**Unpacking South Asian Growth**

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[Dr Kamal Monnoo](https://www.nation.com.pk/columnist/dr-kamal-monnoo)

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One has analysed growth within the South Asian countries numerous times with comparatives and parallels to Pakistan, however, trust it would be interesting to unpack the South Asian growth journey in a collective manner to be able to determine commonalities between the success stories and then of course a comparative in context of Pakistan - A South Asian economic success story that is primarily led by India followed by Bangladesh and of late the turn-around brilliance of Sri Lanka (post its declaration of default on its debt commitments - mainly external). So, when one takes a deep dive into things, one sees the following common measures in almost all of them: 1) Complete all pending infrastructure projects irrespective of when they were announced and by which political regime, provided of course there are no issues on sustainability; 2) Achieve saturation access to basic amenities like electricity, even in remote areas within every state or province, albeit by not expanding the state’s footprint, but instead through power/energy/delivery reforms that open up the domain for the private sector; 3) Review economic progress of aspirational districts on a monthly basis through video conferences with district administration and form a professional apex body led by able professionals to rein-in the usual political and bureaucratic hurdles cum extortion; 4) Periodically review implementation of key public support and poverty reduction initiatives and analyse collateral gains, however, only through independent certified bodies; 5) Increase capital expenditure as a proportion of total expenditure to focus on asset creation and generate growth with a focus on domestic investment rather than FDI (foreign direct investment) – for example, India and Sri Lanka today shun any such foreign investments that can potentially become a long-term liability on the external account; 6) Bringing women into the workforce in a big way, and 7) Reviving and endeavouring to excel in domestic manufacturing.

Now clearly, no rocket science in the above and rather just basic governance advisories, but sadly it is fairly obvious that Pakistan over the last decades has fallen short in nearly all of the above key economic initiatives. The important question though that arises here is what kind of a strategy these countries adopt to be able to do what was needed. Again, similarities in their approach are quite evident and bear a stark resemblance when compared with each other; as if a growth and governance mantra got discovered for the region and the three simply followed it without any unnecessary flamboyance in trying to reinvent the wheel! First, the realisation that solutions have to be found while working with the very same broken system that has previously created so much sloth in government machinery and is inherent with legacy deficits; and this is to be done by pushing for finite yet accountable milestones by first eliminating any conflict-of-interest within the top tier national leadership including all institutions. Second, make sure that strategies and management structures are kept transparent and simple, as opposed to those which are complex in nature. For example, most of the breakthrough public initiatives like providing toilets, Aadhaar, digitalised systems on banking, electricity, cooking-gas subsidisation, etc. attributed to the BJP are not in fact its original thinking, but in fact designed way back jointly by Manmohan Singh and Infosys. Modi only adopted them regardless of who pioneered them and went about implementing them in a simple but transparent manner by using information technology supported by the private sector – and in all this ensuring that political actors in no way hijack or undermine the delivery system.

In another, the Bangladeshi Prime Minister, Hasina Wajid, announced back in 2014 that all those pending projects, whether they are pending for decades, years, or for just one or two years will be completed if they are in the interest of Bangladesh. She went on to flag some of these projects: By-passes to industrial and export zones; Completion of all Canal expansions regardless of the area’s political affiliations; All river and Railway bridges including the longest rail-road bridge of Bangladesh cutting transit times to almost half and reducing transport costs by nearly one-fourth at the time, and last but not least, the eastern and western peripheral highways connecting NH-1 and NH-2 from the eastern and western sides of Dacca. Similarly, the rural roads project was an idea conceived under PM Khalida Zia, but continued under Hasina Wajid, because it accelerated the development cum growth she had envisioned. Third, a conducive market: Sri Lanka of late has its own set of examples where President Ranil Wickremesinghe in his bid to get the country out of the economic impasse declared that there are no sacred cows and every institution, no matter how powerful, will have to contribute its fair share towards cutting back. His strategy of late has been somewhat similar to that of India, meaning the ability to walk the talk. In his words, “It doesn’t matter whether a cat is black or white, as long as it catches mice and likewise, if an economic strategy works, it is naturally good for the economy.” And with this he went on to unleash a new generation of financial reforms in Sri Lanka under the stewardship of the Sri Lankan Central Bank (much like the RBI), something that is today emerging as the new champion of the Sri Lankan resilience story. In just two years, the Sri Lankan external account stands balanced, of late its Rupee has appreciated almost 11% against the USD, the borrowing rate is down to 8.50%, the projected growth rate was revised last month to 5% and the inflation has fallen to as low as 2%.

Dr Kamal Monnoo  
The writer is an entrepreneur and economic analyst. Email: kamal.monnoo@gmail.com