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Inefficiency in allocation management influencing poverty

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The policy objectives also should include to improve the position in international trade, favourable balance of trade and payment, higher average GDP per capita, poverty alleviation and better life and living.

PEOPLE in most of the countries in the world are relatively poor. People living in Caribbean, South America and South Asia and Sub-Saharan Africa are considered mostly poor. In these continents and associated countries growth rate of the population is high, enrollment at primary and secondary level is relatively low. Percentage of youth of age cohort 17-21 entering into higher education institution is as negligible as below 5%. Average longevity in South Asia is 65 as against the European countries which is more or less of 80. The population of South Asia is 150 crore 30 lac, out of which India has 114 crore or 76%. Pakistan 16 crore 61 lac. Bangladesh 16 crore, Srilanka 2 crore 2 lac. Nepal 2 crore 88 lac., Bhutan 69 lac., Maldives 31 lac and Afghanistan 2 crore 90 lac. The percentage of poor is: Bangladesh 40, Afghanistan 42, Nepal 31 and Srilanka 23. Among the SAARC countries urbanisation rate is relatively good in Pakistan-35%and Maldives 34%. Among the other SAARC countries, urban populations in India is 29%, Bhutan 31 %, Bangladesh 26%, Afghanistan 24%, Nepal 16 and Srilanka 15%. Due to the relatively good health services, life expectancy at birth is 74 in Srilanka & Maldives 72. Among the other moderately good SAARC countries life expectancy in is Bangladesh 66, as against Nepal 67, Pakistan 67, India 64, Bhutan 66 and Afghanistan 44. Infant mortality and child malnutrition are positively related to life expectancy. Lower is infant mortality and child malnutrition, higher is the average rate life expectancy at birth. For example, highest life expectancy is in Srilanka where the infant mortality of 13% and child malnutrition of 24% is the lowest. Infant mortality and child malnutrition are relatively high in India, Pakistan and Bangladesh.

Access to an improved water source is relatively good in South Asian countries such as India 89%, Pakistan 90%, Bangladesh 80%, Srilanka 82%, Nepal 89%, Bhutan 81%, and Maldives 83%. In Afghanistan only 22%, population has access to improved water.

Normally in developing countries the engine of growth such as savings, capital formation and investment remains relatively low. Many people are poor.

They cannot save anything. They spend their income mostly for their present consumption such as food, clothing, residence, education and health. Even to meet these basic necessities of life they take loan at a very high interest rate. Because of poverty most people in South Asian countries prefer the present consumption to future consumption. For example, in the developed world people rarely spend on-an-average 18% of their income for present consumption. But in South Asian countries people spend most of their income on present consumption of the goods of necessities including food. South Asian people can afford very little for the recreation and other discretionary expenses. Gross capital formation as a ratio of gross domestic product (GDP) is 34.3% in India, Bhutan 51.4%, Pakistan 22%, Bangladesh 24.2%, Srilanka 27.1%, Nepal 31.8% and Afghanistan 27.6%. Position in international trade & export market is not very good in South Asian countries. However, exports of goods and services as a ratio of GDP as of 2008 is 55.9% in Bhutan and 83.5% in Maldives.

Among the others the ratio of export of goods and services to GDP in India is 22.7%, Pakistan 12.8%, Bangladesh and Bhutan 51.4%. Among the others gross domestic savings as a ratio of GDP is very poor. Such as Pakistan 11%, Bangladesh 15.8%, Srilanka 13.7%, Nepal 11.2% and a negative figure of 7.9% in Afghanistan. Annual growth rate of gross domestic product is more or less about the same or similar in all developing countries. Still then annual growth rate of GDP is not very encouraging in South Asian countries.

The better among the worse cases are South Asian countries with good GDP.

For example, the annual growth rate of GDP as of 2008 in India is 6.1%, Bangladesh 6.2%, Srilanka 6.0% and Bhutan 13.8%. Among the SAARC countries annual growth rate of GDP is not very good in other countries including Pakistan (2%), Nepal (5.3%), Maldives (5.2%), Afghanistan 2.3%.

As in other countries annual growth rate of per-capita income is closely related. Because per-capita GDP is determined by dividing the total GDP by population. Annual growth rate of GDP per-capita in India in (4.7%), Bangladesh (4.7%), Srilanka (5.2%) and Bhutan 12.0%. Per-capita growth or GDP is negative in Pakistan or is -0.2%, which is the negative reflection of inefficient bureaucracy and militancy. For the same or similar reasons annual growth rate of GDP per-capita is negative in Afghanistan. On-an-average contribution of agriculture to GDP is South Asia has been decreasing which is 20.5% as of 2007 and the average contribution of industry sector has risen to 43.5%. Contribution of service sector to GDP has increased to 36%.

The average contribution of manufacturing sector in South Asia is as negligible as 6.8%. In South Asian countries, the average imports of goods and services as a percentage of GDP is 57.1%. However, the industrial growth in South Asian country has been estimated to be 30.4% on an average, which is encouraging. Annual growth rate of GDP per-capita is India in 3.4% and Maldives 3.[illegible]%.

In terms of human development South Asian countries are doing very good. Growth rate of population is moderate enrollment at primary & secondary schools has steadily been increasing. Percentage of the youth entering into high education is very insignificant. Poverty is estimated close to 40%. Health services are getting improved. Infant mortality and child malnutrition are decreasing. Life expectation is increasing. Their position in international trade and export sector is not very good. The countries of militants including Pakistan and Afghanistan are in very bad shape. Access to improved water is appreciated. Among the worse things are the low rate of annual growth of GDP per-capita, savings ratio to GDP, capital formation, investment and employment opportunities, income distribution and poverty alleviation. The macro economic objectives should include higher capital formation and big-push investment increase in the rate of savings and annual growth of GDP per-capita etc. The policy objectives also should include to improve the position in international trade. favourable balance of trade and payment, higher average GDP per capita, poverty alleviation and better life and living

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