

South Asia can reduce poverty by raising economic growth rates

WASHINGTON

A WORLD Bank report says South Asian countries can significantly reduce poverty in the next 10 years by increasing investment, improving labour quality as well as addressing gaps in income.

The Economic Growth in South Asia report, released on Sunday, said the region's decade-long economic expansion had made life better for many poor people in the region.

But, the report said, without changes to economic policies, that rapid economic growth may be difficult to keep up.

Mr Shantayanan Devarajan, co-author of the report and the World Bank chief economist for South Asia, said the region "must create, the conditions and incentives necessary to sustain and accelerate growth that benefits all. The economic well-being of several hundred millions of people depends on it".

The report said the number of people living in poverty could drop by two-thirds if economic growth were to rise to 10 per cent a year until 2015.

The report praised East Asian countries, where growth rates of 7 to 10 per cent have lifted millions from poverty.

Bangladesh, India and Pakistan have had annual average growth of more than 5 per cent for the past five years, the report said.

Such growth over the past decade, the report said, had contributed to drops in poverty in Bangladesh, India and Nepal.

But more should be done, it added, including improvements in infrastructure and business environment in the region.

The World Bank reported, for example, that while it took 41 days to start a business in China, the same process would take 89 days in India.

ASSOCIATED PRESS