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Introductory Chapter

Introduction

The goal of collective regional action, or regionalism, is to enhance each member state's development and security.¹ South Asia has, so far, achieved neither outcome. A region that was, for the most part,² a single state prior to 1947 became multiple states that moved apart politically, culturally and economically – to the extent that one state, Pakistan, de-integrated with the creation of Bangladesh, in 1971.

Failures – both on development and security cooperation – have hurt South Asia, which contains two nuclear-armed states and among the worst incidence of cross-border human trafficking³ and terrorism. It ranks among the regions with the world's lowest human development (on infant mortality, it ranks below sub-Saharan Africa). Regional trade is only 5% of total trade, compared with 26% in ASEAN and 22% in COMESA countries. The recently approved South Asian Free Trade Agreement (SAFTA) contains a 'negative list', i.e., items not covered by SAFTA, that constitute 53% of total current trade.

As of 2009, it is almost as if South Asia is alive only in the memories of those who remember or study colonial times; absent the memories and the study, it would not be necessary to invent a region called South Asia. Understanding the historical and institutional contexts of the failure is one goal of this book.

The second goal is to understand the challenges ahead and how to meet them. The stakes in successful regional cooperation are high. The chapter writers of this book argue that regional cooperation will not only deliver great rewards but that it is a feasible goal in the near-term.

This chapter summarizes the book's contributions. It proceeds as follows. In Section 2, we look at how regional development and security interact and what conditions – economic, political and social – are needed to underwrite progress. In Section 3, we discuss economic integration in South Asia – its history, underpinnings and prospects. We argue that regionalism's developmental promises are significant, as they are founded

¹ Security is defined here in the conventional sense of meaning the protection of a state's territorial integrity from external threats.

² The Indian subcontinent included 568 principalities that were under indirect British rule. Nepal and Bhutan were independent kingdoms which had signed treaties of friendship with Great Britain. The extent of these countries' true political independence from Britain is a debated subject, as they were under the British sphere of influence and were integrated under British political economy (English, 1985). The Maldives was a British protectorate until 1965. Sri Lanka was a British colony that was ruled independently of British India. British influence over Afghanistan varied over the centuries, reaching its peak in the late 19th century.

³ A UN representative described South Asia's human-trafficking as the world's second worst, after Southeast Asia. (Conference of UN Office on Drugs and Crime, <http://burmadigest.info/2007/10/27/combating-human-trafficking-in-south-asia/>, downloaded July 1, 2009)

upon a high degree of institutional commonality and maturity, prospects for significant market enlargement and access to substantial cross-border public goods. However, importantly, the developmental and security issues are interrelated. The limited progress in developmental integration was because member states chose not to confront the security issues upfront. The consequent cooperative mechanisms evolved with faulty designs destined to fail. Section 4 discusses the security challenges, showing that these arise from complex nation-state issues. As with development, the potential rewards of regional security arrangements are high. We argue that the complexity of security issues reduces the scope for great power influence, while the immaturity of democratization reduces the scope for civil society influence on regional integration. We conclude that regionalism's future as a mechanism for improving security rests on policymaker initiatives. Section 5 suggests ways forward. We propose conditions for regionalism's progress, showing that these conditions did not exist for several decades. As of 2009, however, they are in place, with India's role being central. India has the capacity to make definitive decisions about the future of regionalism in South Asia. Nonetheless, perhaps as a consequence of the past failure of regionalism, to which it contributed, India prefers bilateral engagements within the region rather than regional arrangements, while pursuing its ambitious global agenda. While this does not close the space for regional integration, India downplays its significance, arguing that some member states, particularly Pakistan, are not ready for such a leap of faith. This adversely affects the prospects for regionalism.

Section 2 Enhancing development and security.

A state's security is defined here in a conventional sense as meaning the protection of a state's territorial integrity from external threats originating within and outside the region. Development includes economic growth, the distribution of income, cross-border public goods⁴ and individual freedoms, thus defying easy definition⁵ - however, we focus on economic growth and managing cross-border public goods.

Do state actions influence regional development and security differently?⁶ With important exceptions, development is a *positive* outcome – usually, all the states in a region will be better off economically when one state invests in development; security can often be a *negative* outcome – member states' security can be reduced when one state enhances its own security, such as by acquiring nuclear weapons.⁷

⁴ Public goods includes public 'bads', such as climate change

⁵ Sen, 1999

⁶ I am grateful to Thomas Fingar for discussions on this point.

⁷ Externalities could cause exceptions. For instance, the security of all states may be enhanced if one state's actions reduce threats from a common, external hegemon. Likewise, development may not always be positive for all states. For example, a lower riparian's development may suffer if the upper-riparian diverts the water for its own purposes, or foreign investors may switch destinations in response to regime change or reforms (especially in larger states) that then leads to reduced funding for smaller states. Perhaps the most-feared externality is that regions share endowments which may be more efficiently exploited by the industries of a large state and drive the industries of smaller states out of existence. The textile industry is the common example of such a fear.

South Asia illustrates these contrasts. Most of the individual countries' developmental initiatives benefited at least some regional members, such as the impact of India's 1991 reforms on Sri Lanka, Bhutan and the Maldives (see also Dossani's chapter on the IT industry's supply-chain in South Asia in this book). On the other hand, individual security initiatives, such as Sri Lanka's Western tilt in the late 1970s and the Indian and Pakistani nuclear tests were viewed as reducing the security of neighboring states.

Hence, depending on whether the desired outcome is developmental, security-related or both, the way member states attempt regionalism will differ. Other reasons for differing approaches exist. Development is the more guaranteed outcome of collective action, with pathways that are well tested.⁸ Experiences within and outside South Asia suggest that the barriers to economic integration, such as asymmetric state power, can be managed (see, for example, the chapter by Dubey in this book). By promoting trust among states, economic collaboration even enhances mutual security. Security, on the other hand, is the more uncertain outcome of regionalism, beginning from differing views of what security means to a state;⁹ experience shows that its pathways are full of potential false starts and failures; collaborating on security may not increase development.

Economic cooperation may occur without state coordination or even explicit goal setting. General economic reforms can cause regional integration through the consequent actions of individuals and firms. If bilateral developmental arrangements within a region are made, they will usually not harm other regional states' development. By contrast, mutual security arrangements require policymaker coordination, thus consuming domestic political capital; bilateral arrangements may hurt some other member state's security.

These effects and interrelationships are captured in the table below.

Table 1 Differences Between the Regional Impact of Individual States' Developmental and Security Initiatives.

Action ↓ Outcomes =>	Development	Security
Uncoordinated state action	All states develop	Reduces security
Collective action	Well-tested pathways; bilateralism does not hurt regionalism	Uncertain pathways; bilateralism can hurt regionalism
Interrelationship between outcomes	Promotes security	Independent of development
Domestic political costs	Low	Uncertain: low to high

Resolving these differences is, in practice, difficult. Bava (Chapter 2 of this book) explores the international historical and political experience with regionalism. Noting

⁸ Vested economic interests that will lose from regionalism always exist and will try to prevent regionalism.

⁹ For example, in South Asia, Pakistan is more likely than India to argue that a settlement of the Kashmir problem is part of its security goals.

that regionalism is ‘identified by intentionality’ [2] and that intentionality determines how the region is to be defined, she argues that a necessary, though not sufficient, condition for regionalism is agreement on the need for collective action.¹⁰

If intentionality is a necessary condition, sufficiency requires, in addition, overcoming potentially difficult problems arising from institutional differences, asymmetric power and domestic politics, eg., the member states’ institutional frameworks may differ (for instance, a mixture of autocracies and democracies), asymmetric gains might accrue due to the presence of a hegemonic state, or domestic politics in the member countries may be captured by interest groups with conflicting regional priorities (such as a focus on cross-border security in one versus on exploiting transnational public goods in another).

Bava’s discussion of regional integration in Europe, Northeast Asia and Southeast Asia shows that the collective action problem might be overcome if there is a powerful external force that either encourages regionalism for its own interests, such as the United States did in Europe, or is a common threat, such as communism posed in southeast Asia.

Section 2a. Intentionality on Regionalism in South Asia

Intentionality on regionalism in South Asia has been missing among key members. When a formal mechanism for regional cooperation was first proposed by Bangladesh’s Ziaur Rahman, India and Pakistan responded coolly (see Section 4 below). Dubey (Chapter x) attributes the lack of political will to get regionalism off the ground to ‘the almost perpetual hostility and tense political relations between India and Pakistan’.[12] Even during those periods when India-Pakistan relations improved, regional integration failed because it meant different things to the different sides – an example of lack of meeting Bava’s third sufficiency condition noted above, that domestic politics may lead to different priorities between member states.

Indeed, the unwillingness of regional leaders to confront complex, inter-related regional questions of development and security at home or with each other raises the question as to whether we may even assert that South Asia is a ‘region’. While many scholars have asserted that South Asia is a ‘natural region’ by virtue of its geography and integrated pre-colonial history and culture, others have argued that regions do not exist naturally. As Allen, Massey and Cochrane note “Regions are not ... independent actors: they exist and ‘become’ in social practice and discourse”. Similarly, Slocum and Van Langenhove note, “While, on the one hand, every area on Earth has the potential to be a ‘region,’ given suitable historical, economic, cultural and social conditions, regions will only exist as actors as the result of certain acts (e.g., the Maastricht Treaty). Such acts only make sense in a discursive social context, which means that other relevant actors must take up a certain storyline and thereby position the other actor(s) in a certain way.” Perhaps South Asia never became a region because its leaders chose not to discuss the important questions.

¹⁰ Otherwise, regionalism may not result even though the region may be economically linked by the actions of individual firms. Bava illustrates this with the case of Northeast Asia, characterizing it as ‘regionalization without regionalism’ Bava, p xx quoting Kim (2004)

We identified above the intra-regional problems that must be resolved before regionalism succeeds: intentionality, institutional differences, asymmetric power and domestic politics. We also argued that external forces may affect outcomes. We turn now to South Asia's particular challenges.

Section 3 Development and SAARC

The institution formed for South Asian regionalism, the South Asian Association for Regional Cooperation (SAARC), was established in 1985. For its first decade, it focused on confidence-building (Dubey, Ch. X of this book). Rasgotra (2009) points out that this was a conscious decision. Aware of the sub-continent's recent history, its leaders decided to exclude bilateral issues, development and security, and instead chose an agenda item that all could agree on: to cooperate for poverty alleviation. Trade and capital flows were discussed only in 1995, when the South Asian Preferential Trade Arrangement (SAPTA) was operationalized.

Dubey argues that cooperation on poverty alleviation, the minimal common denominator on the policymaker agenda, lay low on the domestic political priority list of the two main actors, India and Pakistan. Given that this was SAARC's single agenda item at formation, this proved to be a key stumbling block to SAARC's progress. Lacking a meaningful agenda, SAARC quickly lost relevance. In Dubey's colorful phrase, SAARC became a "dumping ground for unwanted diplomats ... (Its deliberations consisted of) bureaucrats indulging in competitive deception, floating ambitious agenda for cooperation, with the tacit understanding on all sides that these are just for media consumption and will never be approved."¹¹

Establishing a developmental logic for regionalism ought to be a critical starting point; its logical conclusion might be to confront security issues, something SAARC is, as of 2009, yet to do. Instead, SAARC began, as noted, with the goal of poverty alleviation, yet did not define it in terms of developmental cooperation. SAARC's officials spent several years analyzing the causes of poverty and evaluating solutions such as better nutrition, women's rights and basic education. Hence, the primary form of regional cooperation for SAARC's first decade was developing a joint understanding on the causes and solutions for poverty, all of which (causes and solutions) were the domain of individual states. It is perhaps not surprising, therefore, that given an agenda that was assumed not to be caused by the lack of regional action and a choice of solutions that was assumed not to require regional action, that almost no regional action took place.

Yet a strong developmental logic for regionalism undoubtedly exists. Dubey (Chapter 3 of this book) demonstrates this, showing that it lies in the set of opportunities arising from jointly managing common resources and market enlargement. He notes the commonality of institutional frameworks (one of Bava's sufficiency conditions) due to a sustained, two-decades long period of sound macroeconomic management and market-friendly reforms across South Asia. A sensible road map that manages the issue of

¹¹ Source: Dubey, Conference on Regional Integration in South Asia, Stanford University, June 18-19, 2008

India's asymmetric power and achieves European-style integration also seems within reach – Indian policymakers, for instance, are aware of this issue, having responded to it in bilateral regional arrangements with Sri Lanka.

A key developmental concern of policymakers in the smaller countries of South Asia is that economic integration will lead to dominance by India. In his chapter, Dossani explores how an industry will be 'shared' by different countries under regional integration. In particular, he explores whether the fear of Indian dominance is real. Using the software industry as a case study, he shows that fragmentation of the supply-chain, rather than economic dominance, is the likely outcome. India will end up playing a key role in the resulting supply-chain as a hub for organizing and financing the work, while the other South Asian countries will offer programming and other lower-end work. Dossani concludes that the advantages of scale in India offers the rest of South Asia an opportunity for considerably more work in this important field than they could do on their own.

Sobhan (Chapter 4 of this book) details the developmental opportunity set from the viewpoint of Bangladesh. He argues that Bangladesh, probably the region's most consistent adherent to regionalism, needs regionalism for two reasons: (1) common resources: Bangladesh's development requires resolution of water, connectivity and transport problems, all of which need regional solutions. (2) market enlargement for traded goods, labor and investment. While some solutions might be bilateral (with India), notably market enlargement solutions, even in such cases, regionalism makes more sense than bilateralism given the asymmetric power of India. Sobhan notes that, in the absence of regionalism, Bangladesh "would have to deal with its largest and most important neighbor, India bilaterally within a manifestly unequal relationship." [1]. Sobhan adds that "this, indeed, was the perspective which informed the thinking of the late President Ziaur Rahman (the originator of the idea of regionalism in South Asia)." [1]

Writing on Sri Lanka's view, Kelegama (Chapter 8 of this book), notes that Sri Lanka was the first South Asian nation to liberalize its economy (in the late 1970s). This was a time when India, Bangladesh and Pakistan were mired in socialist development. Sri Lanka's enthusiasm for regionalism was for security rather than development. Separatism and terrorism based on inter-ethnic strife (between some segments of the native Tamil and Sinhala populations) had broken out in the early 1980s and Sri Lanka needed friends in the region.

However, over the subsequent decades, the failure of the regional body, SAARC, along with the economic success of India led it to conclude that 'for Sri Lanka, integration in South Asia eventually came down to economic integration with India'. [1] Hence, it pursued a bilateral arrangement with India, which, by focusing on noncompeting imports, investment from India, and tourist inflows from India, is a success.

Lama (Chapter x in the book) presents the positions of Bhutan and Nepal. Both Bhutan and Nepal have long-standing treaties with India¹² that recognize India's premier role in

¹² Bhutan and Nepal's treaties with India date to 1949 and 1950 respectively

their foreign relations. India initiated these treaties because of the China threat, Bhutan and Nepal being viewed as part of India's security frontier.¹³ Where, as noted above, Sri Lanka concluded that bilateral arrangements with India made practical sense given SAARC's failure, Bhutan and Nepal promoted regionalism (despite the above treaties). This is because, unlike Sri Lanka, the problem of common resources, particularly in hydropower, transport and the environment, looms large. Hence, managing India's asymmetric power is important. As Lama notes, 'it has been very critical to deal with a big neighbor like India more at the regional and multilateral level than at exclusive bilateral level.' (Section II). However, their interest in regionalism is not just due to India's superior bargaining power in bilateral trade arrangements. Partly, the difficulty with Bhutan and Nepal's relations with India is 'due to monarchy and the need to resist democratization emanating from India.' [Section II]

For Bhutan and Nepal, the failure of regionalism led to a kind of 'regionalization without regionalism', as discussed by Bava. Apart from commercial and illegal labor flows from Bhutan and Nepal to India, civil society groups with 'regional and global linkages, such as environmental groups and anti-trafficking groups' are active [Section II]. This is a second-best outcome. It is apparent that resolving security concerns through treaties with an unequal power, India, has been an integral part of a troubled relationship.

The above section demonstrates the importance of regionalism for development. It argues that regionalism can help solve two developmental problems. The first is the management of common resources, such as water. The second is market enlargement. In almost all such cases, the counterparty for the smaller countries is India. However, given India's size relative to other South Asian countries, there is a recognition that regionalism is needed in order to offset the power asymmetry that will result from a purely bilateral approach. A second conclusion of the above section is that security is intertwined with development. The unwillingness of political leaders to confront security issues led to failures in tackling common developmental problems. We now turn to the security issues.

Section 4 Security and SAARC

This section deals with two security issues. The first is the problem arising from nation-state issues in South Asia. The second is the interest of great powers – the United States, China and Russia – in South Asian regionalism.

The second half of this section asks whether regional security will be furthered by the actions of civil society or greater democratization.

The nation-state issue was a boiling issue at the time of independence when new states were carved out of British India, with its mix of principalities and directly-ruled territories, and a population that had been ruled through exploiting sub-nationalisms. However, with the exception of Kashmir, nationality issues were resolved by 1950.

¹³ Bhutan (though not Nepal) has border disputes with China, which may have been a factor in its willingness to enter into a treaty with India.

The issue arose again in Pakistan, as discussed above, with the creation of Bangladesh in 1971. The case of Bangladesh is of particular interest because of the argument of its founders that Bangladesh constituted a nation separate from Pakistan owing to its different culture, particularly language. Notwithstanding a common religion, Islam, there was good reason for the argument that these were different nations and, hence, deserved to be different states. A separate nation would, it was argued at the time, improve Bangladesh's relations with other states in South Asia, including Pakistan, since the relations would be between nations that were also constituted as states. In symbolic terms this is the equivalent of saying that the Maastricht Treaty would not have been possible without the Peace of Westphalia, although one might hope that the gap of time between their South Asian equivalents would be much more telescoped than in the case of Europe.

In general, the prediction about Bangladesh emerged as correct. Bangladesh now enjoys better political and economic relations with India than did Pakistan prior to Bangladesh's emergence and than Pakistan's currently with India.¹⁴

The Bangladesh example raises the question as to whether the societal context for regionalism is missing because its individual states still contain too many significant nations. This may become evident if some of the nations within the state persistently and militantly demand sovereignty or, at least, autonomy. This can weaken a state's commitment to regionalism. Pakistan's struggle to control violence in the NWFP is an example. If these sub-nations' ethnicities cross borders, the nation-state incongruence can even more severely weaken regionalism. Thus, when some Tamil groups in Sri Lanka in the 1980s demanded greater autonomy, Sri Lanka's relations with India as also Sri Lanka's ability to enter into regional arrangements deteriorated. According to Kelegama, the Tamil problem "led India to pressure Sri Lanka to sign the Indo-Sri Lanka Political Accord as the first step to solve the Tamil separatist problem." (Chapter x, p. 2). The long-running issue of Kashmir's status in the Indian Union is another example.

These examples impinge on regional integration because they question a critical condition for regionalism, the legitimacy of a state with regard to decision making for its people, especially if that legitimacy is challenged by a regional member. To begin with a counter-example, India's problems with Maoism in the tribal belt of Central and Northern India, though severe, are not a barrier to regional integration because no external party questions the Indian state's legitimacy to make policies on their behalf. However, if state A refuses to accept that state B is a legitimate spokesman for the entire area or peoples under the control of state B, then the political context for regionalism is incomplete. Other conditions may undermine this legitimacy, of course, such as an autocratic regime, or multiple independent or competing sources of power. But, in South Asia's case, it is the first factor that is the problem, over Kashmir. The unwillingness of

¹⁴ Pakistan's relations with India have floundered for several decades preceding and succeeding Bangladesh's creation that it will be fallacious to argue that relations with India would have been better had Pakistan not been partitioned.

India and Pakistan to accept the legitimacy of each side's claim to speak for Kashmir is important in preventing the right 'historical, economic, cultural and social conditions' for regional integration. If this emerges to be a key cause for the failure of South Asian integration, it also speaks to the power of events at the margin (Kashmir's population is just about one per cent of India's and six per cent of Pakistan's) to tragically deny an arguably larger prize, that of South Asian integration. Understanding why this is and what may be done about it is a key challenge of South Asian integration and, of course, of this book.

Khan (Chapter x in this book) discusses the security challenges in Kashmir. Acknowledging that regionalism in South Asia is 'stymied by non-resolution of interstate conflicts, intrastate challenges to state development and major power security interests in the region', he concludes that 'India's recent rise creates both opportunities and threats to [South Asian] stability. ... The opportunity is that Indian leadership will ... help South Asia's (leaders) ... to undertake the difficult political decisions needed to stabilize the region. The threat is that Indian leadership will assert that its past decisions are immutable and that the rest of South Asia should adjust to them. Both stances are observed.' [1] In Section 5, we seek to explain the dual stances of Indian leaders and how these need to be resolved to enable regionalism.

Turning to great power interests, Dormandy, in Chapter x, considers US interests in South Asia. She notes that they consist of (1) controlling terrorism and extremism, which has made Pakistan and Afghanistan one of the Obama Administration's 'principal foreign policy interests.' [5] (2) regional stability, given the nuclear status of India and Pakistan; (3) commercial engagement; (4) narcotics production in Afghanistan; (5) collective action on energy, the environment and proliferating democracy.

For accomplishing America's goals, Dormandy argues that the American viewpoint is that regional forums are not always the best option. This weakens America's commitment to regionalism in South Asia. Of course, part of the problem is SAARC's failure. However, even generally, American experience with multilateral and regional mechanisms is mixed. Therefore, depending on the circumstances, ad hoc coalitions and bilateral action may appear the most promising.

Nevertheless, looking ahead, regional action may be the best approach in certain areas, such as energy security and the proliferation of democracy; while climate change requires a global focus; 'specific and finite problems are addressed best through core groups' [21]. Dormandy has in mind actions against narcotics flow, for instance. Bilateral approaches are probably best for economic engagement [22]

Torbakov analyzes Russia's interests in South Asian regionalism (Chapter x of this book). He argues that 'unlike the former USSR, ..., Russia's principal strategic concern is the post-Soviet lands; ... of particular importance is ... Central Asia.' [2] India is viewed as a 'valuable ally', one that agrees with Russian concerns about 'unipolarity'. But, 'India's own increasingly multi-vector diplomacy might lead it to perceive Russia as just one of the important strategic partners.' [3], one reason for potential discord between

India and Russia. Another is that Russian democracy, unlike Indian democracy, is based 'not so much on the formal rules and institutions as on the informal patronage networks' [4]. Russia sees India as a potential 'balance' to China's growing clout in Central Asia.[18] Russia also sees India as a client for its military (and now nuclear) hardware and is worried by America's advances in this arena.

Despite Russian concerns about India, Torbakov concludes that 'India will likely remain Russia's main partner in South Asia.' [3]. This weakens Russia's commitment to South Asian regionalism.

Zhang (Chapter x) reviews China's interests in South Asian regionalism and argues that China's primary interests in South Asia lie in helping maintain the region's security and developing western China. From these viewpoints, regionalism in South Asia does not offer much to China. Perhaps also due to SAARC's failure, Zhang concludes that 'SAARC is not mature enough to be a main exchange bridge and dialogue platform between China and South Asian countries' [11]

We argued above that the incredibly complex security issues in South Asia resulted in irresolute member states and uninterested great powers. If policymaking and outside forces will not help, can civil society activism lead to state action? Will the evident spread of democracy in South Asia help?

India and Pakistan's political problems are, as noted above, seen as being at the heart of the failure of regionalism in South Asia. Hussain (Chapter x in this book) takes the view that freer trade with India will raise the stakes of the Pakistani middle-class in better political relations with India [9]. He suggests that the pathway to build trust in the short term is through civil society. He advocates a conference of South Asian parliamentarians on regional integration, the building of networks of institutes for regional cooperation, and easing travel restrictions [14-15].

Kumar (Chapter x of this book) argues, like Hussain, in favor of civil society. He notes that "elites across borders need to agree that greater regional integration will not hurt their spheres of influence, national sovereignty or internal security, or, at least, that fears of such damage are greatly exaggerated and regional integration will help chip away at the sources of damage." [16,17]

Embree, in Chapter x, asks whether more widespread democracy might have made a difference to regionalism. Noting that though democratization¹⁵ preceded independence by several decades and was experienced by all South Asians during that time, it was not experienced equally. As he notes, 'Those areas that formed the new state of Pakistan had had much less experience of electoral politics than had those than formed India.'

¹⁵ Embree's use of the term 'democratization' means a movement away from authoritarian to elected rule. This is different from another common meaning, which is the increase in participation by underprivileged groups in democratic institutions (Kohli, 2003). Democratization began in 1858 with Queen Victoria's pledge that all Indians would enjoy equal protection under the law.[9-10]. By the early 20th century, Indians had already begun to vote in legislative elections.

[27] This impacted post-independence democratization in Pakistan. Right from independence, there was a ‘fundamental clash of visions of a good society’ in Pakistan, between the secular Jinnah view and the fundamentalist Jamat-i-Islami view [29].

For different reasons on both sides, democracy has not warmed feelings between India and Pakistan. For Pakistanis, the problem is that ‘Indian nationalism has claimed cultural and sometimes political hegemony of the whole of South Asia, which is resented by the other countries’ [4]. In India, the negative feelings about Pakistan and against regionalism emanate from the ‘immense physical suffering caused to millions of both Indians and Pakistanis by partition... and the sense in India that Pakistan represents the destruction of a united India encompassing the entire subcontinent, the rightful inheritance of the Indian people.[23] And, further, ‘India’s support for regionalism has been further dimmed by militant insurgent movements in its border regions ... in Kashmir, Panjab and ... the Northeast.’[23]

The chapters by Hussain, Kumar and Embree argue convincingly that a maturing process is still needed in both democracy and civil society in South Asia if they are to support policymakers’ initiatives in improving the security environment. We therefore conclude that the immediate future of regionalism as a mechanism for improving security in South Asia rests on policymaker initiatives.

Section 5 Ways forward

In earlier sections, we identified the main goals of regionalism in South Asia: managing common resources, market enlargement and improving security. We argued that these issues are interrelated. Further, managing India’s asymmetric power is a compelling rationale for regional rather than bilateral action. We further argued that many of the institutional contexts for success are in place. The primary obstacle to regionalism appears to be policymakers’ unwillingness to accept the interrelationships and take a holistic view of regionalism, i.e., one that tackles both development and security together rather than separately. This may reflect different domestic priorities over regionalism in different member states and/or a low domestic priority for regionalism. Alternatively, the process may be elite-driven and have different drivers. We ask, in this section, whether policymakers are likely to behave differently in the future. This requires, we shall argue, overcoming the problems posed by state weaknesses, public disinterest and elite-driven nationalism, and a central role for India.

The different countries’ key issues with regionalism are summarized in the table below.

Table 2 Member states' rationales for regionalism

Collective action challenge ⇒ Country ↓	Common resources	Market enlargement	Security	India's asymmetric power as a driver of regionalism
Bangladesh	Water, transport, environment	Trade, investment and labor flows	None	High
Bhutan & Nepal	Hydropower, transport, environment	Trade, investment & labor flows	None	High
India	Water (BD, P)	None	Nuclearization (P), migration (BD, BH, N), trafficking (N), Kashmir (P), China (BH,N)	NA
Pakistan	Water	None	Nuclearization, Kashmir	Medium
Sri Lanka	None	Trade & investment	Tamil insurgency	High

Notes: The column headings are categories of problems or opportunities (collectively, challenges) – two developmental, one security and one of asymmetric power – that collective action could resolve. The rows provide details of problems under each category faced by the respective countries. They are derived from the discussions in Section 2 and 3. Unless otherwise noted, the problem emanates from relations with India. Otherwise, the country with which the problem arises is indicated in parentheses (BD=Bangladesh, BH=Bhutan, I=India, N=Nepal, P=Pakistan, S=Sri Lanka). (1) For Bangladesh, as noted by Sobhan (Ch x and p.5 above), regionalism should: (1) resolve common resource problems relating to water, transport and the environment; and (2) allow Bangladesh to benefit from India's markets for trade, investment and labor flows. While security is not a concern for Bangladesh, India is concerned about illegal labor movements from Bangladesh affecting its security. Although Bangladesh's problems need to be resolved with India, Sobhan argues that Bangladesh prefers regionalism in order to ameliorate the problem of India's asymmetric power that comes into play in bilateral discussions. (2) For Bhutan and Nepal, the common resources problem, particularly in hydropower, transport and the environment, looms large (Lama, Ch x and p.5 above). As for Bangladesh, access to India's markets for trade, investment and labor flows are key issues. India's superior bargaining power in bilateral negotiations is, as for Bangladesh, a key issue. However, the security issues are more significant than for Bangladesh and emanate from the Indian side. India is, as with Bangladesh, concerned about illegal labor migration from these countries into India. In addition, human and drugs trafficking, particularly from Nepal, are concerns. Further, as noted above, India views Bhutan and Nepal as part of India's security frontier with China. This has led it to sign bilateral securities treaties between each country and India. China's growing importance has raised the security concerns about Bhutan and Nepal on India's side. (3) For India, resolving water disputes with Bangladesh and Pakistan are developmental challenges. India's security concerns, in addition to those already noted, arise from Pakistan's nuclearization and the Kashmir problem. (4) Pakistan is closest to India in its framework of challenges. Its developmental challenge is water and its security challenges are India's nuclearization and Kashmir. Being the largest South Asian economy after India, the asymmetric power between itself and India is the least of all the other South Asian countries. (5) Sri Lanka's main regional developmental concern is benefiting from India's economic growth (trade and investment flows). Its main security concern is stabilizing the north-east after the Tamil insurgency. Its attitude to regionalism

versus bilateralism is a consequence of India's size and power, thus mirroring that of the other small countries (Kelegama, Ch x and p.5 above)

If one looks at regionalism in Europe,¹⁶ what may we learn about 'intentionality' on regional integration? From their study of the European Union, Bretherton and Vogler list the following conditions that individual states must meet to enable regional development:

1. A commitment to a set of overarching values and principles that is shared with other states in the region¹⁷
2. The ability to identify policy priorities and to formulate coherent policies
3. The ability to negotiate effectively with other actors in the international system
4. The availability of, and capacity to utilise, policy instruments
5. A domestic legitimacy of decision processes and priorities relating to external policy.

Does the above list apply to South Asia? Of the above, only the first may appear to be difficult for South Asia to meet. Before we turn to this, undoubtedly there will be debates on whether all the countries of South Asia fulfill the remaining four conditions because all the states of South Asia would not have fulfilled all four conditions at different times. This is a natural outcome of emerging economies. For example, considering the state's capacity to identify and implement policies, even India, arguably the strongest and stablest state in South Asia, has failed to achieve intended targets in significant areas of human development for several decades now, including in rural poverty or urban health care.¹⁸

However, none of the states is so weak that it constantly fails the four conditions and most of the time, they fulfill them. Hence, with one exception, we shall not consider the capability to fulfill these conditions further, but take their fulfillment as a given.

That exception, in 2009, is Pakistan, particularly with regards to the last condition. Pakistan's shift to democratic rule in 2008 gave its civilian rulers the legitimacy of decision processes and priorities relating to external policy, but, in practice, some of these, as well as control over nuclear assets, are shared with the military.

One might be tempted to argue that states that experience great civic instability may be less willing to enter into regional arrangements. This argument would suggest that, even if rulers are willing, their preoccupation with internal issues might prevent them from

¹⁶ European regionalism is the basis for most studies on regional integration, an imbalance that this volume (and the series to which it belongs) seeks to correct.

¹⁷ An observer of Southeast Asia would surely conclude, as does a companion volume to this series, that its regional body, ASEAN, is a success (perhaps a qualified success, but a much greater success than the South Asian equivalent, SAARC); yet, the first point above is not generally true for the countries of Southeast Asia. For example, the commitment to democracy, which most would agree is an overarching value, is not shared across the region.

¹⁸ On international negotiations, even India has had several failures, a notable example being its dealings with Enron in the 1990s and earlier arms procurement-related issues in the 1980s. There have been notable success also, one being the long abiding Indus Waters Treaty of 1960 as well as the Indo US Civilian Nuclear Energy Agreement of 2008.

seeking regional cooperation, except perhaps to solve internal issues, as Sri Lanka did with India in 1987 to help solve its Tamil problem (although the historical record on that score might dissuade future such initiatives).

Certainly, Pakistan and Sri Lanka are probably the two countries whose willingness to cooperate regionally has varied most in recent times due to internal problems. In Pakistan's case, civilian rule has alternated with military rule, the latter being less inclined to participate in regional integration. In Sri Lanka's case, India's involvement in the 1980s in bolstering the Tamil cause through political, military and financial support to certain groupings in Sri Lanka, as noted earlier, led to great distrust of India and in Sri Lanka's willingness to cooperate regionally.

However, one can overstate the importance of this factor, at least among the smaller states. Bangladesh, a politically fragile state has nevertheless been a persistent proponent of regionalism. Nepal, a state with a monarchical pattern of governance till the leftist-led democratic revolution, has also favored the strengthening of SAARC.

Further, state weakness may even bolster regionalism because it tends to raise the use of regional forums for bolstering a weak leader's domestic reputation. ASEAN has seen this happen, although the Arab League is probably the primary example of this. Its members use the Arab League to engage in the "competitive politics of regime survival" (Barnett and Solingen, 2007). Of course, this can weaken regional cooperation even as it strengthens the survival of a regional institution. As Barnett and Solingen argue, the members of the Arab League appear to be content with the existence of the League but do not want it to do anything since a strong regional institution "leading to collaboration and integration might have weakened political leaders at home."

Turning to the first condition, we identify two important values that most would agree are overarching and should be shared among states in a region that would integrate: democracy and intentionality – as defined above, interest in regional integration. Note that we include democracy despite its apparent non-criticality for Southeast Asian integration. The importance of democracy is that, if popular will opines on regional integration (either for or against it), democracy allows it to be relatively easily exercised, as Europe has shown.

Although democracy, as of 2009, appears to be a reality in all the states of South Asia, the region earlier experienced long periods of military rule (in Bangladesh and Pakistan) and monarchy (Bhutan and Nepal). If one takes the main states, Bangladesh, Nepal, India, Pakistan and Sri Lanka,¹⁹ it is, notwithstanding the episodes of autocracy,²⁰ the constant reversion to democracy that is the more remarkable feature. One could justify periods of instability by arguing that the instability of democracy owes to perceptions of internal and external threats. For instance, Pakistan's military has usually justified a coup for such reasons and usually been welcomed by the population at the beginning of

¹⁹ Afghanistan, though a frontline state for the United States as of 2009, is not as relevant for the future of regional cooperation. As discussed elsewhere in this chapter, it was admitted to SAARC in 2007

²⁰ Sri Lanka has been a constant democracy; India had one reversion to autocracy, from 1975-77.

military rule, thus providing some legitimacy to the coup. However, it is hard to argue with the proposition that the constant reversion to democracy is the result of the widespread perception that the only legitimate form of government is a democracy.²¹ This has invariably forced autocrats into seeking election, sometimes successfully (an example being General Ziaur Rahman's creation of the Bangladesh National Party, one of the two main political parties, which he led to victory in elections in 1979²²), more often unsuccessfully (an example being General Musharraf's party, the PML(Q), which lost the elections in 2008; and Mrs. Gandhi's Congress Party, which was defeated in the 1977 post-Emergency elections).

Thus, unlike many more successful alliances, such as ASEAN, democracy, remarkably, is the average South Asian's dominant default preference. It takes precedence to such an extent that other forms of governance are only tolerated temporarily. This fulfills at least one of the key conditions of shared commitment to values for successful regional integration. This is important because it allows us to argue that, while Southeast Asian regionalism was achieved despite the hurdle of widespread autocracy, South Asian regionalism: (1) failed despite its peoples' deep democratic impulses that are recognized by the ruling classes – i.e., some other barriers must be at work to explain failure; (2) can succeed if the other barriers are overcome, because these democratic impulses are not likely to obstruct regional integration.

The second value is the interest in regional integration. In South Asia, it is unlikely that there will be widespread popular interest in regional integration in the way that popular referenda were an organizing principle of integration in Europe. The average South Asian's disinterest in regional integration (or any foreign policy issue) is at best a non-negative force. Such disinterest, which extends upwards to the level of members of parliament through the democratic process, may be explained as a natural outcome of widespread underdevelopment and poverty. Coupled with the large size of most of the South Asian states (two of the three 'smaller' states of South Asia – Pakistan and Bangladesh – would together dominate any other regional grouping), the popular view is that, as one, Rajiv Kumar, one of the authors in this book puts it, there is probably greater public interest in prioritizing domestic market integration and social integration (within India/Pakistan/Bangladesh/Sri Lanka) than in integrating across borders.

Not surprisingly, therefore, South Asian integration has been a hard sell (to the public) in a way that Europe did not face. Given the democratic impulses of South Asians, this effectively prevented South Asian integration from achieving any sort of priority in politicians' electoral agenda. This leaves us with considering whether the elite in power might do so for other reasons, such as improving security (the ASEAN's founding imperative) or, whether, development might provide a new rationale for elite interests in regionalism.

²¹ For an analysis of 'democracy-reversion' in Pakistan, see Kennedy (2005)

²² The elections were criticized as not being free and fair (www.ti-bangladesh.org, downloaded May 24, 2009)

In the past, prior to the advent of South Asia's nuclear age and prior to China's economic great leap forward, the security impulses were largely absent among India's rulers. India was probably the least interested. When a formal mechanism of regional integration was first proposed by Bangladesh's General Ziaur Rahman in the late 1970s,²³ it was favoured by Sri Lanka, but the Indian response was that of feeling cornered.²⁴ India felt that the smaller nations of South Asia were about to gang up on it – not for economic gain but to pressure India to make political concessions on cross-border issues, such as Kashmir, the Tamils and the Farakka Barrage.

Interestingly, the elite in power may have changed in some ways over the past two decades, notably the rise of pro-market forces generally, but the class that exercises power is still the old class. This has stymied improvements on security. The democratically elected rulers of South Asia are from the old elite, whether these be landowners (Pakistan), dominant caste groups (India), or scions of political dynasties (all). It is because of the last, probably uniquely South Asian trait, that a strong sense of national identity permeates them all. Therein perhaps lies the problem with regard to the key security challenge of South Asia: limited respect for other states' sovereignty. Their leaders have struggled to establish their countries' sovereignty as a first principle even if it meant impinging on the sovereignty of their neighbors. Thus, India and Pakistan were unwilling to find common ground on Kashmir because the nationalistic impulses of the leaders on both sides imply that Kashmir is not the other's. Similarly, Sri Lanka's struggles with its Tamil secessionist groups were made much more violent and ineffective because Indian politicians, primarily from Tamil Nadu, but with the covert acquiescence of national politicians, provided, as noted, support to these groups.

As of 2009, the main outstanding issue is Kashmir, where the Kashmiris' struggle for greater autonomy, Pakistan supports the insurgency, and India's efforts, both peaceful and military, to accommodate the Kashmiris' demands while keeping Kashmir within India, have created an ongoing problem. It may be argued that, until this problem is resolved, a key condition for regional integration, that of respect for each other's sovereignty, will not be met. Since dynastic-democratic rule shows no signs of abating in the main South Asian countries, resolving the sovereignty issue appears difficult; under these circumstances the probability of South Asian regional integration in the absence of other impulses appears to be dim.

That impulse could arguably come from India. India's role is key in determining SAARC's future. Most of the successful examples of regionalism show the important role played by a major anchor, at least in integration's early days. Thus, such an anchor role was played by Germany in European regionalism, by Indonesia in ASEAN and by the United States in NAFTA.

²³ Source: http://banglapedia.search.com.bd/HT/R_0028.htm, downloaded May 24, 2009

²⁴ Pakistan was also initially wary of the proposal, suspecting it of being a mechanism whereby India would dominate the smaller countries (Dubey, personal communication, March 19, 2009). According to Rasgotra (2009), who was a participant in the SAARC formation process, Prime Minister Indira Gandhi discussed ultimately decided that a South Asian forum would be a good thing in that it might give India's smaller neighbours greater confidence in dealing with India

India's position is most similar, of the above, to the United States in North America, as the smaller states' land or littoral boundaries are mostly with India. While it is conceivable to imagine a regional grouping of the three or four smaller countries of South Asia, which itself would, in population, be the world's fourth largest such grouping, it is unlikely given their internal weaknesses and the hostility this would evoke in India. It may be more sustainable to imagine a regional grouping consisting of at least Bangladesh, India and Sri Lanka, but excluding Pakistan. While this would probably be viewed as a hostile grouping by Pakistan, it is an idea whose time may yet come.

India's position in the late 1970s, when South Asian regional cooperation was first mooted by President Zia of Bangladesh, as noted above, was taken during an unstable episode in Indian politics. India entered its worst political period, the Emergency, in 1975, and was not to recover political stability until the Congress party was re-elected to power in 1980. Regionally, then, at the time, India was unstable even relative to its neighbors. Further, it seemed, on all sides, to be cornered by forces inimical to India's domestic and global interests, which were built around socialism and its close relationship with the Soviet Union. President Zia-ul-Haq of Pakistan ruled during a period of relative calm in Pakistan during that time and became its longest serving ruler (even to date), as he took his country close to the United States during the Afghan insurrection. In Bangladesh, President Ziaur Rahman had moved his country closer to the United States and China during this period, while distancing his country from the Soviet Union, India's closest ally at the time. Sri Lanka, which had adopted the presidential system in 1978, had a new president by 1978, Junius Jayawardene, who was to rule for the next twelve years and was to move the country rightward during this period in a sharp break with the socialist policies of his predecessors.

If the late-1970s were too challenging a period for India to embrace regional integration, the 1980s were no better. While this was a period when India's economic condition started to improve after many decades, it was ironically a period of great internal political instability, beginning with the Punjab agitation in its early part. After a brief period of stability in 1985 and 1986 during Rajiv Gandhi's post-election 'honeymoon period' (SAARC was formed during this time), Gandhi's government was hit by the scandals of Bofors and other arms-procurement, and the 1987 Kashmir elections, whose impact took up the rest of the 1980s. Interestingly, even through this period, India kept up some regional efforts, which were mostly bilateral initiatives, although these were largely unsuccessful. The Rajiv-Benazir dialogue and the Sri Lanka IPKF expedition are examples of such efforts, a successful exception being India's intervention in the Maldives in 1988. The IPKF episode, in particular, sharply diminished India's appetite for regional involvement. Political stability returned to India only in 1991, although, again ironically, this was during a time of continuing economic crisis.

During the 1990s, India was pre-occupied with internal economic reform and had little time for regional efforts. Once economic stability had been restored, the country turned to regional integration again in the late 1990s, beginning with the India-Sri Lanka Bilateral Free Trade Agreement (BFTA) in 1998. A South Asian Free Trade Agreement

was inked in 2004, and ratified by member countries in 2006.²⁵ However, its operationalization remains a work in progress. An India-Bangladesh Bilateral Free Trade Agreement was drafted in 2006, but has not progressed since then.²⁶

Nevertheless, as the chapters in this book reveal, these free trade agreements are symbolic rather than real; essentially, they are little more than placeholders, meant to symbolize the beginning of a process of closer engagement, rather than real trade liberalization.

What is noteworthy, however, is that regional trade has soared despite the absence of regional trade liberalization. Even the modest liberalizations under SAARC and the India-Sri Lanka BFTA led to large increases in trade, even though the ‘negative list’, i.e., items not covered these agreements are, as noted earlier, of the order of 53% of total current trade. Optimists see in these trends the potential for unfettered trade.

As of 2009, we are in an age when both India and Pakistan are declared nuclear weapons powers, when the reality of China’s growth demands a response from India, when terrorism is widespread in South Asia and when India is becoming a growth engine for the world. The recent global downturn may upturn some of these realities, but perhaps only at the margin. This raises the question of how South Asian regionalism will fare in the face of these new opportunities and challenges.

There is, of course, nothing automatic about any destiny that we may infer from the above four conditions, just as there is more than one logical destiny that may be inferred and more than one which may result. For instance, we noted the possibility of a regional grouping that excludes Pakistan just because India thinks it too troublesome a neighbour to include and the other countries go along with the Indian viewpoint.

We posit the following two possibilities for regional integration in the future, assuming the four conditions noted at the start of this section continue to hold. Both center around India as the key first-mover. The first scenario is that India, global ambitions firmly in sight, will decide that it needs the world more than it needs South Asia. This would be largely an outcome of two strands of thought: first, that India’s developmental opportunities lie in trading and investing with the rest of the world, particularly the richer countries, along with a decision to match China’s global influence in the medium-term. The second thought is that India will decide that national security is a goal that can best be achieved through global alignments, such as it recently achieved with the United States. This might enable it to continue to assert the immutability of its stance on Kashmir and, with U.S. support, keep Pakistan at bay.²⁷

²⁵ Source: <http://www.financialexpress.com/news/saarc-countries-ratify-safta/55611/>, downloaded May 24, 2009

²⁶ Source: <http://www.infodriveindia.com/Exim/Trade-Agreement/India-Bangladesh-Free-Trade-Agreement.aspx> downloaded May 24, 2009

²⁷ Although this is a less-likely scenario under the Obama administration than under its predecessor, the Obama administration is likely to try and influence Pakistan to prevent it from engaging again with Kashmir-based insurgents. In return (and also in return for Pakistan’s help in engaging with the Taliban),

The second scenario is that India tries to leverage its presence in South Asia by exploiting South Asia's assets – a large, developing market and the chance to build strategic depth to counter any external forces, while hoping that its greater engagement with South Asia sets an example for the other countries of South Asia. For this to happen, India must gain the trust of the rest of South Asia, particularly Pakistan, on security. This likely means that, in the short-term, India negotiates greater autonomy for Kashmir with Pakistan and opens its cross-border zones to economic integration. In the longer-term, India works towards a strong, holistic form of regional integration that is both development and security-based. Even assuming that the other nations, particularly Pakistan, play along, it will impose political and economic costs on India. However, it is the job of good politicians to contain such costs, as was shown by Nehru in the 1952 Delhi Agreement.²⁸

Acknowledging that building trust at all levels is key to regionalism, Kumar examines India's role and responsibilities. He argues that 'India has to play a major role in providing ... additional impetus (to regional integration) ... (It) now also has the needed capacity to actively pursue this interest.' [1] Kumar argues that it is not necessary for India alone to take the regional agenda forward, but to lead the process and thus help take cooperation over what he terms the 'tipping point', which will act as a driver for all the states to pursue regionalism. That 'tipping point' will be the observation of regionally driven higher growth rates. Kumar also argues that 'non-economic gains will be as important if ... not larger than economic gains ... (with) a positive impact on regional political stability, social cohesion and promotion of sub-national cultures, all of which will enrich South Asia's cultural diversity.' [1] Kumar argues that part of the reason why even enhancing economic growth was not a sufficient driver was a suspicion about its beneficial impacts for smaller states. Yet, experience shows otherwise. Pointing to the failure of the static gravity models of estimating the gains from trade between India and Sri Lanka, he points to the near quadrupling of trade between Sri Lanka and India following their bilateral trade agreement. He notes that 'none of the ex-ante static estimates predicted such gains.' [2]. He also notes that the 'comparative advantages among firms in a situation where supply-chains often overlap' are underestimated in the literature because they are usually discovered only when trade begins and argues that these exceed the 'relatively limited gains' from the outsourcing relationships that result from trade liberalization between developed and developing economies.[2, 3]

Conceding the validity of the argument that 'India will achieve much greater gains (than

the Obama administration appears to be willing to be involved in finding a solution to the Kashmir problem.

²⁸ Those who assert that "Kashmir is an integral part of India" (the "integralists") or the opposite (the "separatists" and, possibly, "autonomists") (together, a surprisingly low 197,000 hits on Google Search as of July 1, 2009) tend, not surprisingly, to view each other's positions as untenable. A typical example of how entrenched views do not easily change is how, in the 2009 parliamentary elections, the high voter turnout in Jammu and Kashmir (60%) was interpreted. This may be seen either as evidence of the Kashmiris' greater interest in Indian statehood (the integralist view) or as a tactical move for better governance until their aims for autonomy or a separate state are met (the separatist/autonomist view). A more scholarly basis is, for example, the opinion poll conducted by the University of Maryland's World Public Opinion. Org in 2007, <http://www.worldpublicopinion.org/pipa/articles/brasiapacificra/511.php?lb=bras&pnt=511&nid=&id=>, downloaded May 24, 2009.

a South Asian Free Trade Agreement) if it could sign a free trade agreement with itself.’ [10], he argues that SAFTA might even improve domestic market integration within India as such agreements generate ‘their own pressure for moving to a more integrated domestic markets within India and also for uniform fiscal and other procedures across states.’ [11]

As of 2009, India, bolstered by its strategic alliance with the United States, appears to have chosen policies that lead to the first scenario. The assumption it has made is that threats from China and Pakistan are long-term rather than immediate, by which time India’s economic growth will have secured it. As noted, the global downturn could upset some of these assumptions; while the reality of a string of terrorist attacks in India in 2008 already questions the assumption of safety from terrorism.

In response to the last of these events, terrorism in India, the Indian politicians’ response is to ask Pakistan to fulfill its responsibilities in sponsoring terrorism. This assumes that Pakistan is a strong state capable of making decisions with regard to external policy. We questioned this assumption above. If Pakistan is too weak to do so, it appears that India must act unilaterally. At the moment, it has chosen a path which bypasses Pakistan, at some risk to itself. This bodes poorly for the future of regionalism in South Asia.

To the question posed as the title of this chapter, Does South Asia Exist, we made three arguments. First, we argued that regions only exist given the right social, political, economic, cultural and historical conditions and that these conditions did not exist till quite recently for various reasons. Second, we argued that the time is ripe, as of 2009, for the central country, India, to make definitive decisions about the future of regionalism in South Asia. We also argued that these decisions must be made by policymakers rather than civil society or other stakeholders. India, as a growing country of global significance, has choices that allow it to think beyond regionalism and could, therefore, choose to ignore regional integration, at some risk to itself and probably greater risk to the rest of South Asia. It might, therefore, appear crucial that India realizes its role and responsibility in making South Asian regional integration a success. The rewards, we argued, greatly outstrip the costs.

Finally, we argued that, for a variety of reasons, India has chosen to think global, sidestepping the significance of regional integration. While this does not close the space for regional integration, India has downplayed its significance, arguing that some member states, particularly Pakistan, are not ready for such a leap of faith. The prospects for regional integration, therefore, remain poor. If India succeeds in its ambitions of growth and global significance, there is no reason to argue that South Asia could exist and it will not.

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