RESEARCH NOTE

ESCALATING INEQUALITY IN SOUTH ASIA: A CHALLENGE TO POLITICAL MANAGERS

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Introduction

In this era of modern technology and communication no one can deny the importance of equal and equitable distribution of resources. This is considered an essential feature of democratic as well as dictatorial regimes. The notion of equity is often correlated with justice. Rawls (1971) explains that the primary subject of justice is the way in which principal economic and social arrangements distribute fundamental rights and duties in a society so that: (i) each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others (ii) social and economic inequalities are to be arranged so that they are both reasonably expected to be to everyone’s advantage. In social and economic terms, everyone is assumed to be equal to fulfill everyone’s basic needs giving ‘essentially equal treatment for equal cases’. Hence under the first condition economically and socially just world would fulfill the basic needs of everyone. This notion of equity is grounded in the concept of social justice, which represents a belief that there are some things which people should have, that there are basic needs that should be fulfilled, that burdens and rewards should not be spread too divergently across the community, and that policy should be directed with impartiality, fairness and justice towards these ends. Solow (1992) considers the equity as intergenerational issue of ‘who gets what’ and labels it ‘distributional equity’. The equity also encompasses relationship of human species to the natural system of which humans are a part. This conception of equity demands equity between the environment, the economy and the societal good, equity between less developed nations with natural resources and developed nations with excess demand for these resources, equity between those who economically have plenty and those who suffer in poverty, equity between urban demands and agricultural space, equity between humans and all living species. This list of equity issues goes without limits. Each group and individual raising questions about equity from their particular points of interest trying to discover what is just and fair within their own framework. Shrader-Frechette (2000) expands the circle of equity up to future generations. He observes that the equity is grounded, in part, on a social-contract theory that according to which all humans share a social contract by virtue of being members of same species and sharing the same interests and
resources; as a consequence, members of all generations deserve equal treatment. The strong emphasis on equity requires sturdy role of precautionary principle. For example, precautionary principle suggests the possibility to give up or change a technological path in case equity principle is in danger. It is argued that this will only be possible, if decisions are equitable, as such decisions generally carry greater legitimacy and encourage parties with differing interests to cooperate better in carrying out mutually agreed actions.

**Responsibility of Rich Nations**

Prevailing inequality among different countries and among different communities within a nation is one of the most urgent and thorny problems today faced by the developing countries. The national perspective of intragenerational equity requires that the well-being of strong groups will not be at the expense of weaker segments of the society. To the developing countries this social dimension of sustainable development seems the most important and challenging. Ikeme (2003: 195-206) and Agyeman et al. (2003) put the responsibility on the shoulders of rich countries to narrow the gap. It is argued that based on 'polluter pays' principle the industrialized countries should contribute not only to the costs to help protect it but also to help the poor countries to gain access to the economic benefits derived from the use of these resources so that as beneficiaries of the planetary legacy, all members of the present generation are entitled to equitable access to the legacy. Intergenerational justice requires wealthier countries to assist impoverished ones in realizing such access and enjoying UN defined development and as 'the social progress and better standards of living in larger freedom'. This may be reflected in various terms aimed at a fair and just utilization of natural resources and maintaining their diversity, and equitable distribution of economic benefits across different countries. Lot of production and consumption is going on in wealthier industrialized countries putting excessive strain on the sources. Rayner and Malone (2001) go beyond the financial equity and talk about the need of social justice. Equity is not just about how societies distribute resources. It is also the basis for generating social capital along with economic, natural, and intellectual capital, for sustainability. One can conclude from these views that:

- Lock's and Rousseau's social contract theories which laid down the foundation of present democratic state indicate that human beings are equal and have equal rights. So equality/equity is an essential aspect of the state, which has to be dealt on the bases of humanity.

- In present global village this phenomena should be dealt at international level. Otherwise it will travel with its all drawbacks to rich countries by ship which is transporting exploited resources of poor countries through unjust policies to them.

- Equity should not be limited to present generation. It should also encompass the intergenerational equity (future generation).

- It is an established fact that equal and equitable distribution of resources in various regions and groups of people can ensure sustainable development, and alleviate the poverty along with others on sustainable bases from society.

- Equity/Equality is a pre-requisite for good governance.

**South Asia in the family of regions**

Despite the fact that almost all socio-political, economic and religious scholars, planners and leaders are of the opinion that there should be economic and political equality/equity from grass root level to global level on the basis of humanity, even a strong group talks about intergenerational equality/equity. But unfortunately, inter-regional and inter-country level inequality/inequity is increasing day by day. The following Data explains the position of South Asia in the family of regions. South Asia Constants 22.36 per cent population while GNI 2.14 per cent of the world in 2004. East Asia and the Pacific (EAP) population 29.48 per cent while GNI is only 6.00 per cent, Eastern Europe and Central Asia (EECA) population 7.44% while GNI is 3.90 per cent, Latin America and the Caribbean (LAC) population 8.53 per cent while GNI is 4.89 per cent, Middle East and North Africa (MENA) population 4.63 per cent while GNI is 1.48 per cent, Sub-Saharan Africa (SSA) population 11.33 per cent while GNI is only 1.09 per cent. High Income (HI) population is only 15.77 per cent while GNI is 80.50 per cent of the world in 2004. One can also observe the wide gap by considering Per Capita GNI factor in 2004. South Asia US $ 590 EAP US $ 1280, EECA US $ 3290, LAC 3600, MENA 2000, SSA 600 and HIG enjoys 32,040 (Table 1). This phenomenon shows that South Asia mean 22.6 per cent of the world population leading very miserable life. The condition of other regions is also not good. This situation demands that High Income Group should play its role to lessen the gap between poor and rich countries to enable them at least to provide minimum standard of life to their people.
Table 1: Population and (GNI) of Various Regions/Countries

<table>
<thead>
<tr>
<th>Region/Country</th>
<th>Population</th>
<th>Gross National Income (GNI)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In million</td>
<td>In billion USD</td>
</tr>
<tr>
<td>South Asia</td>
<td>1418.5</td>
<td>854.1</td>
</tr>
<tr>
<td>East Asia and the Pacific</td>
<td>1870.2</td>
<td>2389.4</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>472.1</td>
<td></td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>541.3</td>
<td>1948.1</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>294.0</td>
<td>588.6</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>719.0</td>
<td>432.0</td>
</tr>
<tr>
<td>High Income</td>
<td>1000.8</td>
<td>32064</td>
</tr>
<tr>
<td>World</td>
<td>6345.1</td>
<td>39833.6</td>
</tr>
</tbody>
</table>

Source: Human Development Report, 2005. *SAARC Countries including Afghanistan*

South Asia is suffering from inter-regional, intra-region and intra-nation financial as well as political inequality/inequity. Obviously it is impossible to meet the challenge while the planners, policymakers and political managers are bound to feed the 22.36 per cent population of the world with 2.14 per cent GNI of the world. So, it is responsibility of the international community, rich states particularly, high income group and world institutions to formulate policy to shift some resources to less developed countries to narrow the gap between poor and rich nations and to enable the state apparatus in less developed countries to overcome the problem of poverty as well as inequality/inequity in their respective nations.

South Asia Inter-Country and Intra-Country Conditions

South Asia there is a bit progress in the factor of poverty alleviation, but it is alarming that inequality is increasing in the countries of the region. One can witness individual to individual, group to group, urban to rural, city to city and intra city, village to village and intra village, region to region and intra regional disparities and inequalities in all the South Asian countries. These inequalities are main source of political instability, ethic, moral, political, economic and administrative corruption, hindrance in good governance, above all breeding ground of violence and terrorism. It is a hard fact that in these countries there is a lot of gap between expectations of the people from the government and sources of the government which leads to a vacuum and this vacuum turns out explosion, disaster and debacle. Following figures indicate the dreadful condition of this region.

The Income/Consumption Inequality by Quintile Groups indicates that in Bangladesh, 20% poorest share of income or consumption in 1981-82 was 6.6 and in 2004 that was decreased to 4.7% and the share of 20% richest in 1981-82, was 45.3% and in 2004, increased up to 52.0%. Bhutan the poorest share in 2004, 6.5% and richest 44.7%, in India the poorest share in 1990, 9.4% in 2004, a slight increase 9.52% and richest share in 1990, 37.8% and in 2004, a slight increase here as well 38.5%, in the Maldives the poorest in 1997, 10.0% and in 2004, 11.0% (the richest data is not available), in Nepal the poorest in 1995-96, 7.6% in 2003/04, decrease to 6.2% and the richest 1995-96, 44.9% in 2003/04, increase up to 53.4%, in Pakistan the poorest in 1988, 8.0% and in 2002, 7.0% the richest in 1988, 43.7% and in 2002 increased up to 47.6%, in Sri Lanka the poorest share of consumption in 1995-96, 7.2% and in 2002, 6.2% the richest in 1995-96, 44.4% and in 2002, 48.5% (table 2) One can conclude from the following data that:

- there is minor increase in income consumption share of the 20% poorest in the Maldives and India but slight decrease in Pakistan, Bangladesh, Nepal and Sri Lanka;
- there is increase in the income consumption share of the 20% richest in all the countries;
- the 60% population in the middle is sufferer, which is always back bone of any economy and objective of equality/equity is to enhance and strengthen this class. So, the case is almost reverse in the region;
- It is evident that the 20% richest are not ready to share surplus income to lower classes. They are struggling to preserve or strengthen their existing position. It is a hard fact that National and international institutional policies are favoring them. There is need to change their psychology in favour of downtrodden people, which is in better interest of poor as well as rich in the long run.
Table 2: Income/Consumption Inequality by Quintile Groups and GNI

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of income or consumption</th>
<th>GNI Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poorest 20%</td>
<td>Richest 20%</td>
</tr>
</tbody>
</table>

Source: RPP 2005.

The condition of intra-country regional disparities is also frightening. For example, population and area wise the biggest country of the region, India, is badly suffering from this syndrome. Resultantly, the government writ is very weak more or less in 67 districts. These districts are run by some ethnobiological powerful armed groups. They are used to collect taxes from the people, law and order is at the mercy of them. The main cause, along with others is the poverty, financial inequality, inequality and disparity. A large number of military is engaged in these areas. According to available figures in 2002-2003, all-India per capita GDP was US $ 480; the poorest seven states (accounting for 55% of the population) had a per-capita GDP that was two thirds the national average, while in the richest seven states (33% of the population) per-capita GDP was nearly double that of the poorest seven states. In the two largest and poorest northern states (Bihar and Uttar Pradesh, 25% of total population) per-capita GDP was less than half the national average and only a third of the richest 7 states. The four southern states, Andhra Pradesh, Karnataka, Kerala and Tamil Nadu (21 per cent of the total population), at an average, enjoyed more than twice the GDP per capita of the quarter of the population concentrated in the two poorest northern states. Furthermore, with average GDP growth rates of 5%, the southern states are galloping ahead of the poorest but populous northern states with growth rates of only 2%. This threatens to further increase the poverty gap in the two regions; currently, head count poverty in the poorest northern states and the better off southern states is 35% and 18% respectively. Nepal can be separated in three main regions Himalayan, Hills and Terai area. There is lot of disparities in these regions. Again there is large gape between standard of living in Kathmandu valley and other areas. In Pakistan urban and rural disparity can be observed from the case of Punjab the largest province of Pakistan. It represents different cultures and socio-political pattern as well as economic development in various regions. However, inequality between urban and rural areas is quite visible in the province. Local government income and expenditure factor illustrates that in 1981-82, the population of urban local government were 26.5 per cent who their income was 77.5 and expenditure was 77.3% respectively. The population of rural councils was 73.5%, their income was 22.5% and expenditure was 22.5% respectively. The condition of other provinces in Pakistan was more or less the same.

Table 3: Population, Income and Expenditure of Urban and Rural Councils in the Punjab, Pakistan (1981-82)

<table>
<thead>
<tr>
<th>Council</th>
<th>Population%age</th>
<th>Income%age</th>
<th>Expenditure%age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Councils</td>
<td>26.5</td>
<td>77.5</td>
<td>77.3</td>
</tr>
<tr>
<td>Rural Councils</td>
<td>73.5</td>
<td>22.5</td>
<td>22.7</td>
</tr>
</tbody>
</table>

In 2002 the government restructured local government institution according to which the government amalgamated the rural and urban councils in one unit and came up with more financial resources to feed this tier of government by adopting vertical technique to reduce inter district and intra district inequality in the country, which brought a bit change in the situation. As a matter of fact one can witness these disparities in Bangladesh, Sri Lanka, India, Nepal, Bhutan, Maldives and Afghanistan. The case of Afghanistan is more complex that this country has been battle field from 1979 to 1989. Unfortunately, this war devastated the country more than other countries by considering all economic and political indicators in 21 century.

The overall condition of the rural South Asia is miserable and needs some special package for development. Moreover, the intra-district disparities in development are also wide spread. For instance, the villages that are close to the headquarters of the district are more developed than those that are far flung. South Asia is not only suffering from inter-city disparities, it also plagued with intra-city disparities. More or less all big cities of the region
have localities, residents of which are enjoying more or less standard services. In contrast, there are many slums in these cities, where dwellers are waiting even for conservancy services, inhabitants do not have access to clean water to drink and natural gas to cook the food. There are numerous complaints that in these areas overflowing sewerage systems are converting these cities into dirty ponds. These intra-city disparities are rampant almost everywhere through the region. However severity could be different in different countries and in different cities. Likewise, disparities and differences can be observed in most of the rural areas. The overall condition of the rural South Asia is miserable and needs some special package for development. Moreover, the intra-district disparities in development are also wide spread. For instance, the villages that are close to the headquarters of the district are more developed than those that are far flung.

Suggestions for National Equity
The challenge posed by this national perspective of equality/equity could be addressed by ensuring that suggested financial policy should provide distributive equity in socio-economic terms with a special care of interests of the weaker segments of society. The poor and women in particular have been identified as disproportionately vulnerable as the result of unequal access to and control over resources. Economic and gender-related equity issues need to be addressed in public policy modeling to ensure equitable impact of suggested policy. To achieve the objective of bridging the gap between the strong and weaker segments of a "nation state", explicit modeling of income distribution must ensure that the impact of suggested policy is to everyone's advantage. There is need to analyze that how much these factors influence the public policy modeling. Public policy architect should consider these factors and evolve the public policy model, which must have capacity to absorb internal and external shocks of the system; containing ability to deliver positive results for macro and micro level development and having capacity for distribution of resources based on equity to ensure sustainable development at national, regional as well as global level.

There are several views dominant to reduce income inequality as follows:

- The redistributionist view: according to redistribution view, to which communists and leftists give weight, poverty and income inequality in society can be reduced through redistribution of resources.
- The moral underclass view: according to this view supported by some neo-liberals, see poverty and exclusion as a result of the behaviours of the individuals themselves and their sub culture.
- The social integrationist view: according to this inequality in society can be minimized by mainstreaming the poor and marginalized ones into the development process and by providing equal opportunity to all for their advancement. In general an inclusive society will reduce inequality and enhance development by providing equal opportunities to all, especially, poor and marginalized, in the socio-economic and cultural development, and in the government of the country.

• Islam believes in external as well as internal purification of individual. It has its own formula of social and economic justice. According to its suggested model it ensure flow of money from rich to poor in the long run by forbidding usury and make binding Zakat (the rich will pay two and half% of surplus money to weaker section of society in shape of money, education, protection, food, clothing, shelter, to lift up the marginalized group of the society to include them in socio, economic and cultural development process). Ushar (5% of net income from agriculture crops from artificially irrigated land and 10% from naturally irrigated lands. This amount will also be distributed among weaker section of society according to the mentioned formula) This is not limited to one particular nation. It is for humanity. It mean if some nation has surplus amount it has to transfer it to other nation, and encouraging Sadqat, Khairat etc. Women are declared weaker section of society all over the world. Islam believe in women economic and political empowerment by declaring their rights of property, women right to husband, widow rights etc. on permanent bases. In the same way children and senior citizen rights also save weaker section of the society. All these along with other promote intra state and interstate equality and equity.

a. Islam neither snatches everything from the rich to distribute to the weaker section of society. Obviously, this lays down the foundations of enmity between classes and promotes chaos and violence at national as well as international levels.

b. Nor unbridle the rich to pile up its assets by collecting usury, which is ultimately paid by weaker section of the society to the rich and widens the gape between them. This gap breeds discontent, frustration and annoyance in down-trodden people and ultimately leads to violence, chaos and anarchy at national as well as international level. As it is happening in present era around the world.

c. Islam believes in the process of social inclusion. The process of social inclusion will bring these individuals, groups and communities in the national mainstream, will reduce inequality between them and rest of the society, will increase their self-esteem and will create a development oriented society based on the principles of equality, social justice and human rights.

- Policy makers and planners to construct model by considering all above ideologies.
a. It must be poor friendly and compatible to the existing requirements.
   Containing capacity to address the indigenous problems and issues of
   respective state by involving the civil as well as state society.

b. This must encompass to uplift all marginalized ethno-regional groups
   and other weaker section of the society.

c. International community should contribute to reduce the gape between
   less developed and developed countries to ensure intergenerational and
   intra-generational equality/equity.

Good Governance: Good governance itself means a rule-based,
   corruptionless, equitable, transparent, accountable, responsive and efficient
government system in which all the individuals groups and communities
   including women, the poor and the marginalized ones are fully integrated
in the decision making process and development activities. The central objective
of such government is to safeguard the civil, political, social, economic and
cultural rights of the people. In South Asia a small group of political elites
   is governing in all regional states including India. The tools and mechanism
   applied to sustain their power could be different in different countries. There
   is need to ensure effective participation of the weaker sections of the societies
in decision making process. all South Asian nations are lands of
   heterogeneous people. These all ethno-linguistic, religious and cultural groups
may be accepted and provided effective role in decision making bodies and
opportunity for equal political and economic development.

Local Government: The institution of local governments can play positive
   and valuable role in this regard to ensure good governance and to promote
   equality/equity. Because, these little governments are close to people
   of respective localities and manage their immediate activities. Following the
   principle of good governance provide basic social services, such as health,
education, drinking water and sanitation to the people, and work for their
cultural development. These government works on the principle of double
accountable, accountable to the people and accountable to higher tier of the
governments. Therefore, if political, administrative and fiscal decentralization
is carried out properly, and if these local governments are provided with
   sufficient financial resources and technical know-how to implement social,
   economic and cultural development programmes in the local area, these
   institutions will be able to contribute to the objective of providing social,
   economic and cultural rights to the people and creating an inclusive,
harmonious and just society.

   The governments should empower and equip this institution to provide
   economic services through the development of infrastructure-rural roads,
   micro and small irrigation systems and micro hydro projects- protect the
environment and create a good atmosphere for the generation on income and
   productive employment, especially for the poor, women and marginalized
   communities by following a pro-poor growth approach.

   Local government should be strengthened through political, administrative
   and fiscal decentralization. It should be accepted and its capacity should be
   enhanced as an agent of economic development. A reasonable share of
   governments sources should be allocated to these institutions to implement
   vertical financial equality in their respective states. The capacity of these
   institutions should be developed in important areas, such as, pro poor growth,
good governance, human rights and social inclusion so that they will be able
to deliver the basic social, economic and cultural services to the people, beside
providing opportunity to all, especially the poor and marginalized.

Measures at International Level
It is an undeniable fact that equality/equity can not be attained without
   financial contribution and poor friendly fiscal and political efforts of
   international community. Especially rich nations have to take practical steps.
   It is positive that International community realizes this fact and making efforts
to overcome this problem. But these efforts are not bearing desired fruit.
   Following suggestions could be adopted for desired results:

   • Planners and policy makers should be educated and realize that
   reduction in inequality inequity from the world is in the national
   interest of all nations. They should consider it “long run security
   measure” at the intra-nation and international level.

   • The money contributed in this regard is always called donors amount.
   This may be called money allocated for national and global sustainable
   security. Because, reduction of inequality inequity is the best defense of
   any nation, global community and humanity. This is the best to use soft
   power to avoid from any destructive revolution, threats of terrorism and
   violence and any emerging insurgency and war at national or
   international level.

   • US who achieved the status of world political and economic hegemonic
   power. To sustain this status, it is essential to up lift Less Developed
   Countries (LDC) and their people up to the level of respectable survival
   or minimum standard of life by using soft power. But, unfortunately,
   after the suspension of cold war US policy makers adopted a bit
   aggressive policy, especially, under the president Bush leadership.
   Policy makers are slightly more inclined in use of hard power. This
   aggressive style promoted mistrust, suspicions and uncertainty among
   the allied as well as other nations and enhanced insecurity of
   individuals in LDCs as well as developed countries. Obviously,
   statusque in world power politics is in favour of US. So, it is
   responsibility of the US to maintain statusque. It can be done by using
soft power and by reducing inequalities at national as well as international level.

- International institutions that make and implement policies in this regard are dominated by powerful nations. Naturally, they formulate policies, which are suited to their current national interest. Effective participation of less developed countries may be ensured in decision making process according to democratic norms by adopting some democratic formula.

- It is observed that the powerful industrialized countries force the poor and weak countries to follow international treaties which are not respected by some other powerful industrialized countries as well. This kind of treaties always protects the interest of rich nations andEmphasis on the long run tends to ignore current inequalities/inequities, should be formulated and existing should be modified in the better interest of humanity.

- Rich countries and International institutions floated schemes debt for less develop countries to reduce poverty and for intra-generational equity, but these schemes are also have many weaknesses. There are many loopholes through which the flow of money is from poor to rich in shape of feasibilities reports, interest, experts’ emoluments etc. Rich countries and the international financial institutions (IFIs) like World Bank and International Monetary Fund (IMF) promise ‘social progress and better standards of living’ when extending loans to debtor countries but they withhold ‘larger freedom’ of these countries by imposing conditionalities, for example structural adjustment program of IMF, that effectively gets debt sustainability prioritized over sustainability of human welfare in debtor countries. The implication of the international context of intra-generational equity for the purpose of public policy model is to structure such a ‘just’ financial policy for a ‘nation state’ that may help her minimize the debt reliance and its consequent conditionalities.

- As far as intergenerational equality/equity is concerned, which is an important responsibility of present generation could be achieved by the developed countries. It is obvious that the countries strangled by poverty have neither the capacity nor desire to fulfill intergenerational equity when they cannot even attain their needs today. So, international community should surrender a small portion of their surplus capital in favour of less developed countries to carry equity and equality in present generation. This will help the less developed countries to withdraw their present generation from poverty and enable them to save natural resources for future generations of entire world.

Notes
5. RPP 2005 Contry Reports.
10. Plain area is called Terai area in Nepal. It occupies fertile lands, food pocket of Nepal.

References
SAARC, RPP 2004.