken the form of equitable "redistribution with growth." A further refinement in the concept of basic needs in cology has been achieved by shifting from the use of income as a measure of poverty to physical estimates of the inputs required to achieve minimum standards of nutrition, health, shelter, education, etc. These indicators of basic needs provide a way of evaluating the effectiveness of any set of policies designed to reduce poverty.

Many of the goals such as the attainment of given levels of nutrition, education, shelter or industry are mis-leading because they ignore the need to achieve a balance among the several dimensions of social progress.

Although for most of the poor countries of the South Asian Region like Bangladesh, Burma, India, Nepal, Pakistan and Sri Lanka, only long term sustained growth of per capita income and equitable distribution offers the majority of the people any hope of economic advancement yet it must be remembered that the initial distribution of assets and income is the single most important determinant of the trend in inequality. In other words, historical evidence suggest that the most powerful determinant of income distribution is the underlying structure of the economy and once growth is taking place, it is difficult to effectively redistribute income through the use of marginal instruments such as taxation and public policy. These observations have potentially powerful implications, specifically if equality is to be a short run or long run goal, then it may not be possible to grow first and redistribute later. Rather, it may be necessary to tackle asset redistribution as a first priority by whatever means are available. An other important but underrated determinant of economic growth is the political stability. Most of the countries which grew fastest were stable compared to the slow growing which conspiculously were not.7

For quantitative comparability of growth in the provision of basic needs in South Asian Region, the available information on demographic aspect, life expectancy and health related indicators has been examined. The Table 1 presents the percentage change in crude birth rates and death rates.

The reduction in crude birth rate increases economic well-being of individuals as the fruits of growth can be shared among fewer persons. In other words, low birth rates reflect an increased consumption level in any economy. Among the South Asian Countries India and Sri Lanka have been most successful in reducing the birth rate while Bangladesh exhibits increase in birth rate during the last

For each country, its trade pattern is a response to its total economic situation, its requirements, and what it can offer at its present stage of development and the impact of foreign aid and credits received by it. Thus, to take 1979-80 as an illustrative year, the distribution of exports between primary and manufactured goods was as follows:

TABLE 3 (a)

n) deter b man	Primary goods (Percentage)	Manufactured goods (Percentage)
Bangladesh	41.3	58.7
India	35.0	65.0
Nepal	69.2	30.8
Pakistan	42.0	58.0
Sri Lanka	69.0	31.9

In the same year, capital and intermediate goods accounted for the following proportions of total imports:

TABLE 3 (b)

	Capital goods (Percentage)	Intermediate goods (Percentage)
Bangladesh	11.6	43.3
India	16.0	75.6
Pakistan	35,5	48,5
Sri Lanka	24.2	46.4

Two facts have special significance in India's trade relations with countries in South Asia. (Pakistan stands in an altogether separate category). India's economy has become largely self-sufficient in commodities which Bangladesh, Nepal or Sir Lanka could supply. Barring Sri Lanka in one or two commodities or Bangladesh in the matter of newsprint, these countries are not in a position to meet Indian requirements which are being currently met from other sources. On the other hand, India can supply a wide range of goods which are being imported by these countries from

TABLE 1 Improvement in Demographic Indicators during 1960 to 1982

Countries	Percentage decrease in crude birth rate	Percentage decrease in crude death rate
	1690-82	1960-82
Bangladesh	- 0.2	24.7
Burma	11.3	37.9
India	28.3	46.8
Nepal	6.5	27.3
Pakistan	13,6	34.3
Sri Lanka	25.7	34.8
South Asia	14.2	34,3
Low Income Economies	34.2	54,7
Industrial Economies	31,4	5.4

two decades. The percentage reduction in crude birth rates in Pakistan is 13.6 per cent which is even less than the average for South Asian Region. Reduction in crude death rates partially portray better living conditions, improved health care and decrease in the incidence of disease. With regard to reduction in death rates India has been most successful where crude death rates decreased by 47 per cent during the period under consideration. Among the South Asian Countries, Bangladesh and Nepal show least decreases in crude death rate. For Pakistan the reduction in crude death rate equals the average for South Asian Region.

Another aspect portraying the improvement in availability of basic amenities relates to life expectancy statistics and the Table 2 gives data on life expectancy and changes in infant and child mortality per 1000 population.

The increase in life expectancy at birth during 1960 to 1982 has been highest for India and Burma in the South Asian Region where life expectancy increased by 12 and 11 years respectively. Comparing

TABLE 2

Indicators related to Life Expectancy, Infant and Child Mortality during 1960 to 1982

Countries	expe	ge Life ctancy h (years)	rate	nortality (aged der-1)		eath rate
	1960	1982	1960	1982	1960	1982
Bangladesh	44	49	159	133	25	19
Burma	44	55	158	96	25	12
India	43	55	165	94	26	11.
Nepal	39	46	195	145	33	22
Pakistan	43	50	162	121	25	17
Sri Lanka	62	69	71	32	7	3
South Asia	46	.54	152	104	24	14
Low Income Economies	42	59	165	87	27	11:
Industrial Economie	s 71	75	29	10	2	-

the life expectancy figures for advanced countries it is clear that South Asian Region has got a long way to reach the level of those economies. With respect to reduction in infant and child mortality Sri Lanka and India have been most successful while Bangladesh's performance leaves a lot to be desired. For Pakistan the decrease in infant and child mortality during the period under consideration has been 25.3 and 32.0 per cent compared to 31.6 and 41.7 per cent for the South Asian Region as a whole.

Another most important parameter to be considered in basic needs criterian is the health related indicators, which include the improvement in medical and nursing care plus the neutrition availability represented by available calories per capita as percentage of requirement.

TABLE 3

Improvement in health related indicators during 1962 to 1982

		Popula	ition per		Daily calories
Countries	Phys	ician	Nursin	g person	as percentage of requirement
	1960	1980	1960	1980	1981
Bangladesh	0.44	10,940	-	24,450	84
Burma	15,560	4,660	8,520	4,750	113
India	4,850	3,690	10,980	5,460	86
Nepal	73,470	30,060	W -	33,420	.86
Pakistan	5,400	3,480	16,960	5,820	106
Sri Lanka	4,490	7,170	4,170	1,340	102
South Asia	20,754	10,000	10,158	12,540	96
Low Income Economies	12,088	5,772	7,226	4,841	97
Industrial Economies	816	554	470	180	132

Indication of improvement in health care in South Asian Region is rather limited as the information for Bangladesh, Sri Lanka and Nepal is not complete. However, from the available data it is clear that the ratio of physician to population improved most in case of Burma and Nepal while the nursing care ratio shows greatest improvement for Sri Lanka.

For Pakistan the ratio of physician and nursing care to population shows that a doctor who had to treat hundred patients in 1960 had to extend his services to 64 in 1980 while a nurse who had to care for hundred patients in 1960 had only thirty-four patients to look after in 1980. Looking at the nutrition statistics in 1981 the people in Burma, Pakistan and Sri Lanka were consuming 13, 6 and 2 per cent calories more than required per person while people in Bangladesh, India and Nepal were consuming 14 to 16 per cent calories less than required per capita.

### III. SECTORAL ANALYSIS

mentioned earlier the goals of catching up with more advanced countries and the aggregate approach to economic development can generally be represented by a shift from major reliance on Agriculture to Industry alongwith expanding the service sector for strengthening the infra-structure facilities. Moreover, the social goals of developing countries tend to be stated in political terms which most of the time confuse ends and means. The social dimensions of progress are manifested in expansion of services sector, i.e., the traditional sequence of growth. Consequently the change in sectoral distribution in the economy usually comes in the form of greater emphasis on industrial and service sector. Another factor which has been responsible for gradual shift from Agriculture to Industrial sector is the notion that agriculture is mostly characterised by underemployment or disguised unemployment in South Asian Region and the absorption of labour force in manufacturing would not only improve the labour productivity in agriculture but would also help to accelerate the pace of economic development. On the other hand, a frequently emphasised aspect of sectoral analysis is the well-known fact that agriculture constitutes the major share of GDP and exports in the South Asian Countries hence agricultural development should be considered crucial particularly in view of the development record which shows a close association of this sector with the overall growth rate of the region. It needs to be pointed-out that the growth of agriculture is constrained due to problems of capital accumulation, savings and taxation and effective implementation of development projects. Other related constraints of agriculture sector are the slow growth of food crops, high growth rate of rural population, unemployment and under employment, inequality in income and prevalance of the instances of absolute poverty in this sector.

In the context of sectoral performance over the last 20 years, a major constraint relates to availability of appropriately skilled manpower. For increased production, apart from an increase in the quantity of productive factors, there is need of improved quality of people as economic agents. In other words, without human resource development, the process of development will not become self-sustaining. A corollary to this is the relatively poor organizational, administrative and logistical system which restrain the quality of national economic management. High quality of national economic management is of crucial importance along with the appropriate policies, stable government and strong commitment to development objectives if the actual rate of development is to be brought at par with the potentially attainable one.

The available information for sectoral analysis relating to growth rate of GDP, sectoral growth rates, proportional share of sectors in GDP and gross domestic investment as percentage of GDP has been examined. Although it would be more appropriate to look at the critical ratios like incremental capital output ratios and incremental capital and labour productivity, yet in the absence of data for calculating these parameters, gross domestic investment as percentage of GDP has been used to look at the possible comparative changes in capital stocks. The Table 4 presents the average annual growth rates of gross domestic product, agriculture, industry, manufacturing and services sectors.

The overall GDP growth rates show that Burma recorded highest growth rate mainly due to fast growing industrial and services sector. For Burma, during 1970-82 compared with 1960-70, the GDP growth rate nearly doubled (from 2.6 to 5.0 per cent), industrial growth rate more than doubled (from 2.8 to 5.8 per cent) and the growth rate of services sector increased by nearly four times (from 1.5 to 5.6 per cent). The annual growth rate of GDP shows decline only in case of Pakistan, where during 1970-82 compared with 1960-70, it fell from 6.7 to 5 per cent due mainly to decline in industrial and agriculture sectors.

The percentage distribution of value added by sectors and gross domestic investment as percentege of GDP has been given in Table 5. The proportional share of gross domestic investment in

Average Annual (Percentage) Growth Rates by Sectors in South Asian Countries 1960-70 and 1970-82

Countries	0	G. D. P.	Agriculture	Iture	Inde	Industry	Manufa	Manufacturing	Serv	Services
	1960-70	1970-82	1960-70	1970-82	1960-70	1970-82	1960-70	1970-82	1960-70	1970-82
Bangladesh	3.7	4.1	2-7	2.3	8.0	8.7	9*9	10.4	4,2	5.5
Burma	2.6	5.0	4.1	8.0	2.8	5,8	3,4	173	1,5	9.6
India	3.4	3.6	1.9	1,8	5.4	4.3	4.7	4.5	9.6	5.5
Nepal	2.5	2.7	1	1	1	1	F	F	1	1
Pakistan	6.7	5.0	4.9	2.7	10.0	6.2	9.4	8.0	7.0	6.2
Sri Lanka	4.6	4.5	3.0	3.2	9.9	4.2	6.3	2.4	4.6	5.2
South Asia	3.9	4.2	3.3	3.0	9'9	5.8	1.9	5.4	4.4	3.6
Low Income Economies	4.5	4.5	2.2	2.3	9'9	4.2	5.5	3.4	4.2	4.5
Industrial Market Economies	5.1	2.8	1.4	1.8	5.9	2.3	5.9	2.4	4.5	3,2

Percentage Distribution of Value added by Sectors and Gross Domestic Investment as Percentage of G.D.P. 1960 and 1981

Countries	Gross Inves Perce G.	Gross Domestic Investment as Percentage of G.D.P.	Agriculture	Iture	Manuf	Manufacturing	Services	ioes	Others	SLE
	1960	1861	0961	1981	1960	1981	1960	1981	1960	1981
Bangladesh	6'9	17.2	57.5	48.7	:53	7.7	22.3	23.7	15.0	19.9
Burma	12.0	22.8	33.8	48.5	8.2	9,3	46.0	36.2	12.0	5.9
India	18.3	28.4	50.8	38.5	14.1	17.2	20.0	31.0	15.1	13.2
Nepal	0.9	12.7	9'29	57.0	0.6	8.9	10.0	0.00	13.4	34,1
Pakistan	12.2	18.5	46.6	31.1	12.1	6.91	25.2	34.8	16.0	17.2
Sri Lanka	13.9	29,8	32.2	29.6	15,3	16.2	33.2	34.2	19.2	20.0
South Asia	9711	21.6								

Source: World Tables, 1984.

Notes: (f) Agriculture includes mining.

(iii) For Nepal the details of value added for 1960 are not available, therefore, the figures for 1970 were used.

The Services sector include Electricity, Gas and Water; Trade and Finance and Public Administration and Defence, S

GDP increased by 86.2 per cent for the South Asian Region and the countries which contributed most to this increase were Bangladesh, Sri Lanka and Nepal. It is clear that agriculture has been the major productive sector for all South Asian Countries except for Sri Lanka and Pakistan in 1981 and Burma in 1960, where services sector was the major contributor to value added in these years. For agriculture sector value added declined for all countries except Burma, where its share increased from 33.8 per cent in 1960 to 48.5 per cent in 1981. The proportional decline in the share of agriculture was most pronounced for Pakistan and India which was compensated by increased share of manufacturing and services sector. For manufacturing sector the proportional share of value added increased for all South Asian Countries except Nepal (whose share remained almost constant during the period under consideration). The increased share in manufacturing was most noticeable for Pakistan and India, where it increased by 4.8 and 3.1 per cent respectively from 1960-81. Looking at the growth of services sector, it is clear that the percentage share of value added increased for Bangladesh, India, Pakistan and Sri Lanka by 1.4, 11, 9.6 and I per cent respectively, while for Nepal and Burma the percentage share decreased dy 10 and 9.8 per cent.

#### IV. STRUCTURE OF INTERNATIONAL TRADE

Appropriate domestic policies, the exchange rate and the trade policies should allocate resources efficiently to external and internal opportunities. As a condition of optimal resource allocation, policies should equate the marginal domestic resource cost of saving foreign exchange with the marginal domestic resource cost of earning foreign exchange. Foreign trade can be an engine of growth in developing countries through its effect on improved resource allocation and increased productivity. In this context, it is worth remembering that developing countries' exports are not mechanically linked with the growth and level of prosperity of advanced countries and positive efforts are required for directing the trade of development regions toward desired directions.

Developing countries frequently utilize trade policy to promote their industrialization. As promotion of industrialization import substitution was the attempted strategy in post-war period while recently the trend has been towards processing of primary materials for export of semi-manufactures and manufactures. Manufactured exports have been growing faster in developing countries compared to the developed countries and growth rates have been especially high in metal products, basic metals, textile and footwear. According to Keesing, the rapid growth of exports in manufactures from developing countries can be attributed to improved exports incentives and industrial policies, lessons from the past experiences, use of borrowed technology and production methods from developed countries, rapid build-up of skilled manpower, trade libralization and rising real wages in developed countries.<sup>8</sup>

In the international market, it is noticeable that bulk of manufactured exports come from a fairly small number of relatively advanced industrial group of less developed countries. Moreover, exports have been built around labour intensive, technologically standardized products, such as textiles, clothing and footwear in the South Asian Region. In other words, this region has made very little progress in exporting commodities that are highly intensive in physical capital, require sophisticated technology or necessitate the availability of precision engineered parts, components, and accessories. The future potential for growth in exports of manufactures of this region will depend on the changing pattern of comparative advantage in the process of economic development, protectionism in developed countries and developing countries policies relating to economic growth. Trading policies of the developed countries will determine whether the less developed countries will have market access for their exports. Increasingly the policies of the industrial countries have been concerned with domestic injury of their exports due to increased imports from less developed countries and they are erecting safeguards to reduce market penetration. Hence in recent years there has been a spread of protectionism in industrial countries as evidenced by the imposition of quantitative restrictions on imports, voluntary export restrictions and orderly marketing agreements.

In the recent past, the developing countries exports have diversified from originally being mainly comprised of primary commodities to increasingly manufactured items. This diversification away from primary products does not mean that foreign demand no longer matters. Developing countries depend on developed market for their manufactured exports as change in growth of industrial countries is still an important factor for them. Additionally, this diversification towards manufactures has changed the competitive position of the South Asian Region and unless the market for developing countries' manufactured exports remains relatively free of protectivity barriers, external demand constraints would limit the South Asian Region's exports.

The distribution of exports and imports by industry group is the well-known indicator of the comparative development stage of an economy. The developing countries are characterised mainly by exports of primary commodities while the developed countries usually specialise in the exports of manufactured items or capital goods. The trade outlook (Table 6) comprised of structure of exports and imports during 1981 mirrors growth in international trade for South Asian Region.

The table shows that exports in South Asia grew at about 2.1 per cent per annum during 1970-82 which is even less than half the growth rate reported for industrial economies. The overall growth rate for South Asia is comprised of variations by countries and it is encouraging to note that the growth rate of exports for Pakistan and India has been 4.7 per cent which is more than double the one for other countries of the region. Moreover, it compares well with the growth rate of industrial countries. It may be mentioned here that although Pakistan can boast of high growth rate in exports yet the exports pattern clearly shows that the structure of exports is that of a typically low income economy where nearly 47 per cent of the exports are comprised of primary commodities. For the exports of manufactures the main items for our country include textiles and clothing (41 per cent). This pattern of exports for Pakistan needs to be carefully examined particularly in view of the World-wide slum in

other sources, often aided by credits. It is therefore inevitable that, even with the existing small levels of intra-regional trade, the balance of trade should be markedly in favour of India. A study by the Indian Institute of Foreign Trade has examined the trends through the seventies. To take 1978-79 as an illustration:

TABLE 4

(Rupees Million)

The same of the last	Exports from India	Imports into India	Balance of trade
Bangladesh	525.7	18.0	+507,7
Nepal	566.9	138.0	+418.9
Pakistan	194.5	128.0	+ 66.5
Sri Lanka	885,2	51.0	+834.2
Maldives	15.9	0.1	+ 14.8

With Pakistan, the trade relationship is likely to be more equal if policy impediments did not exist, though even here the balance may be expected to be in India's favour.

Given present trends and projections for future development, in the ordinary course, the balance is likely to be further accentuated in India's favour. While regional co-operation at the technical level can proceed on several fronts, within the foreseeable future, it must express itself also through wider trade relationships. If this does not happen, regional co-operation in South Asia will not gain the necessary economic content. India holds 77 per cent of the population of South Asia and accounts for more than three-fourths of the gross national product of South Asia. Her exports constitute over 80 per cent and imports nearly 60 per cent of the total exports and imports of the region. Therefore, a major responsibility for enabling SARC to grow as a development region and for giving substance to collective self-reliance within SARC rests on India. Because of the nature of the various economies within the region, this goal cannot be realised within a short period. Nevertheless, the prospects of SARC becoming a reality and a major factor in the development of different countries depends crucially on the view that India

Percentage Distribution of Merchandised Exports and Imports of South Asian Region 1969.70 and 1970-82

		EXPORTS	RTS		ente Editor	IMPORTS	RTS	in to
Countries	Annual	Annual Average Growth Rate	Primar	Primary Com- modities	Annual	Annual Average Growth Rate	Primar	Primary Com- modities
TO RES	1960-70	1970-82	0961	1861	1960-70	1970-82	1960	1861
Bangladesh	8.1	-0.8	1	ti.	7.0	5.5	1	39
Burma	-11.6	1.9	66	1	-5.6	-23	27	1
India	4.7	4.7	55	41	-0.9	2.6	55	62
Nepal	1	L	7	69	1,	1	ol.	24
Pakistan	6.6	4.7	7.3	47	5.4	3.9	Z	90
Sri Lanka	4,6	0.1	8	79	-0.2	1.8	15	47
South Asla	3.1	2.1	88	\$7.5	17	2.3	41.8	44.4
Low Income Countries	5.4	0.3	10	20	5.4	17	47	47
Industrial Economies	8.5	5.6	33	27	9.5	4.3	57	48

Textile Industry. Motivated by a desire to save jobs, Government of Industrial countries have introduced many restraints against the export of manufactures from developing countries. The most important of these restraints affect textiles and clothing and these have been implemented under the multifibre arrangements. While exports restraints may benefit large suppliers who are in a position to raise their export prices, they are a disaster for countries of the South Asian Region as textiles have been an essential step on the ladder of development for some of these countries and these policies of protectionism will bar their route at least in the short run.

The comparative growth rate of exports and imports show that except for Sri Lanka and Bangladesh the average annual growth rate of imports has been less than average annual rate of exports. Here it may be pointed out that the overall picture would really become clear only when we look at the balance of payment position of these countries.

#### V. FOREIGN ASSISTANCE

Foreign assistance for economic development is essentially related to the problems of balance of payments viz-a-viz the objectives of planning. The pressure on balance of payments accounts is essentially part and parcel of the process of unbalanced growth rather than primarily the reflection of macro-economic disequilibrium between domestic savings and investments. In this perspective the needs of developing countries for international financial assistance do not arise from the fact that they are too poor to save the amounts needed for growth targets, rather the need arises from some disproportionalities in the growth process. At some stage the need of the expanding economy for imported inputs outpaces its ability to increase exports, unless the country happens to be producing certain items which have expanding demand in the world market. In other words, the need for financial assistance from abroad would by no means be greatest when the country is poorest, but would be liable to increase many folds in the course of development as certain initially import intensive activities are being promoted.

Foreign financial assistance can take the form of aid or debt. The related problems are not very different as in either case the recipient has not only to justify its case but also to respect the policy of the donor country. Foreign financial aid and grant of capital assistance serve twofold function. It supplements the developing countries' low domestic savings, (reducing the resource gap) and also provides additional foreign exchange to fulfil the development needs. Here it may be noted that the two-sided role of external aid is also significant in indicating that one gap may be greater than the other, for example, if the foreign exchange gap is greater than the saving gap then foreign aid becomes the means of permitting the required imports leading to potential realization of saving of resources which would otherwise be underutilized because of an import bottleneck. There is a considerable controversy over the contribution that aid makes to development; some economists hold the conventional view that aid is generally of limited use as an instrument of economic development because it cannot substantially affect the basic factors that are needed to promote economic growth in the recipient countries. Others, however, emphasize the need to improve the quality of aid relationship not only from the conventional view of performance criteria but also to meet the needs of target poverty groups, redistribution and employment. The more socially oriented measure of performance associated with the redifinition of development objective raises difficult questions for redirecting aid policy.

From the point of view of recipient countries the problem of external debt and debt servicing has become increasingly prominent due to large increases in the amount of outstanding debt. The following table presents the amount of external public debt outstanding and disbursed in 1970 and 1982 for South Asian Countries.

The absolute amount of external public debt increased significantly for the South Asian Region and this increase was most marked for Nepal and Burma where the debt increased from \$ 3 to \$ 297 million and \$ 101 to \$ 1960 million respectively. Looking at the external debt as percentage of GNP the ranking of the countries in descending

TABLE 7.

External Public Debt Outstanding and Disbursed 1970 and 1982.

Countries	Millions	of Dollars	As percentag	ge of G.N.P.
Course	1970	1982	1970	1982
Bangladesh		4,353	_	38.6
Burma	101	1,960	4.7	33,5
India	7,940	19,487	14,9	11,4
Nenal.	3	297	0,3	11.6
Pakistan	3,049	9,178	30,5	31,5
Sri Lanka	317	1,969	16.1	41.8
South Asia	2,284	6,207	13.3	28,1
Low Income Ec	conomies —	Carrier In a	17.0	18,9
Unner Middle Economies	Income _	The Call of	10.8	23.2

order starts with Pakistan followed by Sri Lanka, India, Burma and Nepal. Pakistan has been under pressure in 1970 as its external debt amounted to 30.5 per cent of its GNP compared to the average of 13.3 per cent for the South Asian Region. During 1982 the ranking of the South Asian Countries regarding debt as percentage of GNP in descending order starts with Sri Lanka followed by Bangladesh, Burma, Pakistan, Nepal and India. Clearly the relative position of Pakisian improved since 1970, although the aggregate picture for the region does not show any improvement as external debt as proportion of GNP went up to 28.1 per cent in 1982 from 13.3 per cent in 1970.

The related problem of debt servicing has become important in view of the large expansion in external public indebtedness of the developing countries since 1970 especially the debt from commercial banks. This raises questions of a country's credit worthiness, i.e., the capacity of the borrowing country to pay interest and amortization in foreign currency. In order to appraise the credit worthiness

of the borrower, lenders engage in country risk analysis to determine the borrower's ability to generate sufficient foreign exchange to meet debt service obligations. The debt service crisis is in essence a balance of payments crisis which in turn can be considered a development crisis. Country risk analysis, therefore, depends on an understanding of the development process and how the development affects the balance of payments.

The capacity to service the external debt is usually determined by examining such ratios as debt servicing as percentage of GNP and debt servicing as percentage of exports of goods and services. The increase in these ratios overtime indicate debt service problems. The table below presents the debt service ratio in 1970 and 1982.

TABLE 8

Debt Service as Percentage of GNP and Exports of Goods and Services
in 1970 and 1982

Countries	G.	N. P.	Exports of Goo	ds and Services
	1970	1982	1970	1982
Bangladesh	HERmon W	1.0	Internal Late of	8,3
Burma	0.9	2.1	15.8	22.0
India	0.9	0.7	20.9	7,1
Nepal	0.3	0.2	am Inskewo	2.3
Pakistan	1.9	1,8	Transfer Seems	9,2
Sri Lanka	2.0	2.9	10.3	8.3
South Asia	1.2	1.5	15.7	9.5
Low Income Economies	1.1	1.1	11.3	8.8
Upper Middle Income Economies	1.5	4,4	10.7	16.9

Overall picture for South Asia shows that debt servicing as percentage of GNP increased from 1.2 per cent in 1970 to 1.5 per cent in 1982,

the countries responsible for this increase were mainly Burma and Sri Lanka. The debt services ratios as percentage of exports of goods and services show decline from 15.7 per cent in 1970 to 9.5 per cent in 1982 for South Asia mainly due to the declined ratio recorded for India (from 20.9 per cent in 1972 to 7.1 per cent in 1982). Looking at these ratios by countries it is noticeable that Nepal shows least problem of debt servicing during 1982.

Basically these ratios are used because there is no index showing that how sharp a fall in any kind of foreign exchange inflow would affectively and sufficiently compress imports, obtaining the required compensatory finance to keep the international reserves at their previous level. Similarly, looking at the burden of the debt it is clear that there would be no problem of debt service if capital flows into the country in sufficient amount to allow the developing countries to meet interest amortization payments on foreign obligations and also to meet the desired level of imports. The indirect costs arise when the borrower country has to undertake burden-some policies of balance of payments adjustment to acquire sufficient foreign exchange for debt service.

## VI. SUMMARY AND CONCLUSION

Summing up the findings of the preceeding sections relating to the development level of Asian Region on the basis of the chosen economic indicators including basic needs criterian, sectoral analysis, structure of international trade and foreign debt and debt servicing analysis, it is clear that no single ranking can be categorised as exhibiting the development level of the countries in the region. In other words, it is noticeable that if one country has secured well on the basis of one criterian it does not necessarily show prominent performance in other aspects as well. Looking at various aspects of the basic needs criterian, India and Sri Lanka has been most successful in reducing birth rate while the average life exceptancy shows greatest increase in Burma and India. In reducing the infant and child morality rates Sri Lanka and India have excelled in their

performance while Bangladesh has been least successful. The provision of medical facilities, i.e., ratio of physician to population, improved most for Burma and Nepal while the provision or Nursing care improved most in Sri Lanka and Nepal. Nutrition statistics relating to daily callories supplied per capita as percentage of requirement, show that people in Burma, Pakistan and Sri Lanka were consuming 13, 6 and 2 per cent callories more than required.

The examination of gross domestic products growth rate show that Burma recorded highest growth rate mainly due to fast growing industrial and services sector. For Burma during 1970 to 1982 compared with 1960 to 1970, the GDP growth rate nearly doubled (from 2,6 to 5 per cent) industrial growth rate more than doubled (from 2.8 to 5.8 per cent) and the growth rate of services sector increased by nearly four times (from 1.5 to 5.6 per cent). The proportional share of gross domestic investment in GDP portray that in 1981 Sri Lanka, India and Burma were using over 20 per cent of their domestic products for investment purposes. The percentage distribution of value added by sectors show that share of Agriculture sector declined for all countries except Burma in 1981. The proportional decline in the share of agriculture was most pronounced for Pakistan and India which was compensated by increased share of manufacturing and sarvices sector. The increased share of manufacturing in India and Pakistan was 3.1 and 4.8 per cent respectively during 1960 to 1981. Looking at the growth of services sector, it is clear that the percentage share of value added increased for India, Pakistan, Bangladesh and Sri Lanka by 11, 9.6, 1.4 and 1 per cent respectively while for Nepal and Burma the percentage share decreased by 10 and 9.8 per cent.

The annual average growth rate of exports during 1970 to 1982 was highest (4.7 per cent) for Pakistan and India and it was more than double the one for other countries of the region. Additionally, it also compares well with the growth rate of exports by industrial countries. It may be mentioned here that the main problems facing exports of the region are that they are comprised of

either primary commodities or the main manufactured items include textile and clothing and in view of the Worldwide Slum in textile Industries the industrial countries have adopted protectionist policies against them which would create problems for the South Asian Countries at least in the short run.

The increase in external debt outstanding and disbursed during 1970 to 1982 in absolute amount is most apparent for Nepal and Burma. During 1970 Pakistan was under pressure as its external debt amounted to 30.5 per cent of its GNP while in 1982 Sri Lanka and Bangladesh recorded high GNP ratios (41.8 and 38.6 per cent). As for debt servicing ratio to GNP and the exports of goods and services, the former increased while the latter decreased for South Asian Countries during the period under consideration indicating an indefinite overall situation. Briefly, it can be stated that the position of Pakistan has shown significant improvement particularly in the provision of medical and para-medical facilities, increased share of manufacturing, growth of exports and relative improvement in the position of external debt and debt servicing.

The future development efforts for the region would significantly depend on the policies adopted by developed countries and the South Asian Countries. In this context, it may be mentioned that although South Asian Countries have no considerable influence on the policies of the developed regions, yet they can make an effort to remove the major constraints which they are facing in their development planning. The most formidable obstacle in the way of development for the South Asian Region include the inbuilt vested interest and political corruption in their system. There is no accountability of the private or public sectors in these countries. The private sector is devoid of free competition, enterprenurship and punishment for inefficiency. With the result that within the constraints of controlled regime and administered prices neither the private nor the public sector is able to optimally utilize the available resources. Consequently, a firm political commitment and due recognition to the existing structure of the economy along with institutional, political

and social frame-work is a pre-requisite for proper formulation of economic policies.

For developing countries of the South Asian Region what is most required is a policy of measures combining both the ideas of balanced and unbalanced growth which essentially takes into account the identification of the goals and objectives of planning; actions to reform attitudes, institutions and political atmosphere for fostering the desire to invest alongwith the ability and willingness to work in the society for proper organization and management of development efforts; a feasible and well thoughtout time table indicating the sequence of various measures which would be determined by technological, political and social factors and set of controls which can efficiently, sufficiently check the undesirable investment. Finally it may be added that due to varying characteristics relating to socioeconomic and agricultural legacies for the countries of the region, the response of similar development strategies in these countries could be quite different. Some strategy may work in one country depending on its social, political and institutional factors combined with the tolerance limit for inequalities, whereas in other countries it may not. Therefore, a strategy has to be not only time specific but also country specific.

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comes to take of its economic role in relation to the region of South Asia.

It is natural for smaller countries to wish to diversify their sources of supply lest they fall within the hedgemony of a large economy. Therefore, devices such as customs union or free trade area or even common preferences equally extended by all countries irrespective of their circumstances, which are sometimes advocated as means of expanding intra-regional trade, are not appropriate to the present stage of development or existing disparities within the region. What is needed is a co-operative regional approach to the strengthening of mutual interests and complementarities within the region and particularly between India and each of the other countries. Within the framework of a broad regional agreement, there could be bilateral arrangements enabling each of the smaller economies to determine at each stage the steps which will best advance its development consistent with its goals and priorities. The immediate implication is that, in relation to South Asia, India should take a long-term view of costs and benefits and desist from pursuing the narrow nationalistic approach so characteristic of trade policies of even the developed countries. In view of the small dimensions of trade within the region, the short-term costs such as they may be, could be easily absorbed within the Indian economy. On the other hand, with the growth of intra-regional trade and economic relationships, progressively there will be a greater balance of gains between India and the other SARC countries.

The basic issue, then, concerns the new approaches and initiatives called for on the part of India towards enlarging mutual complementarities within SARC countries. Four main lines of development are called for:

(i) In trade and economic relations, it is customary for each country to consider what it can receive. In view of its size and population and the stage of development reached, it is now necessary for India to consider what it can bring to the development of its neighbours. Once it is recognised

## Sikh Disillusionment after the Partition of the Punjab 1947-48

#### MOHAMMAD JAHANGIR KHAN

The early phase of Sikh polity in the independent secular India is a sad tale of their betrayal by the majority Hindu community in whom they had vested their hopes and expectations. They came to realize their plight in the changed political set-up and the resultant frustration of having fallen totally at the mercy of others. Pritam Singh Gill has rightly summed up their plight at this stage in a single sentence: "India got freedom but not the Sikhs." Soon they awoke to the bitter fact that their entire leadership, including prominent Jathedars and second rankers, were hoodwinked to believe that the void to be created by Muslim exodus from East Puniab would be filled by Sikh community from west of Wagha and thus they would form a solid majority in East Punjab. But when the process of migration from both sides of the boundary line in the Punjab began, the Indian authorities under a clear cut policy began to settle the Sikh refugees in such a way that numerical strength of Hindus in all districts of East Punjab remained undisturbed. As a result, "Sikh migrants spread all over India and many thousand went abroad."2 The main reason behind this policy was Indian Government's apprehension at the presence of a solid organised community in a stratigically important province lying adjacent to Tibet, China and the newly created hostile state of Pakistan. Thus the Sikh dream of

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having total domination in East Punjab got a rude shock. Anyhow with the passage of time and through initiative of their own, Sikhs concentrated in certain parts of the new province and "more than three fourth of their population remained in what had been called-The Cradle of Sikhism (Malwa).3 This phenomenon created ill-will and bad blood between the Hindus and Sikhs. The Sikhs complained of the apathy and coldness on the part of a community for whom they had suffered, while Hindus were perturbed at the failure of their scheming. They argued that Sikh concentration in PEPSU and northwestern districts of the new province was the result of a deliberate plan as Home and Resettlement departments at that time were headed by Sikh leaders who enjoyed special position in Akali politics. This was the beginning of the parting of the ways between the two, and with the passage of time the gulf of suspicion and illwill between them went on widening. The uncompromising and selfish attitude of the Hindu community as a whole added fuel to the fire.

The communal hatred unleashed by the Sikh leaders, at the behest of Hindus, instead of subsiding with the expulsion of Muslims from the province, reached new heights. But now the parties involved were Hindus and Sikhs. As both sides took stock of the post-partition conditions, their interpretation of freedom differed. For the Punjabi Hindus, independence meant total sway in the country including the province, while for the Sikhs, who had really suffered due to the partition, freedom came to mean a controlled thought and restraint on his activities, even in the birth place and cradle of Sikhism, Hindus, having painfully and reluctantly accepted partition of the Punjab and vivisection of 'Mother India', began to nurse the notion of complete hegemony over new India, while Sikhs took the expulsion of Muslims and the end of British suzerainty as the realization of their favourite utopia of Khalsa Roj. Both Sikhs and Hindus stuck to their extreme dictums, with the result that great catastrophic collision became imminent between them in the long run. The wedge created at the very beginning gave rise to ever increasing hatred between the two. Moreover, "the scramble for land and urban property left by Muslim evacuees created ill-will between them and Hindu refugees as well as the Hindus of Haryana

who had taken possession of land left behind by Muslims."4

Immediately after Independence, the Hindu leaders and their followers started the process of keeping the Sikhs outside the national main stream; they continuously deprived them of their basic rights and demoralised them. It was at the very time when Sikhs were trying to adjust themselves in the new environment. Economically, they were the most affected community. "From having been the most prosperous community, the Sikhs were reduced to the level of other Indian communities. This applied to both the agriculturists and the trading class. Sikh farmers of Western Punjab, owning large estates were reduced in the process of resettlement, while those of Eastern Punjab, were levelled by legislation fixing thirty acres as the maximum holding of land. The urbanite Sikhs were hit worse than the peasants. Urban property left by Muslims was far less than what the Sikhs had left in Pakistan. In addition, the Sikh merchant had to compete both with Hindu refugees as well as the established Hindu tradesmen. Many had been reduced to abject poverty. Prosperous merchants had to start a-new hawking their wares in the streets. Girls took to plying tongas, their younger brothers became shoe-shine boys,"5

Anyhow, Sikh community in India found itself in such an atmosphere as was charged with prejudice and communal hatred. Their religious symbols, particularly the beard and long hair, were made target of insults, desecration of gurdwaras became a common phenomena place and the old tales of Sikh follies became talk of every town. \*\*\* Even M. K. Gandhi, in one of his prayer meetings dubbed Sikhs as Zalim.\*\*

Mazhaka Khez-ridiculous-is the word used very appropriately by Daily Akali Patrica, Jullundhur, while describing the condition of Sikh community during that period. Other Sikh newspapers and magazines like Akali Jodha (Patiala), Sant Sipahi (Amritsar), Nihang Singh Sandesh (Patiala), Rayasat (Delhi), also give a vivid account of the treatment meted out to the Sikhs. These newspapers and magazines quoted slogans raised against them in every nook and corner of India. Some of the slogans quoted by Akali Jodha (Patiala), Sant Sepahi (Amritsar), Jeevan Pariti (Chandigarh) and by Mohatam Kulyan Dass Ji (in Sachi Khoj) are as follows:

ك ورو كويند سنكه بائ بائ

ا- گـورو نانک بانے بانے

Gru Nanak Hai, Hai Gru Gobind Hai, Hai

253 ,5 ,26

· نمنگوں کا استهان

Nihangoon Ka Asthan Nai Ke Dokan. (Barbar Shop)

نہنگ کتر ہائے ہائے"

4- اکلی کتر بانے بانے

Akali Kutay (Dogs) Hai, Hai Nihang Kutay Hai, Hai

ہے۔ نک نے مکھی بہن نمیں دینی سر نے بگڑی رہن نمیں دینی<sup>11</sup> Nak Te Makhi Bihan Naheen Deni Sir Te Paghri Rehan Nahcen Deni

ه- بندو ، بندی ، بندوستان نه ربی سکه نه ربی مسلمان 12 Hindu, Hindi, Hindustan, Na Rehi Sikh Na Rehi Muslman

۔ گوردوارے حلائی کے سکھوں کو وابکہ بار بہنجائیں گے<sup>11</sup>

Gurdwary Jalain Gay Sikhon Ko Wahgha Par (across) Puhnchain Gay

بهیجو اینان نون باکستان 1

یہ کچھا کا نے کربان

Kara, Kachcha Te Karpan Bhejoo Ehnan Noon Pakistan

8. Kara, Joora Ravioon Par (across the River Ravi) Kenchi (Scissor) Ustra (Razor) Karo Tayar

The last four slogans show that Hindus considered Sikhs as anti-India and responsible for the creation of Pakistan.

This was the situation in East Punjab. "Sikhs who crossed over to other provinces met the same lot. In Delhi, they were dubbed as thieves, decoits, and drunkards." In U.P, they had to face Hindus and aggrieved Muslims far advanced in education and proud of their culture, traditions and language. Rajputs of Delhi, Rajputana, and East Punjab, and Marhattas of the South ridiculed them for their poor performance during the communal riots. The myth of their bravery was also contemptuously discarded by the majority critics. Sikhs, having lost sympathy of the Muslims, the largest religious minority in new India, became out-castes for the Hindus.

This is quite evident from a policy letter, issued by the Governor of East Punjab only one month after Independence. The Governor instructed all Deputy Commissioners to take special measures for restraining the activities of Sikhs. "The Sikhs as a community," the letter said "are a lawless and criminal lot, and are a menace and threat for the law-abiding peaceful Hindus. So they should be handled with iron hand."17 The same instructions were issued by the Indian Army high command. All of the unit commanders throughout India were instructed to keep Sikh officers and Jawans in total check by all means. Many Sikh civil and army officers, like Mr. Kapur Singh ICS and Major Gian Singh protested but the inevitable lot awaited them. "I was awakened at mid-night," Mr. Kapur Singh later told, and "was handed over a letter from Chief Minister Dr. Gopichand Bhargava. This was an order of my dismissal as Deputy Commissioner. It was implemented without any delay and giving me any chance to explain and any benefit under law."18

The Sikhs in the Indian army were also hard hit. Many Sikh officers like Gen. Sant Singh and Gen. Digambar Singh Barar, got themselves clean shaved, and trimmed hair to please their Hindu commanders. Others who resisted the pressure were implicated in false cases and had to bear the brunt of court martial. "They included Air Commodor Mehar Singh, Major General Kulwant Singh, Brigadier Pritam Singh, Major General Kuldip Singh Dhillon and

Major General Lakhinder Singh, a GOC and a Quarter Master General.<sup>20</sup>

Thus within one year after Independence, Sikhs as a whole became totally disillusioned. "Post-partition conditions made many Sikhs doubt the wisdom of having thrown their lot with Hindus."21 Master Tara Singh and other Sikh leaders found government of secular India working according to the dictates of Golwalker and other extremist Hindu leaders, i.e., "kill the language, kill the culture, kill the community. . . . This would make India mono-lingual, mono-cultural and mono-religious."22 The process of killing the community had begun and the slaughter of language and culture seemed to follow. This process was so terrible that even Master Tara Singh apprehended it. But he was helpless and could only lament: "I have to see with my own eyes that Sikhs are being treated shamelessly. But I am helpless, knowing nothing what to do and where to go. O Sat Gwu, O Kalghian Wale show me the right path. O Guru Gobind Singh Ji, I am waiting for you, I am at Your mercy. Have pity on me."28 Persons like Khushwant Singh, while discussing this crucial period, were forced to conclude that Sikh community as a whole, would cease to exist by the end of this century, '24 Khushwant Singh is also of the opinion that the chief cause of Sikh uneasiness in free India was the resurgence of Hinduism which threatened to engulf the minorities. It manifested itself in a phenomenal increase in Hindu religious organisations, the revival of Sanskrit and the ardent championship of Hindi,"25

The tragedy of the situation was that Sikh leaders were totally unable to counter this onslaught as the post-partition conditions had rendered them totally helpless. It was due to two reasons; firstly, the mad game of death and destruction that Sikhs played at the time of Independence brought a severe blow to their own political organization, though Hindu capitalists, and almost all the non-Muslim native states provided them with all facilities like arms and ammunition, transport, ration and place of refuge during the course of this ugly play. Sikhs also robbed themselves of the right to complain against any injustice by the Hindus, who made the Sikhs

a target of all blames. Master Tara Singh lamented, saying, "On 3rd of March 1947, I raised the slogan of "Death to Pakistan" and Hindus accepted me as their leader. Now the same Hindus are dubbing me as solely responsible for all this loot and slaughter."23

Moreover, the topmost Sikh leaders, including Master Tara Singh and Giani Kartar Singh, belonged to the areas now lying in Pakistan. The Partition of the province had not only uprooted them, but had also scattered their community. So, their position was weakened. On the contrary, politicians from East Punjab gained strength and status. They included Partap Singh Kairon, Swarn Singh and Gian Singh Rarewala. Other Sikh leaders like Giani Kartar Singh, Ujjal Singh and Hukum Singh, tried to secure their future by cooperating with the party in power, i.e., Congress, while Master Tara Singh was compelled to champion the cause of the aggrieved Sikh refugees.\*\*26 Even Sant Fateh Singh made his debut in post-Independence politics by launching a Morcha in support of the aggrieved cultivators of Ganga Nagar district in Rajputana.\*\*27

In short, Sikh leadership, as a whole, was confronted with the tricky task of coming out of narrow provincial political arena provided under the benevolent British patronage and adjusting itself in a multi-racial, multi-religious and multi-cultural India, now under narrow minded Hindu domination. But Akali Dal as a strong organisation, representing Sikh masses as a whole, failed to stand before the trial of time. Its entire leadership had rendered itself quite helpless and as such totally unable to take a united stand on major issues confronting the community in new India. This was evident from the strong criticism that Master Tara Singh, its unquestioned head for about thirty years, had to face from within the community.

Most of the moderates, and the far-sighted Sikhs leaders, who had really suffered for the cause of community, strongly took him to task for betraying them. Even Giani Kartar Singh, while commenting on his strategy, said: "All we had is lost and got nothing."28 The Daily Ranjit, Patiala, strongly criticised Sikh leaders and wrote: "unfortunately we got leaders like Tara Singh, who always preferred

their personal gain to that of the community." The Weekly Fatch of Delhi, exposed his cheap game by commenting: "Master Tara Singh collected a huge sum by opposing Pakistan. But he again betrayed his community... when the whole area from Peshawar to Lahore was burning and Sikhs were suffering terribly, he slipped away to Bengal." Many Sikh leaders also blamed him for the massacre of innocent Muslims. They argued that Master's opinion carried substantial weight. Had he not accepted the partition of the province, the history would have been different. "Had he not been responsible for the massacre of one million people, fifteen million Punjabis would not have been rendered homeless." 29

Mahatama Kalyan Dasji, revealing that both the "British and the Muslims had offered us a state of our own," comments, that "Tara Singh had gone mad and he rejected this offer without a single thought.... This Sikh leader headed his community for twentyseven years, but led it from pit to fire. Now it has no wayout."<sup>20</sup>

Master Tara Singh, having lost the confidence of his own community and made an out-cast by the Hindus, was totally non-plussed. He lamented: "I do not know where I stand. Am I on earth or in air? Am I awake or asleep? I have no place of refuge, lying flat helplessly." I have no place of refuge,

The fate that befell two other stalwarts of Sikh community, who had rendered valuable services to the Hindus, i.e., Sardar Baldev Singh and Maharaja of Patiala, is also interesting and needs some discussion.

During the negotiations leading to the establishment of Pakistan, the future status of Indian army remained foremost in the minds of British statesmen. With their labour spreading over one century, they had made it the finest defence organisation in the world. They abhorred the very idea of dividing the mighty military machine they had built with so much care and devotion. The Hindus were also in favour of keeping it intact. Even Gandhi had agreed to put it as a whole under the British commanders to be used, in the time of need, for the protection of British interests. But the

Muslims opposed this idea tooth and nail as it negated the very basis of an independent state. Quaid-e-Azam made it clear that division of the Indian army between the two succeeding dominions is a prerequisite for accepting the British plan of withdrawal from the sub-continent. Later events proved his sagacity and far-sightedness. When this idea was put into practice, the Indian army suffered great dislocation. Though Pakistan was deprived of its due share of military stores, sophisticated weapons and armament factories, the major part of the army falling to the Indian share also had to go through a long process of re-organisation. Moreover, a substantial portion of the Indian army was scattered outside India, serving in Far East, Middle East, Europe and Africa. Above all the Congress leaders were faced with the task of establishing their authority on a vast country totally shaken by communal riots at that time. Many native states like Mysore and Travancore had not decided their future course till then. The Nizam of Hyderabad was trying to adjust himself in the changed circumstances. Many Rajput states were reluctant to throw their lot with the Government in New Delhi. long border with Tibet and China was exposed by the withdrawal of mighty British Raj having the full capability to deal with any danger from north by its own means as a major world power. Pandit Nehru was nurturing dreams of filling the void created by the British withdrawal in the whole of Asia. All this task required a strong army. The Sikh officers and Jawans formed about 32 per cent of the British Indian armed forces at that time.

The Hindu leaders tried their best to placate Sikhs in this game. Baldev Singh and Maharaja of Patiala had to play a major role, as they had served their Hindu masters earlier. Both of them were given V.I.P. status-the Hindu masses extolled them as re-incarnation of Maharaja Ranjit Singh, while the Congress leaders praised them as true Khalsas and protectors of the Hindu faith. For a period of two or three years both were pampered with every sort of respect and honour. Baldev Singh was considered the most respected and powerful member of Nehru Cabinet. Sardar Patel, the then Home Minister had special relations with him. Rajinder Singh,

Editor of the Monthly Sachitter Qumi Ekta (Gurmukhi), New Delhi, while giving a vivid account of his high status, he enjoyed, says, "He was son of a multi-millionaire and defence minister of a great power. All the Sikh leaders including Master Tara Singh worked as his servants." But this status was short-lived. Sardar Kapoor Singh writes, "After the death of Sardar Patel, Nehru dropped him from his Cabinet. This gave him a great shock and he fell seriously ill, and in a press statement lamented that 'Hindus have betrayed me. . . . " And a few days before his death, in a brief talk with Joginder Singh Maan, he said, "Now-a-days I am passing through great pain. But I fully deserve it. I thrice sabotaged the effort to create a Sikh State. May Panth forgive my sins,"32 Rajinder Singh, another Sikh leader, also gives a similar account of his frustration. According to him, "Baldev Singh, after having been fired as defence minister, admitted that he committed the greatest blunder by dancing to the tunes of Brahmins and now he was reaping the harvest."25

Kapur Singh, while describing his last meeting with Baldev Singh says: "Two or three days before his death, I had a chance for a chat with him, and found him totally frustrated. He said, when you advised me not to have faith in Hindu Congress, I thought you were mad. But now I admit that actually I had gone mad... Had I known the real intentions of Congressites, I would have done something for my community." 124

The same lot awaited Maharaja of Patiala. For a few years, he got a V.I.P. treatment from New Delhi. Hindus praised him as a true patriot. Sardar Patel showed special favour to him and persuaded him to undertake the task of rallying round in all the native states of the Punjab. He performed his duty well, and was rewarded by being appointed as Raj Parmukh of newly created PEPSU (Patiala and East Punjab States Union). But PEPSU had a short life of about nine years. It was abolished in 1956 and all its member states were disintegrated to become new administrative units of East Punjab. And Maharaja Yadavinder Singh, the ruler of the largest Sikh State of Patiala, passed the remaining few years

that industrialisation of each of the countries of the region is a common interest of all the countries. India's technical and manpower reserves and productive capacities and infrastructure are transformed into a regional resource of value to each of the countries. Each country in South Asia is in rearch of a better balance between agriculture and industry and more even development between its different regions. Therefore, according to its resource endowments, each country has to formulate its own design of long-term industrial and economic development. Alongside the resources and technical know-how from developed countries. India is in a position to make a significant contribution to the implementation of the industrial plans of other countries in the region. Its contribution should be in the form of a long-term partnership which will be seen by each country to be in its own interest, thereby setting the pattern also for wider international economic relationships. New systems of economic and industrial collaboration need to be devised to suit the conditions of South Asia.

- (ii) The experience of the Asian Clearing Union suggests that countries in South Asia could go on to eliminate exchange restrictions and introduce at least limited convertibility among themselves. Until the region can act as a whole, for its part, India could agree to accept payment for goods and services supplied by it in national currencies, besides goods and services.
- (iii) India is and should be a major market for agricultural and industrial goods produced within the region. The study by the Indian Institute of Foreign Trade mentioned earlier has identified lists of products which India could export with advantage to neighbouring countries as well as those which they could import from India. With greater complementarity, potential exchanges can increase steadily. While the smaller economies will feel the need for protecting

of his life as an ordinary citizen of India, looking after his farm a few miles away from his former capital.

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# Political Change and Stability: A Third World Perspective with Particular Reference To Pakistan

#### DR. MOHAMMAD SARWAR

Change occurs in all societies as it is unavoidable and is a natural phenomenon. Twentieth century politics is marked by swift socio-political changes. In the early phase of the present century, European nations had predominance over Afro-Asian nations. At present the Third World has also gained political importance. Not to speak of changes in international politics, the process of change has swayed the conventional patterns, structures, objectives and ways of life of Western political systems. Long standing patterns of social organisation are weakened. New Social classes-an urbanized labour force, growing number of local enterpreneurs-arose due to the tide of change.

Political scene in the Third World societies also reflects a new outlook. Now elites in these societies seek to refashion old societies and to pattern the change (in part at least) on the successful experience of other countries. Nevertheless, the process of change in these societies has been more swift and has certain peculiar features. In Pakistan, for example, socio-economic change introduced by the PPP's regime was of revolutionary nature. In practice, however, it proved unstable, disorderly and imbalanced. The extreme type of social and economic mobilisation generated by the policies of the regime proved a hurdle in stabilising policy gains. Inconsistency in political decisions, the presence of divergent interests

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in the decision-making elite, and factionalism within the ruling party, further aggravated the political situation.1

## PATTERNS OF CHANGE IN THE MODERN WORLD

If we study the process of change operating in modern world, we find three different patterns. One is the institutional pattern of Western Europe in which the change process has been orderly, hence evolutionary. Such societies are "characterized, among other things, by a comparatively high per-capita income, extensive geographical and social mobility, a relatively high degree of commercialization and industrialization of the economy, an extensive and penetrative network of mass communication media and in general, by wide spread participation and involvement by numbers of the society in modern social economic processes."

Second type of patterns in which change occured included societies having institutional patterns based on dominant executive and strong bureaucracy while the representative institutions like political parties, legislatures, etc., were comparatively weak. This category included Eastern European countries, Japan, Latin America (Costa Rica and Brazil) and certain regimes of Asia and Africa.

Third type of institutional patterns was in such systems where political parties were domineering, as most of them had struggled for freedom and had later changed their patterns. Communist parties of Russia, Ghana, and PRI in Mexico, are the examples. In such systems the executive and bureaucracy are strong as compared to legislative bodies. Most of these countries are still overwhelmingly rural; the majority of the population are illiterate, and per-capita income remains very low. Social and geographical mobility is relatively high in the modern sector but very low in the rest of the society. This is generally the state of affairs in most of the Third World countries.

#### FACTORS OF CHANGE

Many factors have affected the process of change in the developing polities, of which modern technological advancements have considerable impact on revolutionizing the structural and institutional patterns, as well as on the patterns of interests and economic set up of these societies. The gross disparities between the standard of living and career opportunities in the urban centres and in the village areas have accelerated a movement into the urban centres far beyond the capacity of the later to provide employment. Consequently, there exists elements predisposed to anomic activity.

The second cause in this context is the rising expectations generated by socio-economic political mobilisation in these societies. These expectations have created thorny problems and demands among the masses. When these expectations are not satisfied in the face of limited resources the people feel frustrated. Thus discontentment, frustration and reactionary trends are the resultant factors, paving the way for coups and extra constitutional change. In fact, modernisation has developed aspirations in the minds of various groups of citizens for progress towards many new goals-economic, educational and cultural-which are not regarded by traditional governments as within their responsibilities. It is to be noted that this had been the state of affairs in Pakistan after Independence.

The third main reason is the growth of population resulting in unemployment and decrease in per capita income. Such a state of affairs paves the way for disorderly and abrupt change. Cold War on the international front has also adversely affected the internal politics of depended countries of Asia and Africa. There has been frequent intrusion by more advanced societies in the traditional societies. Now the form of physical intrusion (such as colonial rule) is not a common practice, it is through economic measures and the communication of skills and ideas.

#### DIMENSION OF CHANGE

Political change can be both toward progress and toward decay. In most of the developing societies such as Pakistan, the direction of change has been toward decay. In those societies where people are divided and ties of integration are weak and political culture is marked by extreme polarisation, the polities have to face caute instability. Certain traits of political culture of a society also contribute to promoting stability or instability. Violence and trends of hero-worship in people also pave the way for instability. In most of the developing countries there are political parties having religious basis. The participation of religion in secular polities aggravates communal tension. It also perpetuates the struggle between those demanding a greater role for religion in the state and those demanding a secular polity.

As a matter of fact, abrupt type of change in socio-economic conditions leads to political decay because under such circumstances sufficient time is not present for the development of stable political institutions. Economic and social mobilization in developing societies increases the urges of people to have political participation while existing political arrangements are not sufficient to satisfy these urges, as these societies have generally non-participant political culture. Thus the established political system loses its legitimacy in the eyes of the people who are politically mobilised. Orderly change, as pointed out by Sidney Verba, requires that people should consider themselves as part of the system.

In Pakistan, for instance, Ayub regime tried to bring change through economic and social measures while it could do nothing for political development, as the system remained authoritarian. The internal cleavages, coupled with comparatively high levels of illiteracy and the authoritarian control in the society, prevented the emergence of a democratic pattern. Later, the PPP regime endeavoured to bring revolutionary changes in the economic field without giving proper attention to the building up of requisite environmental settings. As a result, change engineered by the regime proved instable.<sup>7</sup>

Stable and orderly change is that which is in tune with the established norms and expectations of the people viz., it is legitimate. Only such a political change can have deep and far-reaching stabilising effects on the system. But a change cannot be stable which is out of tune with the socio-political environment.

The process of commercialization and industrialization of the economies of these societies has not every where contributed to social or political integration or to the emergence of a politically relevant enterpreneurial or middle class. For Latin America, L. Beals notes that "Industrialization and the rise of new values have been accompanied by an accentuation of the rural urban contrast in most countries. A disproportionate amount of national income has usually gone into the improvement of cities, making them increasingly desirable, in contrast with the underdeveloped or unmodernized countryside." In most of the developing societies wide gap exists between the traditional and essentially modern subsociety of the westernized elite. The latter controls the central structures of the government and essays to speak and act for the society as a whole.

Socio-economic change as initiated by the Ayub regime in Pakistan, for instance, was minimal, and resulted in economic inequality between a small middle class and enormous lower class. A new business and industrial class got maximum benefit through government subsidized private industrial development. But all was of little benefit to the poor classes, urban and rural both. Agrarian Reforms under the PPP regime, of course, reduced economic power of big landlords in the Punjab while preserving that of large owners in Sind. The motivation for nationalization was political in the narrowest sense of the word. Nationalization placed at the disposal of the government tremendous power of patronage, resources and employment opportunities which could be used for the support of the Government Party. 11

In fact, stability of a system is conditioned by the expectations and roles of the individuals of a political system. The traditional culture must undergo drastic alteration; psychologically men must transform the old culture in ways which make it compatible with modern activities. It involves, as Manfred Halpern argues, "The transformation of all system by which man organises his society—the political, social, intellectual, religious and psychological systems." But in developing socities socio-economic changes are not coupled with changes in cultural norms, which should have been brought

about through political socialization which is the process of induction into the political culture.

In Pakistan, the PPP regime introduced revolutionary reforms. But there was uncertainty regarding the exact method to achieve the objectives of certain programmes, while the inevitable social and cultural resistance to other changes limited the impact of many programmes and policies. So decisions to achieve large changes were made but these were not guided by a high level of understanding because facts prove that they brought quite unanticipated consequences.

# THE PROBLEM OF PEACEFUL TRANSFER OF POWER

Political change in a system implies three things. It is change either in personnel, or in policy or in structures. Stable and orderly change requires harmonious change in all the three patterns of a system. In developed polities, change in personnel occurs through established electoral method, that paves the way for peaceful transfer of power. But in developing countries, it occurs through extra constitutional method viz., coups, rebellions and other violent methods. In Pakistan also, extra constitutional changes have frequently occured.

Armies and bureaucracies in particular tend to play a predominant role in the process of change, as they have a special responsibility for the maintenance of law and order, a major desideratum both in the stabilization of the new states and in maintenance of oligarchic politics. The role of army in the politics of developing countries have been very effective till recently. Armies have been frequent repositories of political power. Coup detail has not been an instrument of attaining political power, rather it has been an instrument of stability for the time being. It must be admitted that sometimes constitutional governments also pave the way for coups. The autocratic trends of a popularly elected government necessitate change. Mussolini got political power in 1922 through constitutional means but later transformed the system into an autocracy. The most recent example is the overthrow of PPP's regime in Pakistan in 1977.

Nevertheless, in certain Third World countries like Japan, India, Malaysia, Phillipines and Mexico there has been peaceful transfer of power. Free elections, freedom of speech and assembly and sound administrative set up guarantees and secures peaceful change. Thus intensity of conflict and tension is minimized through mass participation in the system. Peaceful change not only secures stability but helps in the extension of state social services in different fields.

It is generally observed that economic development, despite its certain positive effects on socio-political structures, invariably impede peaceful change. This has been the experience of most of the developing countries. Revolutionary regimes, in general, bring basic changes in the system resulting in shaking the established procedures, norms, values and institutions, hence paving the way for anomic political activity. The nature of revolutions against colonialism, however, has been of different nature, as these aimed at throwing the yoke of foreign slavery and exploitation. But revolts against internal elites in societies moving towards economic development normally foster violence and instablity. Such revolutions add to the rising expectations and inculcate class consciousness among the masses thereby promoting class conflict and tension. Hence, extra constitutional change paves the way for further change producing more instability.

#### CHANGES IN PROCESSES AND STRUCTURES

Change can also occur in Institutions, procedures, structures and Institutional roles. Every political system shapes policy process to attain certain objects. In developed systems, policy process is carried on through established democratic norms. But in developing countries it reflects acute type of conflicting interests. Political elite in such countries make policy to suit their political designs and economic interests.

The charismatic leadership which attained power in most of these countries enforced abrupt type of socialistic policies, while the pre-requisites of such policies were not met. Citing the example of Pakistan during 1970's, Anwar H. Syed observes that the PPP regime tried to introduce swift changes at a time when administrative patterns and established Institutions were being overhauled. As a result, the policy targets could not be attained in the absence of a well established administrative apparatus. Lack of coordination among different ministeries was also a routine affair in this period. The government claimed to change class structure and tried to introduce reforms in this direction, but the elite structure remained intact, although there was slight reshuffling in its composition.

Political change in 1977, brought corresponding change in the influence structure. The traditional elite, civil-military bureaucracy, once again entered in the political arena. The military establishment has become entrenched, and involved in administration and decision-making. But side by side, the religious sections of the society also emerged as participants in political decision-making.

In a zeal of introducing revolutionary changes, the regimes in most of the developing countries, chalked out the policies in an emotional manner to the neglect of collective needs and interests. Imbalanced type of change as introduced in Pakistan in the economic sphere in early 1970's brought unprecedented disastrous results, especially to the industry, creating the problem of decrease in production and non-investment in the industrial sector. Inflation and flight of the capital to other countries were the serious problems which the national industry had to face. Devaluation of currency in 1972 increased the prices of different commodities including the consumer goods. The Annual Report of Lahore Chamber of Commerce and Industry, 1972, pointed out the alarming situation resulting from this decision in these words:

"The Pakistan rupee was fixed to Rs. 11 to a dollar as against Rs. 4.76 to a dollar... It created a lot of difficulties for trade and industry. Because of high cost of imports in terms of rupees the import duties became excessive... It also created a number of fiscal anomalies making the imported finished goods cheaper than the locally manufactured goods."

their infant industries, as India did in earlier years, the quantities and the character of manufactured and processed goods which neighbouring countries can supply are well within the obsorptive capacity of the Indian market. Therefore, free entry into India of goods genuinely produced by its neighbours will be a step worth taking through mutual bilateral agreements.

(iv) Even within the limits of its capital resources, India is in a position to provide considerable long-term aid and credit to neighbouring countries, and especially to Bangladesh, Nepal and Sri Lanka, to enable them to obtain capital goods and intermediate products for their industrial and economic development. This would provide material support for expension of trade within the SARC region.

These are some of the general directions in which India can work towards greater economic complementarity among the economies in South Asia. It is to be hoped that at a not too distant date, following the summit meeting at the end of 1985, SARC will set up a group of senior experts to study questions relating to trade, not in isolation, but as an instrument for and a bye-product of increasing co-operation in industrial, economic and agricultural development and greater collective self-reliance for the region as a whole.

In developed and stable political systems, national interest not only transcends but embodies all specific interests and the policy is not the product of competing claims of specific interests, but rather a reflection of the national will of the modernizing national elite.

Changes can also occur, as already pointed out, in structures and institutional roles. In developed systems, these are based on constitutionalism or on conventions as in Great Britain. But in Third World countries these are not deeply rooted and, therefore, are prone to abrupt type of change.

An orderly change requires a harmonious and integrated change in all the three variables of a system. For instance, the decision of political leadership to bring change in policy decisions through established norms can affect certain structures and procedures. While certain decisions result in change in political leadership or in strengthening their hands. Similarly, change in political leadership results in change in entire political set up, resulting in promoting new interests. Nevertheless, change in structures has far reaching effects on political patterns, interests and processes. As a matter of fact, it is difficult to determine exactly what sort of change promotes or adversely affects stability of a system. The dimension and content of change varies from one situation to another.

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The Sikhs have a distinct historical, cultural and religious entity which has stood various buffets of fortune and severe test of time. Their history is mainly characterised by protest against the establishment which has been instrumental in evolving a corrupt socioeconomic order. Their struggle for holding aloft the cause of righteousness has been persistent but occasionally, they themselves have resorted to ruthless terrorism, partially due to semi-barbarous ethnic composition but mainly because of the chaotic political and military conditions prevailing during the later Mughal period. The authors of this well-researched book, maintain that the present struggle of the Sikhs can be meaningfully understood only in the backdrop of the peculiar Sikh psyche referred to above. They believe that Sikhism has firm roots in history and as such is unlikely to disintegrate despite severe recent reversal. They are now relentlessly asking for a separate homeland and their present movement needs to be understood in the wider perspectives of their deep-rooted traditions and aspirations.

The authors have tried to give aidetailed analysis of Sikh's current problems which have culminated in headlong collision with the Government of India. They have also tried to peep into the future and foretell what probably lies in store for this minority community. Their analysis is primarily based on the agitational politics in the state of East Punjab during the last few years.

From the narrative we learn that way back in 1950, the Sikhs had raised the demand for a Punjabi Suba. The demand was

absolutely in line with Congress policy of the pre-independence period. We recall that even in 1920s, the Congress had advocated a policy in which the national base structure was not dependent on British administrative units but was demarcated along linguistic lines. The formation of Andhra Pradesh (in 1953) on linguistic basis gave an incentive for the demand of a similar state for the Sikhs of the Punjab and with that began their efforts for a Punjabi speaking Suba. This demand, however, was summarily dismissed by the Central Government.

At this Master Tara Singh, reacted very sharply and organised mass agitations demanding a Punjabi Suba from the Union administration. The Hindus on the other hand were opposed to the creation of Punjabi Suba. They had the perpetual fear lurking in their mind that the proposed state being dominated by the Sikh majority, would weaken their status.

To worsen matters the centre started denigrating the Sikh cause through their proverbial clever contrivances. It was tragic indeed that the centre instead of resolving this nagging problem, clandestinely started exploiting the differences among various fractions of Sikhs through various methods. The consequences of this dubious policy of the Congress led to the final catastrophe of June 1984.

The authors are convinced that SAD (Shiromani Akali Dal) was not basing its demand on communal grounds. In all probability, with or without the SAD, the Sikh demands would have remained basically the same as they were because of the genuine aspirations of the Sikhs of the Punjab. The SAD merely represented popular aspirations and articulated them through an organised political platform. The SAD with its massive backing (at least on this issue) was genuinely sure of a unanimous support. Much to the dismay of the Sikhs, tables have initially turned against them, but if history is any indication, there are bold writings on the wall that Sikhs will not rest content unless their demands are fully met.

The most agitating problem today is the distribution of water between the states of Punjab, Haryana and Rajasthan. Punjab is aggrived that excess water has been allowed to flow to the states of Haryana and Rajasthan by the Government of India against the interests of their state. This, according to the Punjab claim, is at the expense of their own requirement. Additionally, the Akalis are demanding the inclusion of Punjabi speaking areas of Haryana, Rajasthan and Himachal Pradesh in the Punjab. On the other hand, the Hindus argue that this is impossible for the Union to meet because the acceptance of the demand would be opening up a pandora's box of other similar territorial issues. It is argued by the Congress that if the Government of India were to concede such a demand, it would then likewise have to carry out such exercises all over the country.

The authors further reveal that Bhindranwale was a fundamentalist who had become extremely popular among the Sikh masses. He, alongwith Talwandi, established a successful morcha against the Government in 1982. This development forced Longowal to join them under the doctrine of necessity. He feared that if he did not cooperate with these militant leaders, he would become politically extinct. This to some degree unified the Akalis. The agitation for Sikh rights, however, soon turned to violence with Bhindranwale demanding that the Anandpur Resolution be met immediately by the Government.

In retrospect it will be appreciated that some of the Sikh demands were rather fantastic and as such, incomprehensible. These, however, should not have been ignored so callously. It was wrong for the Government to have opted for a military solution. Incidentally, General Arora, on June 17, 1984, in a television interview brought out that the Sikh demands were essentially political but Indira Gandhi had tried to solve these political problems with military means. Certainly, this was her serious mistake which ultimately led to her assassination.

It will not be amiss to mention here that the state of Punjab and its Sikh inhabitants occupy a "very special place" in the strategic set up of the Indian Union. The state of Punjab is located in a strategic border formation with Pakistan. Moreover, the only land route to occupied Jammu and Kashmir lies through this state. Thus it further enhances its military significance.

With this background in view, the authors draw our attention to the fact that a careful analysis of the Sikh reaction after the June 1984 events, would reveal that such an act was practically inevitable. The Sikhs had been wronged badly and as such were bound to retaliate. Therefore, it was not surprising that a few young desperate zealots felt the Sikh nation's humiliation so deep that they took it upon themselves to avenge their nation's disgrace by obliterating the main actor responsible for their humiliation and suffering.

The authors are of the view that the occupation of the Temple, united the different shades of opinion among the Sikh masses and the resentment was naturally focussed on Indira Gandhi. Various events were unfolded after Operation Blue Star. These included, three hijacking attempts of which only two were successful. Such incidents reflected the deep resentment of the Sikhs against the Indira Government. Regrettably, all normal and legal means of popular discontent were closed to the Sikhs. Therefore, a violent reaction was the only logical outcome. The SAD was made totally ineffective by the arrest of a larger number of its leaders. Punjab continued under military control and the press remained effectively censored. The umberella of the Army was protecting the Hindu Punjabi from any effective challenge on the part of the majority community in the Punjab. As things stand today, in all probability, the Sikhs will make attempts to appeal to the International community to know about their sad plight in India. On the internal front, pressures are important to remould the Government's policy. Therefore in all likelihood, now the Sikhs would not be easily discriminated. In case, they are not properly placated, they will embarrass the Indian Government exposing its much publicised policy of secularism and democracy.

Second portion of the book brings out an annotated chronology of important events. It encompasses all detail necessary to understand this issue in its historical perspective.

The book in question is a quality research effort. The authors have made an attempt not to be carried away by sentiments but their

prime consideration has been to hold aloft the canons of objectivity.

This is essential for all genuine research scholars.

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Stanley Wolpert, Jinnah of Pakistan, New York, Oxford University Press, 1984

Pakistan Movement as such is not yet a thoroughly exhausted field for researchers both inside and outside Pakistan, rather it would not be an exaggeration to say that by and large it is still a semiexplored realm. Due to the steady and tragic decline of social sciences on account of unavailability of qualified academics, coupled with a stereotypic approach towards the humanities at the highest echelons, the studies on various aspects, events, personalities, regions, factors and pressure groups related with the Movement, one way or the other, have been the root-cause of this dilemma. Soon after Independence in South Asia, the pioneering inter-pretations on pre-1947 history started coming into limelight, mostly responding to sociopsychic needs of the inhabitants of the young countries. In the Pakistani perspective, the intransigence of the Hindu-dominated Congress joined with imperialist policies of the rulers were presented as the main steering forces in the evolution of what was then defined as "Muslim Separation in India." Dr. Ishtiaq H. Qureshi's wellknown explanation of the Muslim political consciousness ensuing in post-1857 era became a focal point for the entire generation of Pakistani writers. The struggle for Pakistan became a living representative of this particular school of the young Pakistani historiography.

Sir Syed Ahmed Khan's Aligarh Movement, League policies and the eventual summarization of the entire Muslim experience in South Asia until 1947 on the basis of Two Nation Theory became easily comprehensible, yet somehow too simplistic an interpretation of the freedom movement. Jamil-ud-Din Ahmad took pains to enhance the scope of the Movement, dating it rather from the time of Ibn-e-Qasim while S. M. Ikram very efficiently depicted the contributions of a number of known and not-that-known personalities in the emergence of Muslim political consciousness, Professor Ahmad Hasan Dani dwelt on the cultural historicity of 'Pakistan' relating it with the Indus Valley Civilization, while Aziz Ahmad analyzed intellectual as well as cultural heritage of the Muslims all through their thousand years of history in the Sub-continent to prove that despite being a different nation, they made valuable additions to the splendour and glory of India.

Khalid B. Sayeed, Abdul Hamid, K.K. Aziz, Waheeduzzaman, and quite a few other notable historians of the 1960s and 1970s further elaborated the Pakistan Movement in the light of Hindu-Muslim conflict. The left-leaning historians or writers on Pakistana very small minority indeed-never felt comfortable with the aforementioned explanation of the Movement. To them, economic factors, class-conflicts, blunderous politicking of the Congress and the imperial designs of the ruling hierarchy were the major causes for the great divide. Likewise, Indian historiography, for long, kept on presenting very simplistic generalizations on the leadership of the Pakistan Movement, and the 'separation' or 'partition' or 'twonation concept' appeared enigmatic to quite a few Indian historians, The Congress was accredited an absolute recognition for its long struggle for independence to an extent that the contributions of the League were either completely denied or relegated to a very inferior status, Gandhi, Nehru, Patel, Bose and Maulana Azad were portrayed as the only luminaries while the Quaid-i-Azam, Allama Iqbal, beside many other veteran Leaguers, were looked down upon. The Indian hostility towards Pakistan host of issues was bleakly reflected in historical writings on Pakistan Movement.

Lately, Indian historiography seems to be flourishing in a diversified way, where regional and ethnic studies besides an implied recognition of the genuineness of the Muslim struggle in South Asia are rather new, infant and sparse factualities. Still, there is no dearth of those quarters who attribute post-1947 problems and political debacks inside Pakistan to League's demand for an independent state in the 1940s.

Coming to Western historiography, Gallaghar, David Page, Anil Seal and their associates have been digging up "alternative" explanations of pre-1947 South Asian politics to add to the existing interpretations of Smith, Hardy, Jones, Tinker and other British writers related with the School of Oriental and African Studies and London School of Economics. In the United States, the traditional Indic Studies of pre-Partion days at the University of Pennsylvania. Columbia University and the University of California included individual courses on Sanskrit or Indian culture until in the 1960s; an interest for a more comprehensive research on contemporary South Asia resulted into well-coordinated programmes at various other institutions like Harvard, or universities in Chicago, Michigan, Utah and Carolinas. Norman Brown and Palmer, two pioneer historians from the 1930s, were joined by a new generation of Ainslee Embree, Howard Wriggins, Ralph Brainbanti, Thomas Metcalf, Wayne Wilcox, Lawrence Ziring. Ted Wright, Louis Dupree and Leonard Binder and many others. Generally, India, due to its size, political stabilility and cultural complexity, received more interest, though the University of Chicago and the University of California at Berkeley showed a considerable interest in Urdu programmes, too. A new generation of historians like Barbara Metcalf, David Lelyweld and Emily Brown along with quite a few Pakistani political scientists and authors settled in the U.S. or Canada, have been involved on their own individual basis in many new sub-disciplines of academics regarding South Asia.

Professor Stanley Wolpert (b,1927) belongs to the generation of J. Richter, S. Cohen, L. Rose, H. Raulet, B. Prey, L. Bean, P. Brass, Hardgrave Jr., L. Gordon and D. Dalton, and has been on the faculty of the University of California at Los Angeles (UCLA). He has been responsible for publishing quite a few articles and volumes on South Asian history. After publishing his Roots of Confrontation in South Asia, A New History of India, Nine-Houre to

Rama and Tilak and Gokhale, Professor Wolpert came out with his much-awaited biography on the Quaid-i-Azam. Actually, at the book exhibition administered under the auspices of the American Association of Asian Studies at its annual conference in late-March, 1984, at Washington, D.C., the typescripts of Wolpert's Jinnah of Pakistan were displayed by the Oxford University Press to let the scholars have an initial acquaintance with the work. The book, comprising of 421 pages, finally came out in April and since then has been reviewed exhaustively in quite a few dailies and journals. Consisting of 21 chapters, the biography deals essentially with the life and achievements of the Quaid in relation to different stages, places and phases in his personal as well as national career.

The early chapters of the book deal with his early life, family and interests in and around Karachi until the Ouaid leaves for England and adopts competetive, sophisticated lifestyles of the then England. His return to Bombay, successful practice, advocacy of Muslim cause on Waqf Bill and politico-cultural interaction with the community at large under the influence of Dadhabhai Nauroji and Gokhale make youthful Jinnah a hero for the Bombayites. His role in the Congress and then at the Lucknow Pact is hailed by everyone and initial experiences elevate his stature as a scrupulous, bold and devoted statesman. During the Khilafat Movement and its posthumous, when the League is in a shambles and communalism is on the rise. Jinnah tries to guide the Muslim politics through his brillient Fourteen Points. The antagonism of the Congress, communal turbulance and the Gandhian ventures leave Muslim political struggle thwarted out of the mainstream South Asian arena and a new political career emerges in Jinnah's life.

Professor Wolpert, while discussing the Quaid's political achievements, tries to present an insight into his personal life, including the marriage with Ruttie and her subsequent experimentation with the metaphysical pursuits. Basing his study on the Ruttie Jinnah Papers in Kanji Dwarkadas Collection at the Van Pelt Library of the University of Pennsylvania, Philadelphia, Wolpert tries to depict Jinnah's role as an unflattering lover and a devoted husband, who

# Compatibility of South Asian Economies

#### M. L. QURESHI

Keynote address read at the International Conference on South Asian Regional Economic Cooperation held at Dhaka on 9th January, 1985.

#### 1. SCOPE FOR REGIONAL COOPERATION

The compatibility of the economies of South Asian countries comprising Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, is dependent on the scope for economic cooperation amongst them. Even a cursory examination of the economies of these countries would show that the scope for such cooperation is very great, although the actual level of cooperation at present is very limited.

Countries of the region have common problems in the field of international trade. India and Bangladesh have common problems for the export of jute and jute goods due to competition from substitutes. Although they compete with each other in the world markets, there is scope for cooperation in market research to expand the market and in technical research for reducing production costs, finding new uses for jute and jute goods and for arrangements for the stabilization of jute prices. India, Bangladesh, Sri Lanka and Pakistan are all interested in the export of shrimps while the first three are interested in the exports of tea. They can cooperate in international arrangements for the stabilisation of prices as well as

Mr. M. L. Qureshi is a former Chief Economist of Pakistan and is presently President of the Development Studies Institute, Labore Cantt.

was extremely perturbed at the illness and then the tragic demise of his spouse in a French hospital.

By dint of an exhaustive study of the Quaid-i-Azam Papers, Muslim League Papers, private correspondence, official documents and interviews, Wolpert has successfully narrated the complete biography of the Father of the Nation. Comparison with Gandhi is a frequent feature in the book along with the British as well as the Indian leaders. Somehow, Sir Sikandar Hayat Khan has been portrayed as an opponent and adversary of Jinnah, though the facts generally prove otherwise. From Lahore Resolution to the attainment of Pakistan, all major developments are presented as revolving around the personality of the Quaid, who is more resolute than any other Indian statesman and a constitutionalist to his backbone. He defies the British snobbery valiantly, unites his own people, and despite a very fragile health in his advanced years obtains an independent country for his nation.

Professor Wolpert, while discussing the Kashmir Question, acknowledges the stubborness of India's leadership in establishing smoother relationship with Pakistan. The influx of refugees and severe economic problems beset the young republic and Mir Laik Ali manages the financial help for Pakistan from the Nizam of Hyderabad. The Quaid despite his failing health, keeps on working untiringly and undertakes wide tours of his country until he is totally bedridden in Ziarat. The concluding chapters of Jinnah of Pakistan make a moving story of the departure of "one of history's most remarkable, enigmatic figures." To Wolpert, as he claims in the beginning of the book, "Few individuals significantly alter the course of history. Few still modify the map of the world. Hardly anyone can be credited with a nation-state. Mohammad Ali Jinnah did all three." Still further: "more powerful than Pandit Nehru, Quaid-i Azam, Jinnah was one of recent history's most charismatic leaders and least known personalities."

Wolpert's book is the first ever biography on the Quaid from North American and poses quite a few questions and challenges for historians and biographers dealing with South Asian Studies. It equally reminds relevant Pakistani institutions and academies to come up with similar research work on Pakistan Movement and its versetile leadership. The biographies of the Quaid-i-Azam written earlier by Raees A. Jaafari, M.H. Saiyid, Z.A. Suleri, Sharif ud-Din Pirzada or the recent interpretative works by Waheeduzzaman and Sharif ul-Mujahid need to be added with more exhaustive, elaborate, competent and scientific studies.

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## SOUTH ASIAN REGIONAL COOPERATION STANDING COMMITTEE: THIRD SESSION MALE'-FEBRUARY 5-7, 1985

# REPORT OF THE STANDING COMMITTEE INTRODUCTION

- The Third Session of the Standing Committee was held in Male' from February 5-7, 1985, under the Chairmanship of Mr. Ibrahim Hussain Zaki, the Senior Under Secretary of the Ministry of Foreign Affairs of Maldives. The Agenda adopted by the Committee is reproduced in the Annexure I.
- 2. The Session was inaugurated by His Excellency Mr. Fathulla Jameel, Minister of Foreign Affairs of Maldives. In his inaugural address he acknowledged that "the tremendous strides that South Asian Regional Cooperation has made within so short a time is testimony to the common awareness and belief of our peoples in the principle that it is only through cooperative efforts that we can move forward and promote a climate of harmony and confidence in the region and in the world as a whole. Such confidence, positive commitment and harmony is badly needed now, in order to alleviate the dangers and hardships of our lives." He stressed the need for the South Asian Countries to be united and alert not to permit whatever shortcomings that may exist in our systems to be exploited by outside powers. Reiterating that the foremost goal of SARC must be to strengthen the economic and social status of the peoples of the region and referring to the dire shortage of production and employment, inadequate health conditions, malnourishment and rapid growth of population faced by the members of SARC, he emphasised the need

The Centre for South Asian Studies is grateful to the Ministry of Foreign Affairs (Director SARC) for providing material on South Asian Regional Cooperation.

for better planning, exchange of information and enhanced cooperation to combat these problems.

- 3. The Minister expressed his deep sorrow over the tragedy of the untimely demise of Shrimati Indira Gandhi, the late Prime Minister of India and stated that she had worked sincerely and endeavoured tirelessly to make SARC a reality and a positive force to reckon with.
- 4. On behalf of the Committee, His Excellency Mr. Bishwa Pradhan, the Foreign Secretary of Nepal, thanked His Excellency Mr. Fathulla Jameel for his inspiring address. It was decided that the text of the address should form part of the final records of the Committee.
- 5. The leaders of the delegations expressed deep sorrow at the tragic demise of Shrimati Indira Gandhi, the late Prime Minister of India and paid glowing tribute to her strong commitment to SARC and her contribution to the furtherance of its objectives.

#### REPORTS OF THE TECHNICAL COMMITTEES

- The Committee noted with appreciation the progress achieved in the implementation of the various programmes since its second session and endorsed the reports of the Technical Committees in the nine identified areas.
- 7. The Committee recalled that at their second meeting the Foreign Ministers had stressed that as further progress is achieved increasing emphasis should be placed on operational activities and the formulation of specific projects. The Committee noted with satisfaction the progress already achieved in formulating such projects and requested the Chairmen of the Technical Committees to report to the Fourth Session of the Standing Committee on the latest position in this regard.

#### FINANCIAL ARRANGEMENTS

### (a) Contributions by South Asian Countries

The Standing Committee took note with appreciation of the further contributions announced by the countries of the region as an expression of their support for SARC activities.

- 9. The Pakistan representative indicated that a proposal for doubling his country's contribution to Pakistan Rupees 10 million for 1985-86 was under consideration. The final position would be communicated by July 1985. In addition, an amount of Pakistan Rupees 500,000 would be earmarked for award of scholarships to students from South Asian countries.
  - 10. The representatives of India, Sri Lanka and Maldives indicated their budgetary provisions at Indian Rupees 10 million for 1985-86, Sri Lankan Rupees 3 million for 1985 and Maldivian Ruffya 84,000 for 1985 respectively.
  - The Bangladesh representative indicated that a proposal was under consideration to increase significantly his country's contribution in the budget of 1985-86.
  - Other delegations indicated that consideration was being given to make appropriate budgetary contributions for SARC activities for 1985-86.

# (b) External Assistance

- 13. As regards the utilisation of the offer of assistance from EEC, the Sri Lankan delegation confirmed that the procedure for disbursement to the Sri Lankan Government of ECU 100,000 for the study in the field of Transport has been completed, enabling the work to commence shortly.
- 14. In the field of Scientific and Technological Cooperation the Standing Committee noted that the concerned Technical Committee had decided at its last meeting to convene 3 workshops in the fields of Biomass, Food Technology and Renewable Energy. EEC which was informed of the decision has sought more details regarding the workshops. These were being obtained from the concerned countries and would be transmitted to the EEC.
- 15. As regards the ITU offer of assistance the Committee noted that in accordance with its directions a representative of ITU had been invited to attend the meeting of the Technical Committee on

Tele-communications held in Islamabad in November 1984 so that modalities of the offer might be discussed and finalised. However, as the representative could not attend the meeting, a programme of activities had been decided upon by the Committee and transmitted to ITU. Pakistan as the coordinator country was in touch with ITU for obtaining disbursement of assistance for this programme.

16. The Committee authorized the Chairman of the Technical Committee on Agriculture to pursue follow up action with FAO with regard to its offer of assistance.

# PREPARATIONS FOR THE FIRST SOUTH ASIAN SUMMIT MEETING

- 17. The Committee recalled that at their Second Meeting the Foreign Ministers had agreed to recommend to their Heads of State/Government the convening of the first Summit in Dhaka in the last quarter of 1985 and had decided to hold their next meeting in Thimphu in the first half of May, 1985 as a preparatory meeting for the Summit.
- 18. The Committee noted that the Royal Government of Bhutan has scheduled this meeting for 13-14 May 1985 to be preceded by the Fouth Session of the Standing Committee from 10-11 May, 1985. It was recognised that the most important task before the present session was the preparation for the Summit.
- 19. The Committee took note of the document SARC/SC/5 which contained, inter-alia, possible elements of a declaration/charter that the Summit might adopt and decided that the current Chairman would undertake further consultations and submit a revised draft for consideration of the Foreign Ministers at their next meeting in Thimphu.
- 20. The Committee noted with satisfaction that the Government of Bangladesh had initiated necessary preparations for holding the Summit Meeting and would undertake consultations regarding the exact date.
  - 21. The Committee agreed to recommend that the next meeting

of the Foreign Ministers at Thimphu might adopt the emblem of SARC.

# EFFECTIVE PARTICIPATION IN SARC ACTIVITIES

- 22. The Standing Committee noted that activities under various sectoral programmes had to be re-scheduled or postponed due to lack of response from the participating countries and urged expeditious implementation of the decisions contained in paragraph 4 of the report of its Second Session held in Male' 7-8 July 1984. It further stressed that the national focal points should establish mechanisms for interministerial review to monitor the progress of implementation of the Integrated Programme of Action periodically.
- 23. The Standing Committee decided to review the activities proposed by each Technical Committee and to draw up a consolidated calendar of activities at its next session in Thimphu in May 1985.

# IDENTIFICATION OF NEW AREAS OF COOPERATION

24. The Committee recognised the potential for enlarging the areas of cooperation. However, it continued to feel that for the time being efforts should be concentrated on the nine areas of cooperation identified.

# WORLD ECONOMIC SITUATION

- 25. The Committee reviewed the world economic situation and expressed its deep concern over the continuing economic crisis which has had particularly grave consequences for the developing countries. The Committee emphasised that the malfunctioning of the international monetary, financial and trading systems were significant factors that have sustained and deepened the continuing crisis.
- 26. The Committee expressed its grave disappointment over the continuing impasse in the North-South dialogue and viewed with serious concern the significant erosion in the spirit of multilateral cooperation. The Committee reiterated the non-aligned proposal for the convening of an International Conference on Money and

Finance for Development. In this connection, it is noted with appreciation the initiative taken by the late Prime Minister of India, Shrimati Indira Gandhi, in her capacity as the Chairperson of the Non-aligned Movement, to establish a high level Group of Experts to examine the substantive and procedural aspects of the international conference. It welcomed the Group's Report which would make a useful contribution to the deliberations of developing countries on these crucial issues and help to bring about a dialogue with the industrialised countries.

- 27. The Committee re-emphasised the need for the countries of South Asia to receive adequate amount of concessional flown to finance infrastructure development and to strengthen their capacity to meet the basic needs of their peoples. The Committee urged in this connection that multilateral financing agencies should be provided with adequate resources to meet the needs of their members particularly in the face of the continuing crisis of the world economy. It called attention to the urgent need to ensure supplementary financing for IDA VII so that IDA can play its proper role in supporting the development process.
- 28. The Committee expressed concern over the lack of progress in the implementation of the Substantial New Programme of Action in the first half of the decade and urged that efforts should be made at the global mid-term review scheduled in September/October 1985 to ensure accelerated implementation of the Programme in the second half of the decade in order to enable the least developed countries to overcome their structural problems and provide basic minimum standards for their peoples.
- 29. The Committee reaffirmed the intention of the South Asian countries to closely coordinate their position in various meetings including UNDP Governing Council, Committee on the Review and Appraisal of IDS, Development Committee and Interim Committee and negotiations of MFA.

#### NEXT MEETING OF THE STANDING COMMITTEE

30. It was agreed that the next session of the Standing

Committee will be held in Thimphu on 10-11 May 1985 preceding the next meeting of Foreign Ministers in Thimphu.

31. The visiting Foreign Secretaries expressed their deep appreciation to the Chairman of the Standing Committee, Mr. Ibrahim Hussain Zaki and through him to the Government and people of Maldives for the warm and generous hospitality extended to their delegations and for the excellent arrangements made for the meeting.

# SOUTH ASIAN REGIONAL COOPERATION (SARC) MEETING OF FOREIGN MINISTERS THIMPHU—MAY 1985

Report of the Fourth Session of Standing Committee Thimphu, 10-11 May, 1985

#### INTRODUCTION

 At the invitation of the Royal Government of Bhutan, the Standing Committee held its fourth session in Thimphu on 10-11 May, 1985 preparatory to the Third Meeting of Foreign Ministers of South Asian Countries. Dasho (Dr.) T. Tobgyel, Foreign Secretary of Bhutan was elected Chairman of the fourth session by acclamation. The agenda of the meeting is reproduced in Annexure I.

#### INTEGRATED PROGRAMME OF ACTION

#### (a) Progress in the implementation of the Programme

2. The Committee reviewed the progress in the implementation of the Integrated Programme of Action in the identified areas since its last meeting and expressed satisfaction at the progress achieved in the implementation. In this connection, it took note of Document SARC/MM.3/3. However, it was felt that, in some cases, activities like seminars and workshops had proliferated to a point where some of the countries were finding it difficult to participate in them. Therefore, the Committee was of the view that efforts should be directed at establishing priorities to streamline the activities in the

agreed areas of co-operation. In this context, the Committee recalled its decision contained in para 22 of the report of its third session at Male' and urged its effective implementation.

- 3. The Committee reviewed the reports submitted by the Chairman of the Technical Committees on operational activities and formulation of specific projects. It expressed its appreciation to the Chairman for the progress achieved in implementing the mandate given to them. The Committee also urged the Technical Committees to give increasing attention to operational activities and formulation of specific projects, and report to the Standing Committee.
- 4. The Committee recalled that at their second meeting the Foreign Ministers had agreed that consideration should be given to the convening of Ministerial meetings in some vital areas of co-operation. The Committee decided that the concerned Technical Committees could recommend meetings at the Ministerial level for consideration by the Foreign Ministers, through the Standing Committee.

#### (b) Financial Arrangements

- (i) Contributions by South Asian Countries
- 5. The Committee took note with appreciation the increased contributions announced by Bangladesh, Bhutan and Nepal for 1985-86 for SARC activities. These contributions represented a significant increase over the pledges for 1984-85. This was a clear indication of the desire on the part of the South Asian Countries to accelerate the implementation of the agreed programmes and projects.

The contributions pledged for 1985-86 are as follows:

Bangladesh: Bangladesh Taka 7.5 million for 1985-86

(to be confirmed in June 1985)

Bhutan : Bhutanese Ngultrum 1.5 million for 1985-86

India : Indian Rs. 10 million for 1985-86

Maldives : Maldivian Rufiya 84,000 for 1985

Nepal : Nepalese Rs. 2.5 million for 1985-86