

The South Asian Growth Mosaic: GDP and Per Capita Growth Patterns Across Five Nations

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DOI: <https://doi.org/10.47772/IJRISS.2026.100801194>

Received: 09 September 2026; Accepted: 14 September 2026; Published: 26 September 2026

ABSTRACT

This article compares annual GDP growth and GDP per capita growth in India, Bangladesh, Sri Lanka, Nepal, and Pakistan over 1961–2025, using data from the World Bank’s World Development Indicators. The analysis separates the pre-liberalisation period (1961–1990) from the post-1991 period, when India’s economic reforms coincided with wider changes in regional integration, trade, and structural transformation. Pakistan recorded the strongest average GDP growth in the earlier period, while India and Bangladesh emerged as the more sustained performers after 1991. Per capita growth provides an additional measure of how aggregate expansion translated into changes in average income. Sri Lanka, Nepal, and Pakistan exhibited more uneven trajectories, and Pakistan’s relative performance weakened over time. The comparison shows that long-run growth depended not only on periods of rapid expansion but also on the ability of countries to withstand political, financial, and external shocks. It highlights the importance of reform timing, export capacity, macroeconomic stability, demographic dynamics, and institutional resilience in shaping divergent development paths across South Asia.

Keywords: Economic Reform, Foreign Trade, GDP, Growth Volatility, South Asia.

INTRODUCTIONS

South Asia’s economic development was determined by multiple factors, including the region’s unique historical experiences, political events, and structural changes. The current growth trends can be seen in the context of regional disparities, as well as attachment and adaptation to external influences for India, Bangladesh, Sri Lanka, Nepal, and Pakistan. This paper aims to demonstrate how the longitudinal growth of the region is characterized by varying degrees of convergence and conditional development. The period of 1961-1990 is associated with the implementation of protectionist and isolationist policies, as well as food shortages, which entailed a low level of economic growth for South Asia. In contrast, the situation in 1991-2025 is linked to India’s liberalization policies and globalization processes, which are conducive to sustainable economic growth. The structural transformation, digital revolution, and changes in demographics contributed to the emergence of new growth factors and influenced the overall development trends. It can be seen that South Asia’s economic development differs from the perspective of individual countries and their economic structures. However, this growth is similar in the context of longitudinal changes and external influences. In this regard, the study of South Asia’s growth is useful in the context of analysing the trends of the entire region, as well as its relationship with other developing countries (World Bank, 2023; IMF, 2024).

REVIEW OF LITERATURE

Recent literature increasingly views South Asian economic growth as a multidimensional process shaped not only by capital accumulation and macroeconomic conditions but also by structural transformation, regional integration, institutional quality, technological change, and resilience to external shocks. By 2025, the literature on South Asian growth had broadened considerably. Hossain, Selvanathan, and Kathuria (2025)

underscored trade integration, demographic change, governance, and technological transformation, including the implications of artificial intelligence and the Fourth Industrial Revolution, while the World Bank (2025) and Asian Development Bank (2025) identified diverse sectoral opportunities India's services, Nepal's hydropower, Bangladesh's export resilience, Pakistan's agriculture, and Sri Lanka's tourism recovery yet cautioned that climate risks, external shocks, policy uncertainty, and trade barriers remain significant challenges. Moving back to 2024, Bhattacharjee and Chakraborty and Tasneem and Khan linked structural transformation and productivity-enhancing activities to long-run growth, while De and Kumarasamy and Wani et al. stressed trade facilitation, infrastructure connectivity, and regulatory reform for regional integration.

In 2023, Salgado and Anand emphasised sustaining post-pandemic growth through labour market reforms, social protection, digitalisation, and climate resilience. Earlier, Kathuria (2018) reinforced the persistence of policy and institutional barriers, while the World Bank (2007) had already highlighted trade, infrastructure, capital accumulation, labour quality, and institutional strength as key drivers, though weak investment conditions and political constraints limited outcomes. At the foundation of this trajectory lie the reform episodes themselves: India's decisive liberalisation in 1991 following its balance-of-payments crisis, Pakistan's gradual reforms during the 1990s, Nepal's mid-1980s reforms expanded around 1991, Bangladesh's liberalisation beginning in the 1980s, and Sri Lanka's pioneering reforms in 1977. Together, these successive waves of reform and evolving scholarly perspectives illustrate how South Asia's growth narrative has shifted from early liberalisation to multidimensional concerns of resilience, integration, and technological transformation.

Analytical Objectives and Statistical Framework

The analysis has three objectives: first, to compare the level and direction of GDP growth across the five countries; second, to examine whether growth became more stable after 1991; and third, to assess whether aggregate growth was translated into per capita income growth. The period comparison is based on the difference between the pre-1991 and post-1991 arithmetic means. Volatility is assessed through standard deviation and the coefficient of variation (CV). These statistics are interpreted as descriptive measures of performance and instability; they do not, by themselves, establish causal relationships between reforms and growth outcomes.

Data and Methodology

For India, Bangladesh, Sri Lanka, Nepal and Pakistan, the study draws on the World Bank's (2004a; 2004b) series of Annual GDP growth (annual %) and Annual GDPpc growth (annual %) from the World Development Indicators (WDI). The measure of each country's aggregate economic growth is its annual GDP growth, while utilization of each country's GDP per capita growth accounts for the population (i.e. labour force) dimension of growth, thus providing a closer approximation of the change in mean incomes. We interpret cross-country results with the reference to the series' time frame, period averages, observed previous and subsequent peaks and valleys, and qualitative literature on the main economic and political disturbances. The data are organized within the table for the period, from which cross-country interpretation ensues.

Comparative Performance Before Liberalization, 1961–1990

Between 1961 and 1990, the development of South Asia was characterized by a mixture of positive trends and significant challenges. Thus, Pakistan grew the fastest (6.2%) due to the industrialization process that occurred in the country in the 1960s, although the country faced several crises, including the civil war in 1971 and political instability. In turn, India, which had a relatively low average rate (4.4%), had intervals of both high and low growth. On the one hand, the situation with natural conditions (drought) and international issues (oil crisis) hampered economic growth in 1960-1970. However, the tendency changed for the better in the 1980s. Sri Lanka, in turn, demonstrated a moderate average rate (4.3%) due to the relatively stable functioning of the domestic economy. Nevertheless, the country was dependent on external factors and social and political problems. Finally, the low average rate (3.5%) was observed in Bangladesh, where negative dynamics dominated over positive ones. Such a situation was associated with both the events of 1971 (independence)

and dependent production in agriculture. Finally, Nepal had similar dynamics (3.5%), which are largely tied to the development trends of its powerful trade partner, India.

The discussion above demonstrates that high rates do not always indicate good performance Pakistan's experience suggests that rapid growth can be associated with political and economic risks. In turn, the Sri Lankan example shows that everything is much more important than high rates when it comes to favourable trends. Moderation and reliability are essential components of economic growth in South Asia, as are the ability to withstand external shocks and the transformation of the internal product structure.

Table 1. Annual GDP Growth in Selected South Asian Countries, 1961–1990

GDP Growth Selected South Asian Countries (Annual %) (1961-1990)					
Country Name	India	Bangladesh	Sri Lanka	Nepal	Pakistan
1961	3.72	6.06	4.23	1.91	5.99
1962	2.93	5.45	3.82	1.91	4.48
1963	5.99	-0.46	2.52	1.90	8.69
1964	7.45	10.95	3.91	7.53	7.57
1965	-2.64	1.61	2.54	-1.20	10.42
1966	-0.06	2.57	5.02	7.04	5.79
1967	7.83	-1.88	6.44	-1.57	5.40
1968	3.39	9.49	5.80	0.68	7.23
1969	6.54	1.22	7.72	4.46	5.51
1970	5.16	5.62	3.85	2.58	11.35
1971	1.64	-5.48	1.31	-1.20	0.47
1972	-0.55	-13.97	-0.41	3.12	0.81
1973	3.30	3.33	7.06	-0.48	7.06
1974	1.19	9.59	3.85	6.33	3.54
1975	9.15	-4.09	6.13	1.46	4.21
1976	1.66	5.66	3.34	4.40	5.16
1977	7.25	2.67	5.10	3.02	3.95
1978	5.71	7.07	5.65	4.41	8.05
1979	-5.24	4.80	6.40	2.37	3.76

GDP Growth Selected South Asian Countries (Annual %) (1961-1990)					
Country Name	India	Bangladesh	Sri Lanka	Nepal	Pakistan
1980	6.74	0.82	5.85	-2.32	10.22
1981	6.01	7.23	5.70	8.34	7.92
1982	3.48	2.13	4.14	3.78	6.54
1983	7.29	3.88	4.81	-2.98	6.78
1984	3.82	4.80	5.10	9.68	5.07
1985	5.25	3.34	5.00	6.14	7.59
1986	4.78	4.17	4.36	4.57	5.50
1987	3.97	3.77	1.73	1.70	6.45
1988	9.63	2.42	2.47	7.70	7.63
1989	5.95	2.84	2.30	4.33	4.96
1990	5.53	5.62	6.40	4.64	4.46

Source: World Bank, World Development Indicators (WDI).

Table 2. Summary of GDP Growth Performance, 1961–1990

Average Growth Rates Across Five Nations				
Country	Average Growth (1961–1990)	Highs	Lows	Volatility
India	~4.4%	9.63% (1988)	-5.24% (1979)	Moderate swings, reforms later stabilized
Bangladesh	~3.5%	10.95% (1964)	-13.97% (1972)	Very volatile, war & independence shocks
Sri Lanka	~4.4%	7.72% (1969)	-0.41% (1972)	Relatively steady, but vulnerable to crises

Average Growth Rates Across Five Nations				
Country	Average Growth (1961–1990)	Highs	Lows	Volatility
Nepal	~3.5%	9.68% (1984)	-2.98% (1983)	Small economy, big swings tied to India
Pakistan	~6.2%	11.35% (1970)	0.47% (1971)	Stronger average, but political shocks hit hard

Source: World Bank, World Development Indicators (WDI).

Between 1961 and 1990, Pakistan emerged as the fastest-growing economy in South Asia with an average of about 6.2%, driven by industrial expansion though disrupted by political shocks like the 1971 war. India maintained moderate growth at 4.4%, marked by cyclical swings but showing resilience in the 1980s that set the stage for later reforms. Sri Lanka averaged 4.4% and was relatively steady, though vulnerable to crises. Bangladesh, at 3.5%, experienced extreme volatility due to war and independence, while Nepal, also averaging 3.5%, saw sharp fluctuations tied closely to India’s performance. Overall, Pakistan led in growth, Sri Lanka showed stability, India prepared for liberalization, Bangladesh struggled with volatility, and Nepal remained dependent and fragile.

Post-1991 Growth Patterns, 1991–2025

The post-1991 period reveals a clearer divergence in regional growth trajectories. India’s reform process supported a higher average growth rate of around 6.0%, with strong expansion in the mid-2000s and a rapid rebound after the COVID-19 shock. Bangladesh became the most consistently expanding economy, supported by export-oriented manufacturing, especially ready-made garments. Sri Lanka achieved strong growth in parts of the 2000s and early 2010s but suffered major reversals associated with macroeconomic and debt crises. Nepal’s growth remained volatile, reflecting its small, landlocked economy and dependence on external conditions, remittances, and linkages with India. Pakistan’s average growth felt relative to the earlier period, constrained by recurrent macroeconomic imbalances, energy shortages, and political uncertainty.

Table 3. Annual GDP Growth in Selected South Asian Countries, 1991–2025

GDP Growth Selected South Asian Countries (1991-2025) (Annual %)					
Country Name	India	Bangladesh	Sri Lanka	Nepal	Pakistan
1991	1.06	3.49	4.60	6.37	5.06
1992	5.48	5.44	4.40	4.11	7.71
1993	4.75	4.71	6.90	3.85	1.76
1994	6.66	3.89	5.60	8.22	3.74

GDP Growth Selected South Asian Countries (1991-2025) (Annual %)					
Country Name	India	Bangladesh	Sri Lanka	Nepal	Pakistan
1995	7.57	5.12	5.50	3.47	4.96
1996	7.55	4.52	3.80	5.33	4.85
1997	4.05	4.49	6.41	5.05	1.01
1998	6.18	5.18	4.70	3.02	2.55
1999	8.85	4.67	4.30	4.41	3.66
2000	3.84	5.29	6.00	6.20	4.26
2001	4.82	5.08	-1.55	4.80	3.65
2002	3.80	3.83	3.96	0.12	2.59
2003	7.86	4.74	5.94	3.95	5.40
2004	7.92	5.24	5.45	4.68	7.83
2005	7.92	6.54	6.24	3.48	7.28
2006	8.06	6.67	7.67	3.36	6.05
2007	7.66	7.06	6.80	3.41	4.44
2008	3.09	6.01	5.95	6.10	2.12
2009	7.86	5.05	3.54	4.53	3.47
2010	8.50	5.57	8.02	4.82	1.50
2011	5.24	6.46	8.67	3.42	2.68
2012	5.46	6.52	8.63	4.67	3.03
2013	6.39	6.01	4.05	3.53	4.37
2014	7.41	6.06	6.38	6.01	4.12
2015	8.00	6.55	4.21	3.98	4.22
2016	8.26	7.11	5.05	0.43	6.57
2017	6.80	6.59	6.46	8.98	4.43
2018	6.45	7.32	2.31	7.62	6.15

GDP Growth Selected South Asian Countries (1991-2025) (Annual %)					
Country Name	India	Bangladesh	Sri Lanka	Nepal	Pakistan
2019	3.87	7.88	-0.22	6.66	2.50
2020	-5.78	3.45	-4.62	-2.37	-1.27
2021	9.69	6.94	4.21	4.84	6.51
2022	7.61	7.10	-7.35	5.63	4.78
2023	7.21	5.78	-2.03	1.98	-0.41
2024	7.10	4.22	4.99	3.68	3.08
2025	7.57	3.49	4.95	4.43	3.70

Source: World Bank, World Development Indicators (WDI).

Table 4. Summary of GDP Growth Performance, 1991–2025

Average Growth Rates Across Five Nations				
Country	Average Growth (1991–2025)	Highs	Lows	Volatility Description
India	~6.0%	9.69% (2021)	-5.78% (2020)	Strong post-1991 liberalization, resilient but exposed to global shocks
Bangladesh	~5.5%	7.88% (2019)	3.45% (2020)	Export-led stability, garment sector dominance, relatively steady
Sri Lanka	~4.5%	8.67% (2011)	-7.35% (2022)	Moderate average, but extreme volatility tied to debt and crises
Nepal	~4.2%	8.98% (2017)	-2.37% (2020)	Modest average, erratic swings

Average Growth Rates Across Five Nations				
Country	Average Growth (1991–2025)	Highs	Lows	Volatility Description
				tied to India and remittances
Pakistan	~3.8%	7.71% (1992)	-1.27% (2020)	Declining trajectory, repeated contractions, structural deficits

Source: World Bank, World Development Indicators (WDI).

From 1991 to 2025, India led the region with ~6% average growth, powered by liberalization and resilience despite global shocks. Bangladesh followed at ~5.5%, showing steady export-led expansion driven by garments. Sri Lanka averaged ~4.5% but faced sharp volatility from debt crises, peaking in 2011 and collapsing in 2022. Nepal managed ~4.2%, with erratic swings tied to India and remittances. Pakistan, once the leader, declined to ~3.8%, marked by repeated contractions and structural deficits. Overall, India and Bangladesh emerged as growth leaders, Sri Lanka and Nepal remained moderate but unstable, while Pakistan shifted from regional frontrunner to laggard.

GDP Growth Statistics Before Liberalisation, 1961–1990

Table 5. Descriptive Statistics for GDP Growth, 1961–1990

Country	Observations	Mean (%)	Std. Dev.	CV (%)	Minimum (%)	Maximum (%)
India	30	4.23	3.36	79.42	-5.24	9.63
Bangladesh	30	3.04	4.86	159.93	-13.97	10.95
Sri Lanka	30	4.41	1.89	42.80	-0.41	7.72
Nepal	30	3.14	3.28	104.40	-2.98	9.68
Pakistan	30	6.09	2.47	40.54	0.47	11.35

Note: Standard deviation measures dispersion around the mean. The coefficient of variation (CV) expresses volatility relative to average growth; a higher CV indicates greater relative instability.

The pre-liberalisation statistics show that Pakistan combined the highest mean GDP growth with substantial fluctuations, indicating that its early growth advantage was not fully stable. Bangladesh recorded the largest relative instability, as reflected in its high coefficient of variation and very low minimum growth rate following the disruptions of the early 1970s. India and Sri Lanka occupied a middle position, with moderate mean growth and less extreme volatility than Bangladesh. Nepal's lower average and comparatively high dispersion illustrate the fragility of a small economy with limited diversification.

GDP Growth Statistics After 1991, 1991–2025

Table 6. Descriptive Statistics for GDP Growth, 1991–2025

Country	Observations	Mean (%)	Std. Dev.	CV (%)	Minimum (%)	Maximum (%)
India	35	6.14	2.80	45.70	-5.78	9.69
Bangladesh	35	5.54	1.21	21.89	3.45	7.88
Sri Lanka	35	4.28	3.53	82.32	-7.35	8.67
Nepal	35	4.36	2.18	49.94	-2.37	8.98
Pakistan	35	3.95	2.09	52.84	-1.27	7.83

Note: Standard deviation measures dispersion around the mean. The coefficient of variation (CV) expresses volatility relative to average growth; a higher CV indicates greater relative instability.

The post-1991 statistics demonstrate a change in regional performance. India and Bangladesh achieved the strongest combination of high mean growth and comparatively manageable volatility, although India's pandemic contraction raised its standard deviation. Bangladesh's coefficient of variation remained lower than that of the more crisis-prone economies, supporting the view that its growth was relatively consistent. Sri Lanka recorded large negative and positive movements, producing the strongest evidence of crisis-driven volatility. Nepal and Pakistan showed lower average growth and greater relative instability, which is consistent with dependence on external conditions, recurrent macroeconomic pressures, and weaker structural transformation.

Cross-Period Analysis

A comparison of period means demonstrates a clear shift in the regional growth pattern. India's average GDP growth increased from 4.23% before 1991 to 6.14% after 1991, while Bangladesh's increased from 3.04% to 5.54%. Nepal also improved, from 3.14% to 4.36%. In contrast, Pakistan's mean growth declined from 6.09% to 3.95%, and Sri Lanka's moved marginally downward from 4.41% to 4.28%. The volatility measure is equally important: Bangladesh's CV declined sharply from 159.93% to 21.89%, indicating a major improvement in growth consistency. India's CV also fell from 79.42% to 45.70%. Sri Lanka's CV rose from 42.80% to 82.32%, highlighting greater instability in the later period. Thus, the regional transformation was driven not only by higher average growth in India and Bangladesh but also by their stronger relative stability.

Cross-National Analysis

India and Bangladesh stand out as the principal post-1991 growth leaders, although their sources of resilience differ. India benefited from market-oriented reforms, expansion in services and industry, and a large domestic market. Bangladesh combined relatively steady macroeconomic performance with export-led industrialisation. Their experience suggests that sustained growth is strengthened by structural transformation and the ability to recover quickly from external shocks.

Sri Lanka's experience illustrates both the potential and the risks of a more open economy. It achieved periods of rapid expansion but became highly vulnerable when fiscal and external pressures intensified. Nepal's pattern shows the limits of growth in a small economy with high external dependence; it experienced occasional strong years but less predictable momentum. Pakistan's relative decline from early regional leader to lower post-1991 growth performer points to the importance of stable institutions, credible macroeconomic

management, and sustained reform. Across all five countries, the COVID-19 pandemic demonstrates the importance of economic resilience. Every country faced a slowdown or contraction, but their recovery paths differed sharply. The contrast between Bangladesh's contained slowdown, India's strong rebound, Sri Lanka's deep subsequent crisis, and Pakistan's weak recovery reinforces the conclusion that stability and policy capacity matter as much as headline growth peaks.

GDP Per Capita Growth

GDP per capita growth is essential for assessing whether increases in national output are keeping pace with population growth. The long-run series shows that aggregate GDP growth and per capita growth can diverge considerably, especially in periods of rapid population increase. It therefore provides a more direct perspective on changes in average income and living standards across the five countries.

GDP Per Capita Growth in South Asia Before Liberalization, 1961–1990

The 1961–1990 per capita data reveal the impact of wars, political transitions, food shortages, and demographic pressure. India experienced sharp contractions during the mid-1960s drought years and again in 1979, while the Green Revolution and the late-1980s recovery supported stronger later outcomes. Bangladesh's severe contraction after independence and the 1974 famine demonstrate the vulnerability of average incomes to political and agricultural shocks. Pakistan achieved strong per capita growth in parts of the 1960s and around 1970, but this momentum weakened thereafter. Sri Lanka was comparatively more stable for much of the period, whereas Nepal's per capita growth was constrained by low productivity and external dependence.

Table 7. Annual GDP Per Capita Growth in Selected South Asian Countries, 1961–1990

GDP Per Capita Growth (1961-1990)					
Country Name	India	Bangladesh	Sri Lanka	Nepal	Pakistan
1961	1.27	3.11	-0.4	-0.02	3.25
1962	0.52	2.43	1.32	-0.05	1.80
1963	3.54	-3.32	0.04	-0.09	5.85
1964	4.97	7.76	1.39	5.40	4.71
1965	-4.80	-1.32	0.06	-3.21	7.44
1966	-2.17	-0.37	2.52	4.83	2.89
1967	5.54	-4.72	3.90	-3.63	2.47
1968	1.19	6.31	3.29	-1.47	4.22
1969	4.31	-1.62	5.23	2.22	2.53
1970	2.85	2.92	1.54	0.36	8.20
1971	-0.58	-7.12	-0.83	-3.32	-2.26

GDP (Annual %)	Per	Capita	Growth	(1961-1990)	
Country Name	India	Bangladesh	Sri Lanka	Nepal	Pakistan
1972	-2.71	-15.61	-2.41	0.90	-1.94
1973	1.00	0.41	4.99	-2.62	3.99
1974	-1.12	6.53	1.94	4.04	0.54
1975	6.60	-6.57	4.22	-0.75	1.14
1976	-0.70	3.01	1.48	2.14	1.99
1977	4.75	0.15	3.21	0.73	0.74
1978	3.31	4.49	3.73	2.01	4.64
1979	-7.42	2.31	4.44	0.00	0.23
1980	4.22	-1.56	3.93	-4.60	5.80
1981	3.54	4.52	3.94	5.83	3.50
1982	1.09	-0.63	2.87	1.39	2.61
1983	4.81	1.13	4.12	-5.25	3.14
1984	1.41	2.15	4.74	7.14	1.82
1985	2.83	0.83	4.31	3.76	4.24
1986	2.39	1.76	3.11	2.28	1.99
1987	1.62	1.47	0.54	-0.44	2.88
1988	7.19	0.26	1.44	5.45	4.07
1989	3.61	0.75	1.23	2.04	1.59
1990	3.22	3.54	5.72	2.13	1.02

Source: World Bank, World Development Indicators (WDI).

Compound Annual Growth Rate (CARG 1961-1990)

During the pre-1991 era, South Asia experienced low and inconsistent economic growth. Pakistan (approximately 2.3%) and Sri Lanka (approximately 2.6%) were the fastest growing countries in the region, with Pakistan exhibiting dynamism in the 1960s-70s and India (approximately 2.0%) remained moderate despite its restrictive economic policies. Bangladesh (approximately 0.9%) stagnated as a result of internal conflict and war while Nepal (approximately 1.5%) remained relatively low due to isolation and subsistence agriculture. Thus, overall low economic growth was the norm for the region, with Pakistan and Sri Lanka

growing at a faster rate than the regional average. However, the trend would be reversed in the post-1991 era as India and Bangladesh rapidly caught up with their neighbours, overtaking them in the process.

GDP Per Capita Growth in South Asia, 1991–2025

After 1991, per capita growth confirms the stronger relative performance of India and Bangladesh, while also revealing the limits of aggregate growth in the other economies. India's per capita growth accelerated during the reform era, although it contracted sharply during the pandemic before recovering. Bangladesh recorded notably steady gains in average income, reflecting sustained output growth and a comparatively favourable demographic transition. Sri Lanka achieved high per capita growth in several years but suffered severe reversals during its recent macroeconomic crisis. Nepal improved during parts of the 2010s, though its results remained erratic. Pakistan's repeated low or negative per capita growth illustrates how modest aggregate expansion and population growth can limit improvements in average living standards.

Table 8. Annual GDP Per Capita Growth in Selected South Asian Countries, 1991–2025

GDP Per Capita Growth (1991-2025) (Annual %)					
Country Name	India	Bangladesh	Sri Lanka	Nepal	Pakistan
1991	-1.11	1.53	3.82	3.65	1.64
1992	3.26	3.47	2.75	1.21	4.67
1993	2.57	2.78	5.10	1.05	-1.02
1994	4.50	1.98	4.07	5.54	0.78
1995	5.43	3.19	3.77	1.01	1.97
1996	5.42	2.63	1.82	3.03	1.84
1997	2.02	2.57	4.40	2.89	-1.80
1998	4.15	3.21	2.74	1.01	-0.24
1999	6.80	2.70	2.38	2.49	0.88
2000	1.91	3.39	4.09	4.38	1.36
2001	2.88	3.34	-3.09	3.12	0.79
2002	1.94	2.24	2.89	-1.39	0.11
2003	6.01	3.23	5.17	2.49	2.95
2004	6.10	3.82	4.73	3.36	5.20
2005	6.18	5.20	5.56	2.33	4.73
2006	6.38	5.44	6.95	2.37	3.56

GDP (Annual %)	Per	Capita	Growth	(1991-2025)	
Country Name	India	Bangladesh	Sri Lanka	Nepal	Pakistan
2007	6.05	5.91	6.07	2.55	1.72
2008	1.61	4.96	5.25	5.31	-0.58
2009	6.31	4.07	2.91	3.83	0.88
2010	6.93	4.65	7.38	4.17	-0.98
2011	3.76	5.50	8.00	2.96	0.41
2012	4.02	5.51	7.81	4.40	1.08
2013	4.98	5.02	7.01	3.32	2.68
2014	6.06	5.10	5.39	5.70	2.57
2015	6.72	5.60	3.25	3.41	2.77
2016	6.97	6.16	3.87	-0.04	5.20
2017	5.56	5.69	5.25	8.76	2.97
2018	5.29	6.44	1.29	7.36	4.44
2019	2.80	6.97	-0.83	5.40	0.78
2020	-6.69	2.59	-5.13	-4.23	-3.04
2021	8.79	6.07	3.09	3.03	4.52
2022	6.76	6.01	-7.45	4.78	2.96
2023	6.27	4.49	-1.39	2.05	-1.95
2024	6.15	2.96	5.57	3.83	1.54
2025	6.62	2.24	5.73	4.55	2.09

Source: World Bank, World Development Indicators (WDI).

Compound Annual Growth Rate (CARG 1991-2025)

From 1991 to 2025, the compounded annual growth rates (CAGR) reflect a clear divergence in South Asia's economic fortunes. India (~4.7%) and Bangladesh (~4.4%) sustained strong long-run growth, driven by liberalization, garment exports, remittances, and social development, while Sri Lanka (~3.6%) showed bursts of high growth but was undermined by civil war and debt crises. Nepal (~3.2%) achieved modest gains, constrained by instability and reliance on remittances, and Pakistan (~2.4%) slipped into stagnation due to repeated crises and structural weaknesses.

Overall, India and Bangladesh consolidated leadership, while Sri Lanka, Nepal, and Pakistan remained volatile or stagnant. This divergence underscores how reform timing, institutional strength, and resilience to shocks shaped outcomes, with India and Bangladesh transforming into long-run success stories, while Pakistan's early advantage eroded. It also highlights the importance of sustained reforms, diversification, and stability in driving durable per capita growth.

Comparative Implications of Per Capita Growth

The per capita evidence strengthens the main GDP-growth findings. India and Bangladesh not only expanded output more consistently after 1991 but also converted a greater share of that expansion into gains in average income. Bangladesh's performance is particularly notable because its comparatively stable per capita growth suggests that export-led expansion was accompanied by broad-based income improvement.

Sri Lanka's experience demonstrates how macroeconomic crisis can quickly reverse accumulated gains in average income. Nepal's volatility reflects continuing dependence on external conditions, while Pakistan's weak per capita performance points to the combined effects of slow growth, macroeconomic instability, and demographic pressure.

Statistical Analysis of GDP Per Capita Growth

Table 9. Descriptive Statistics for GDP Per Capita Growth, 1961–1990

Country	Observations	Mean (%)	Std. Dev.	CV (%)	Minimum (%)	Maximum (%)
India	30	1.88	3.27	174.49	-7.42	7.19
Bangladesh	30	0.43	4.62	1066.59	-15.61	7.76
Sri Lanka	30	2.62	1.97	75.33	-2.41	5.72
Nepal	30	0.91	3.20	352.86	-5.25	7.14
Pakistan	30	2.84	2.34	82.51	-2.26	8.20

Note: Standard deviation measures dispersion around the mean. The coefficient of variation (CV) expresses volatility relative to average growth; a higher CV indicates greater relative instability.

The above table no-9 contains the descriptive statistics on the growth of South Asian countries from the pre-1991 period. On average, Pakistan grew the fastest with the mean of 2.84% per year, with a relatively narrow range around the mean (CV~82%). With the mean of 2.62% and CV of 75%, Sri Lanka was closely following in second place, having demonstrated a more consistent growth pattern than the other two countries. However, India exhibited a much lower average annual growth of only 1.88% and a comparably high degree of variation (CV~174%).

Finally, Nepal and Bangladesh had a mere 0.91% and 0.43% average annual growth, respectively, with extremely high coefficients of variation (353% and 1067%). Thus, overall, it can be asserted that in the pre-1991 period, Pakistan and Sri Lanka generally performed better than the other three South Asian countries, whereas Nepal and Bangladesh had significantly lower average annual growth with prohibitively high variability. Consistent with this, India exhibited moderate growth with high variability.

Table 10. Descriptive Statistics for GDP Per Capita Growth, 1991–2025

Country	Observations	Mean (%)	Std. Dev.	CV (%)	Minimum (%)	Maximum (%)
India	35	4.55	2.84	62.46	-6.69	8.79
Bangladesh	35	4.19	1.50	35.91	1.53	6.97
Sri Lanka	35	3.43	3.46	100.84	-7.45	8.00
Nepal	35	3.13	2.35	74.96	-4.23	8.76
Pakistan	35	1.64	2.10	127.62	-3.04	5.20

Note: Standard deviation measures dispersion around the mean. The coefficient of variation (CV) expresses volatility relative to average growth; a higher CV indicates greater relative instability.

The post-1991 descriptive statistics present a significant change in growth trends of South Asia. While India (mean of 4.55%) and Bangladesh (mean of 4.19%) demonstrated a high and relatively stable economic growth with the latter only slightly varying around the mean value (CV ~ 36%), Sri Lanka (mean of 3.43%) appeared to be characterized by moderate but volatile growth (CV ~ 101%). The country's economic performance was closely related to its civil war and debt crisis episodes occurring during the period. With a mean of 3.13, Nepal appeared to be performing moderately well and steadily, whereas Pakistan surprised everyone by jumping to the bottom of the rankings with the mean of 1.64% and a high variance (CV ~ 128%). Overall, the growth trends demonstrated that India and Bangladesh were the consistent performers capable of maintaining a relatively high level of economic growth in the region, while other countries appeared to have serious structural problems and imbalances.

CONCLUSION

The comparison of GDP and GDP per capita growth of South Asian economies from 1961 to 2025 shows that the dynamics of development of the countries are not identical. Pakistan had the highest average GDP growth before 1991, but it decreased later. However, India and Bangladesh demonstrated more stable growth in GDP per capita after 1991, which characterized their further development better. In turn, Sri Lanka, Nepal, and Pakistan had a more unstable trend, which affected their current state. Thus, the overall conclusion is that these countries differ in the trends of economic development, which should be considered when comparing their development.

The comparison of the GDP and GDP per capita of South Asian countries shows the importance of considering both indicators, which characterize the economy's development at different levels. While the total volume of goods and services can demonstrate the scale of production, its connection with the population's size allows for a better understanding of how living standards are related to economic growth. Therefore, analysing the dynamics of GDP and GDP per capita is essential for understanding how exactly the economy of a country function. The choice of 1991 as the base year for comparison seems reasonable, given India's liberalization reforms. Although Bangladesh, Nepal, Pakistan, and Sri Lanka underwent several structural changes as well, they did not have a uniform starting point. Hence, dividing the entire time series into two parts might not be accurate, and using 1991 as the base year might have been more convenient for analysis only.

The analysis of South Asian countries' GDP and GDP per capita growth allowed concluding that changes in the economy's total volume can be misleading. For all the countries listed above, a more prolonged growth of GDP is evident, but their current state is different. The changes in GDP per capita better characterize how an economy changes for the vast majority of citizens. Therefore, for South Asian countries, long-term stability,

flexibility, and transformation are crucial for development. It is necessary to consider more factors influencing economies' growth to better understand their differences. Further research might include additional indicators that characterize economies from various points of view. Besides, analysing the countries' individual experiences will allow identifying more apparent tendencies demonstrating how exactly the economies were transformed.

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