

South Asia – East Asia Knowledge Exchange

The South Asia region at the World Bank has supported a rich program of analytical work, comprising annual flagship reports, specific studies, a twice-a-year economic update, and the generation of public goods such as regional databases.

This program has received wide recognition, as shown by the substantial media coverage enjoyed by the publications, their frequent presence in social media, and the two dozen background papers published in refereed academic journals.

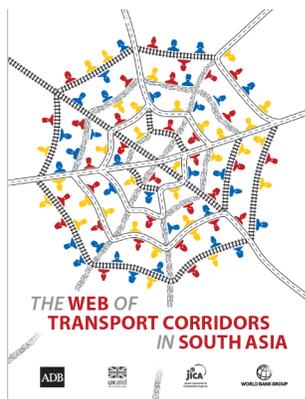
It is telling that 9 of the 50 most downloaded publications of the World Bank, out of more than 28 thousand entries, were produced by the South Asia region over the last four years. Only one other publication in the top-50 list is from other regions of the World Bank.

A selection of analytical products

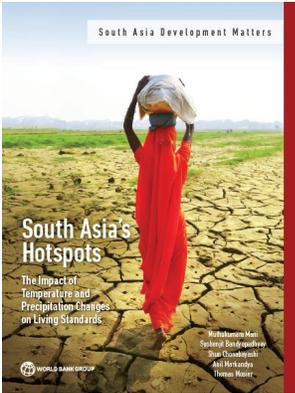
The analytical products of the South Asia region can be classified into three main buckets: 1) economic mobility, 2) win-win solutions, and 3) the interplay between the public and the private sector. Taken together, these products:

- Shed new light into what is now the fastest-growing region in the world,
- Reveal policy implications that are relevant beyond the region, and especially for China,
- Use new methodological approaches for analytical work on development.

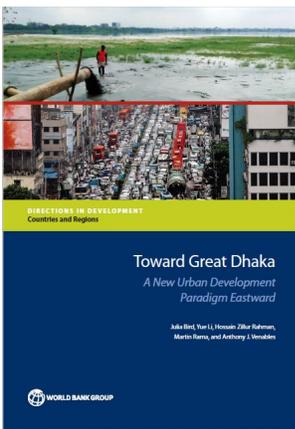
Among the rich portfolio of flagship reports, specific studies and economic updates, the following could be of especial interest for East Asian audiences:



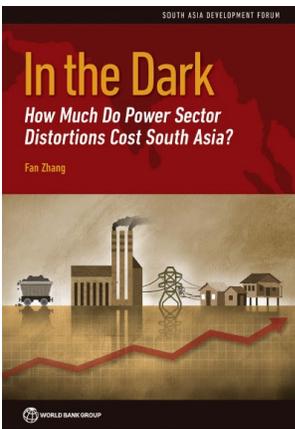
The WEB of Transport Corridors in South Asia proposes a holistic appraisal methodology to ensure that transport corridors have Wide Economic Benefits (the WEB in the title), and that possible negative impacts such as environmental degradation and increased inequality are minimized. The report focuses on South Asia not only as one of the world's most populous and poorest regions, but as a hinge between East Asia, Central Asia, the Middle East, and Europe. The book presents case studies of past and recent corridor initiatives, provides a thorough review of the literature and the evidence on the spatial impact of corridors, and offers assessments of corridor investment projects supported by international development organizations.



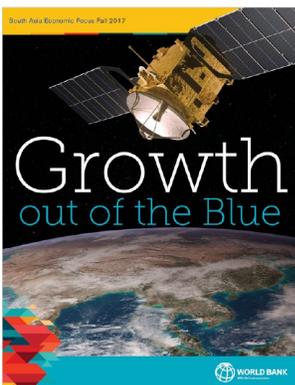
South Asia's Hotspots presents a granular assessment of the long-term impacts of changes in average temperature and precipitation on one of the world's poorest regions. "Hotspots" are locations where living standards will be much lower because of the shifting temperature and precipitation patterns. Much of the previous literature on the impacts of climate change focused on extreme weather events and sea-level rise, which affect mainly coastal areas. But the report shows that most hotspots are inlands, in places which are already among the poorest nowadays. The book also shows how increasing nonagricultural employment, improving educational attainment, and expanding access to electricity could offset the declines in living standards.



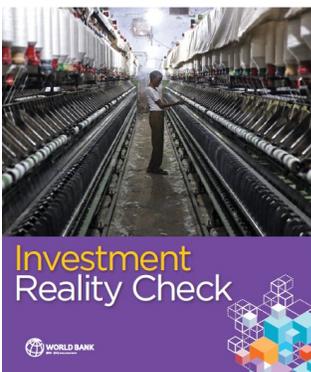
Toward Great Dhaka deals with a megacity whose flooding, congestion, and messiness are clogging its growth. But toward its east, where two major highway corridors will one day intersect, is a vast expanse of largely rural land. And much of it is within 6 kilometers of the most valuable parts of the city. Spontaneous urban development could soon make East Dhaka look as messy as the western part of the city. Retrofitting this area later on will be more difficult and costlier than properly planning and developing it now. Using state-of-the-art modeling techniques, this report simulates various scenarios for the development of East Dhaka, quantifying the consequences for the 266 unions that constitute Greater Dhaka. The simulations show that three strategic interventions could put Dhaka on the map of global cities by 2035.



In the Dark refers through its title to a region that is home to more than a quarter of the world's off-grid population, and where millions of households and firms that are connected experience frequent and long hours of blackouts. Using a common analytical framework and covering all stages of power supply, this report identifies and estimates how policy-induced distortions have affected Bangladesh, India and Pakistan. The report goes beyond fiscal costs, evaluating the impact of distortions from a welfare perspective by measuring the impact on consumer wellbeing, producer surplus, and environmental costs. It finds that the full cost of distortions in the power sector is far greater than previously estimated based on fiscal cost alone, and that some of the largest costs are upstream and downstream.



Growth out of the Blue deals with the challenges in measuring GDP when the informal sector is large and institutional constraints are severe. While official estimates are often met with skepticism, new technologies offer an opportunity to improve matters. Luminosity observed from satellites has been shown to be a good proxy for economic activity, and methodologies have been developed in recent years to predict GDP over time and across space based on nightlight intensity. In South Asia's case, GDP predicted using these methodologies closely tracks National Accounts GDP at the aggregate level, and provides a granular picture of GDP at subnational levels. Nightlight intensity also yields new insights on recent economic developments, from earthquakes to demonetization.



Investment Reality Check. South Asia has consolidated its position as the growth leader among regions, outpacing the long-lasting top performer East Asia and the Pacific. However, the sustainability of South Asia's rapid growth pace hinges upon an increasingly dynamic private sector. The key challenge will be to take weight off domestic consumption while igniting investment as the core driving force of GDP and productivity growth. While committed governments can set up conducive foundations through well-targeted public investment, it is private investment that needs to be sparked and ultimately do the heavy lifting. But what is the actual state of private investment across South Asia? Is the region prepared to take on this challenge?