



Economies

TERMS & NAMES

jute

information
technology

Green Revolution

MAIN IDEA

The countries of South Asia have economies that have changed and grown in the last century.

WHY IT MATTERS NOW

As the economies of South Asia's countries grow, these nations have more influence on the economies of their neighbors.

DATELINE

MANTHINI, INDIA, JULY 1999—
In February, two people from the Association for India's Development (AID) came to our village. They talked to the women about saving money. Since then the women have saved 4,500 rupees.
Today, the people from AID returned. They talked to the women about making the money they saved available for loans. Other women can borrow money to start a new business or to improve a business. Everyone agrees that this new project will make our village a better place to live.

Place • Indian women learn how to improve their lives from AID. ▲

Developing Economies

Organizations like AID are helping the developing nations of South Asia to move from traditional economies to market economies. Most people in South Asia live in rural areas. They have low incomes and literacy levels and depend on traditional farming methods to survive. They are farmers, shepherds, and herders.



Human-Environment Interaction •
This farmer in Afghanistan uses a plow and an ox, just as his ancestors did. ◀

Afghanistan In the 1960s and 1970s, Afghanistan worked to strengthen its economy. It built roads, dams, power plants, and factories. It provided education to more people and began irrigation projects. Then Afghanistan was invaded by the Soviet Union. The invasion was followed by civil war. Afghanistan has not returned to the improvement program of four decades ago. Today, Afghanistan is one of the poorest countries in the world. Most people work on farms, raising livestock. Only 12 percent of the land in Afghanistan is arable, and only half of that is cultivated in any year. Wheat is the chief crop, though cotton, fruits, and nuts are also grown.

Bangladesh Agriculture is a major part of the economy in Bangladesh. About three-fifths of the workers are farmers. The most important cash crops are rice, jute, and tea. Bangladesh supplies one-fifth of the world's **jute**, a fibrous plant used to make twine, bags, sacks, and burlap. Irrigation projects have reached many farms, but the monsoon rains bring floods and disaster to many farmers.

Bangladesh has almost no mineral resources, so its few industries are based on agricultural products, such as bamboo, which is made into paper at mills.

Bhutan and Nepal The economies of Bhutan and Nepal are similar. Until the 1950s and 1960s, both countries were largely isolated from the outside world. There were no highways or automobiles. Bhutan did not have a currency. People bartered for goods rather than using money. Since that time, with financial help from other countries and organizations, both countries have been working to modernize their economies. For example, they have built major roads allowing the transport of goods and people, especially tourists.

The Maldives The Maldives is one of the world's poorest nations. The majority of its workers fish or build or repair boats. Tourism has become an important industry as well. Nearly all the food people eat is imported, including rice, which is one of the main foods in people's diets.

Reading Social Studies

A. Making Inferences How might the monsoon season affect a subsistence farmer?



Human-Environment Interaction •
Many people in the Maldives earn a living by fishing. ▲

Pakistan Pakistan is the richest country in South Asia. Half of its work force is employed in agriculture, forestry, and fishing. Pakistan is the third-largest exporter of rice in the world. Its important industries are fabric and clothing, sugar, paper, tobacco, and leather.

Sri Lanka Sri Lanka depends on agriculture and tourism. Its most important agricultural product is rice, followed by tea, rubber, and coconuts. Sri Lanka has not yet been able to benefit much economically from its many mineral resources.

India Although some regions of India have many valuable resources, millions of India's people are among the world's poorest. Most people work in agriculture. More than half of the farms are smaller than three acres. Farmers practice what is known as subsistence farming, which means they grow only enough food to live on. Rice and wheat are India's most important crops. Because many people do not eat meat, chickpeas and lentils are important sources of protein in the diet.

There is a growing information technology industry in India. **Information technology** includes computers, software, and the Internet. Since 1991, India's software exports have been doubling every year.



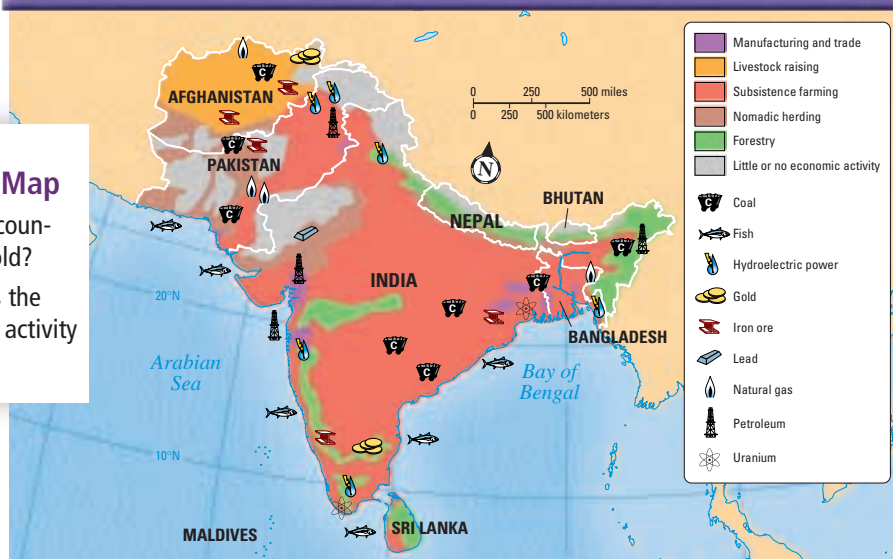
Human-Environment Interaction •
Village women plant rice, one of the chief crops in India. They carry the new rice shoots to the fields in flat baskets, which they then place on their backs as protection from the sun. ►



South Asia Economic Activities and Resources, 2000

SKILLBUILDER: Interpreting a Map

- Place** • Which countries contain gold?
- Place** • What is the main economic activity in Nepal?



The Green Revolution

In the 1960s, the **Green Revolution** introduced farmers to varieties of grain that were more productive, the widespread use of pesticides, and different methods for farming. In India, farmers grew more rice and wheat than they needed. Much of this surplus was set aside in case of a poor growing season. Some was exported. The Green Revolution had some negative results too. The use of chemicals damaged the land and polluted rivers.

The cost of such new methods is too high for some small farmers. As a result, many farmers in South Asia still use old farming techniques despite their governments' efforts to introduce reform.

SECTION 3 ASSESSMENT

Terms & Names

1. **Identify:** (a) jute (b) information technology (c) Green Revolution

Taking Notes

2. Use a chart like the one below to list the important economic activities of South Asian countries.

Country	Economic Activity

Main Ideas

3. (a) How do most people in the countries of South Asia make a living?
- (b) What new technology is becoming an important part of India's economy?
- (c) Why was the Green Revolution important in South Asia? What were its negative effects?

Critical Thinking

4. Identifying Problems

What are the main problems faced by South Asian countries as they move from traditional economies to market economies?

Think About

- ♦ their natural resources
- ♦ levels of economic development, including rates of poverty and literacy

ACTIVITY -OPTION-

Choose a nation in South Asia. Imagine you are a government official applying to an international aid agency for help. Write a **letter** describing your economy and what it needs to develop further.