# DOES SOUTH ASIA EXIST? PROSPECTS FOR REGIONAL INTEGRATION

Edited by Rafiq Dossani, Daniel C. Sneider, and Vikram Sood



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### **PRFFACE**

sian regionalism is a major topic of research for the Walter H. Shorenstein Asia-Pacific Research Center (Shorenstein APARC) at Stanford University. This volume is the third of a three-part series of books on Asian regionalism that the center began publishing in 2007. The first volume, *Cross Currents: Regionalism and Nationalism in Northeast Asia* (2007), looked at the tensions between increasing regional integration and rising nationalism in Northeast Asia. Its content was based on an international conference that was held at Stanford in May 2006.

The following year, in May 2007, my colleague Prof. Donald K. Emmerson led a conference at Shorenstein APARC that examined the interplay of security, democracy, and regionalism in Southeast Asia. That gathering was attended by scholars from Southeast Asia and across the region, and resulted in a second book, *Hard Choices: Security, Democracy, and Regionalism in South Asia* (2008), edited by Professor Emmerson.

For the final installment of our inquiry into Asian regionalism, we held a third conference, in June 2008, in cooperation with the Observer Research Foundation of India, which focused on the prospects for regionalism in South Asia. The papers from that gathering—which brought together scholars from across South Asia with experts from Russia, China, and the United States—have been significantly revised to compose the book you now hold in your hands.

This book and its companion volumes offer the provocative, detailed perspectives of some of the finest scholars working in Asian studies today. In publishing these books, we hope to bring this important material to a wider audience, and thereby to advance understanding of Asian regionalism and its impact on nations, both within Asia and beyond.

Gi-Wook Shin Professor, Director, Shorenstein APARC Stanford University

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Rafiq Dossani Daniel C. Sneider Vikram Sood

## Introduction

### DOES SOUTH ASIA EXIST?

# Rafiq Dossani, Daniel C. Sneider, and Vikram Sood

The goal of collective regional action, or regionalism, is to enhance each member state's development and security. South Asia has so far achieved neither outcome. A region that was, for the most part, a single state prior to 1947 divided into multiple states that have moved apart politically, culturally, and economically. Such rifts are manifest in innumerable sensitive lists—of items that may not be traded, tariff walls, transport blockades, and intermittent armed conflict.

Today, interstate relations are tense at best. Failures in development and security cooperation have hurt the region, which contains two nuclear-armed states and has an extremely high incidence of cross-border human trafficking<sup>3</sup> and terrorism. South Asia's human development level is among the lowest in the world (on infant mortality, it ranks below sub-Saharan Africa). Regional trade is only 5 percent of total trade, compared with 26 percent in the Association of Southeast Asian Nations (ASEAN) and 22 percent in the Common Market for Eastern and Southern Africa (COMESA) countries. Although the South Asian Free Trade Area (SAFTA) was recently approved to promote regional trade, member nations' lists of items exempt from the agreement's conditions together constitute 53 percent of total current trade.

Given this lack of cooperation, it is almost as if South Asia does not exist as a region at all, or that it lives only in the memories of those who remember or study colonial times. Understanding the historical and institutional contexts of this failure is one goal of this book. The second goal is to understand the challenges ahead and to determine how to meet them. Not only does regional cooperation in South Asia promise great rewards, the contributors of this book argue, but it is a feasible goal in the near term.

This chapter summarizes the book's contents. In chapter 2, Ummu Salma Bava looks at how regional development and security interact around the world and what conditions—economic, political, and social—are needed to foster progress. In chapter 3, Muchkund Dubey discusses economic integration in South Asia—its history, underpinnings, and prospects. The authors of the book's second section, chapters 4–8, look at regional integration from a country-specific perspective. Focusing on the institution building needed for effective regionalism—and the challenges unique to each nation—Rehman Sobhan focuses on Bangladesh, Rajiv Kumar on India, Mahendra P. Lama on Bhutan and Nepal, Akmal Hussain on Pakistan, and Saman Kelegama on Sri Lanka.

They argue that regionalism holds great promise for development, as it is based on an already high degree of institutional commonality and maturity, prospects for significant market enlargement, and access to substantial cross-border public goods. Importantly, development and security issues are interrelated: South Asia has made little progress in developmental integration because member states have chosen not to confront the security issues up front. Consequently, the cooperative mechanisms they established were fundamentally faulty and destined to fail.

In chapters 9–11, the authors address, in detail, three major impediments to regional integration and suggest ways of overcoming them. Rafiq Dossani looks at supply-chain fragmentation, while Ainslee T. Embree addresses the history of democratization and suggests that immature democratic processes reduce the scope for crucial civil society influence on regional integration. Feroz Hassan Khan discusses the region's security challenges, showing that these arise from complex nation-state issues. As with development, the potential rewards of regional security arrangements are great. We might go so far as to say that the region's future rests with security policy and its effective implementation.

The complexity of the region's security issues reduces the scope for international influence. The book's final section looks at the attitudes of three global powers toward South Asia and its integration, with Xenia Dormandy focusing on the United States, Igor Torbakov on Russia, and Guihong Zhang on China.

Throughout the book, the authors propose conditions for regionalism's progress, showing that these conditions did not exist for several decades. As of 2010, however, they are in place, with India set to play a central role. Indeed, India has the capacity to make definitive decisions about the future of regionalism in South Asia. Nonetheless, perhaps as a consequence of regionalism's failure in the past, to which it contributed, India has tended to prefer bilateral engagements within the region as it has pursued its ambitious global agenda. India also downplays regionalism's significance, arguing that some member states, particularly Pakistan, are not ready for such coordination. While this stance does not negate the possibility of regional integration, it adversely affects its prospects.

### **Enhancing Development and Security**

A state's security is defined here as the protection of a state's territorial integrity from threats originating within and outside the region. Development includes economic growth, the distribution of income, the management of cross-border public goods,<sup>4</sup> and the promotion of individual freedoms, thus defying easy definition;<sup>5</sup> however, we focus on economic growth and the management of cross-border public goods.

Do state actions influence regional development and security differently? 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, on the other hand, 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.<sup>7</sup>

South Asia illustrates these contrasts. Most individual countries' developmental initiatives benefited at least some regional members, as in the positive impact of India's 1991 economic reforms on Sri Lanka, Bhutan, and the Maldives (see chapter 9, in which Dossani discusses the IT industry's supply chain in South Asia). On the other hand, individual security initiatives, such as Sri Lanka's Western tilt in the late 1970s and nuclear tests by India (in 1974 and 1998) and Pakistan (in 1998) were seen to reduce the security of neighboring states. Hence, the way member states attempt regionalism will depend on whether the desired outcome is related to development, security, or both.

Collective actions to promote development are well tested and usually produce results. Experiences within and outside South Asia suggest that the barriers to economic integration, such as asymmetric state power, can be managed (see Dubey, chapter 3). By promoting trust among states, economic collaboration also enhances security. But the reverse is not necessarily true. The effects of regional security efforts are unclear, with member states often holding differing views of what security means. Experience shows that efforts in this area are vulnerable to false starts and failures and that collaborating on security may not in fact increase development.

Economic cooperation may occur without state coordination or even explicit goal setting. General economic reforms can promote regional integration by prompting the actions of individuals and firms. If bilateral development arrangements within a region are made, they will usually not harm other member states' development. By contrast, such arrangements may hurt some member states' security because they require policymaker coordination, thus consuming domestic political capital. These effects and interrelationships are shown in table 1.1.

These issues are difficult to resolve. Bava (chapter 2) explores the history and political implications of regionalism from an international perspective. Noting that regionalism is "identified by intentionality" and that intentionality determines how a region is to be defined, she argues that a necessary, though insufficient, condition for regionalism is agreement on the need for collective action.<sup>10</sup>

If intentionality is a necessary condition, effective implementation requires member states to overcome problems arising from institutional differences, asymmetric power, and domestic politics. For example, member states' institutional frameworks may differ (for instance, there may be a mix 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 (for instance, cross-border security versus the exploitation of transnational public goods).

Table 1.1 The Differential Impact of Coordinated and Uncoordinated Initiatives on Development and Security

| Initiative   | Development  | Security  |
|--|--|---|
| Uncoordinated state action                                       | All states<br>develop  | Security<br>reduced   |
| Collective action  | Well-tested pathways;<br>bilateralism does not<br>hurt regionalism | Uncertain pathways;<br>bilateralism can hurt<br>regionalism |
| Interrelationships and costs                                     |  |   |
| Interrelationship between developmental and security initiatives | Promotes security  | Independent of development                                  |
| Domestic political costs<br>of developmental and<br>security     | Low  | Uncertain: low to high                                      |

Source: Editors.

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 encourages regionalism for its own interests, as the United States did in Europe, or if there is a common threat, like Communism in Southeast Asia.

### Intentionality and Regionalism in South Asia

The intent to regionalize South Asia has been missing among key members. When Bangladesh's former president Ziaur Rahman first proposed a formal mechanism for regional cooperation, India and Pakistan responded coolly. Dubey (chapter 3) attributes the lack of political will to get regionalism off the ground to "the perpetually tense and often hostile political relations between India and Pakistan." Even during those periods when India-Pakistan relations improved, regional integration failed because it meant different things to the different sides; Bava's third sufficiency condition—the ability to overcome differences in domestic politics and priorities—was not met.

Indeed, the persistent unwillingness of regional leaders to acknowledge their shared interests in development and security, and to confront the complex issues that would promote those interests, raises the question of whether South Asia is, in fact, a region at all. While many scholars have asserted that South Asia is a "natural region" by virtue of its geography and integrated precolonial 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." Slocum and Van Langenhove make a similar assertion:

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.<sup>12</sup>

Perhaps South Asia never became a region because its leaders chose not to discuss the important questions.

Above, we identified the intraregional problems that any region must resolve 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.

### Development and SAARC

The South Asian Association for Regional Cooperation (SAARC) was established in 1985. For its first decade it focused on confidence building (Dubey, chapter 3). Rasgotra points out that this was a conscious decision. Aware of the subcontinent's recent history, its leaders avoided bilateral issues and questions of development and security and instead focused on an agenda item that all could agree on: poverty alleviation. Trade and capital flows were not discussed until 1995, when the South Asian Preferential Trade Arrangement (SAPTA) was put into effect.

In chapter 3, Dubey argues that while all the actors agreed to cooperate on poverty alleviation exclusively, this goal was actually low on the domestic political priority list of the two main actors, India and Pakistan. The discrepancy proved to be a key stumbling block to SAARC's progress. In Dubey's colorful phrasing, "most of the decisions made by SAARC are of the nature of public relations campaigns designed to impress domestic audiences and foreign powers. Thus the entire SAARC process is an exercise in competitive deception."

A developmental logic for regionalism ought to be established from the start; later, a regional body might be asked to confront security issues, something SAARC has yet to do at the time of this writing. Instead, SAARC began, as noted, with the goal of poverty alleviation, but it did not define what sort of regional cooperation, if any, would be required to achieve this. SAARC officials thus spent the better part of a decade analyzing the causes of poverty and evaluating solutions such as better nutrition, women's rights, and basic education. But almost no regional action took place. Indeed, how could it be otherwise? Lack of regional cooperation was not deemed to be a cause of poverty, and regional cooperation was not identified as a solution. The project was thus flawed in conception.

Yet a strong developmental logic for regionalism undoubtedly exists. Dubey shows that it lies in the set of opportunities arising from jointly managing common resources and market enlargement. He notes that institutional frameworks within South Asia have achieved a high degree of commonality (one of Bava's sufficiency conditions) due to a sustained, two-decades long period of sound macroeconomic management and market-friendly reforms across the region. A sensible road map that manages the issue of India's asymmetric power and achieves European-style integration also seems within reach—Indian policymakers, for instance, are aware of their country's asymmetric power, and have responded to it in bilateral arrangements with Sri Lanka.

In chapter 4, Sobhan looks at regionalism from the viewpoint of Bangladesh, South Asia's most consistent supporter of the idea. Developmentally, Bangladesh stands to gain from regionalism in two ways. First, the country's main obstacles to development—water, infrastructure and power connectivity, and transport—all require regional solutions. Second, to develop, Bangladesh needs to enlarge its market for traded goods, labor, and investment. Some of these problems, such as the need for market enlargement, could be addressed bilaterally with India. But as Sobhan notes, Bangladesh is in "a manifestly unequal relationship. This, indeed, was the perspective that informed the thinking of the late president Ziaur Rahman, who ruled Bangladesh from 1976 till his assassination in May 1981. Zia recognized that India was the dominant presence in Bangladesh's external relations but preferred to mediate this relationship within a broader regional entity such as a South Asia Association for Regional Cooperation (SAARC)." President Rahman was, in fact, among the first to promote SAARC.

Acknowledging that building trust at all levels is key to regionalism, Kumar examines India's role and responsibilities in chapter 5. He acknowledges the nation's major role in driving regional integration and states that it now has the means to effectively play this role. But, Kumar argues, regional cooperation will "generate benefits for all South Asian economies; therefore, any argument that India alone has to take this agenda forward is misplaced. Once over the tipping point, regional cooperation will place South Asia on a higher growth trajectory and generate externalities for inclusive and sustainable growth." Kumar also points to the importance of noneconomic gains, such as social cohesion and the promotion of cultural diversity, for smaller states in particular. As for economic gains, Kumar argues that the advantages of regionally integrated trade exceed the "relatively limited gains" from the outsourcing relationships that result from trade liberalization between developed and developing economies. This promises to be true even for the region's behemoth, India, which arguably needs its neighbors less than they need it. Kumar points to the success of the Indo-Sri Lanka Bilateral Free Trade Agreement (ILBFTA) to suggest that "a regional FTA would generate its own pressure to further integrate the domestic market within India and to regularize fiscal and other procedures across states."

Lama (chapter 6) presents the positions of Bhutan and Nepal, both of which have long-standing treaties with India<sup>14</sup> that recognize India's premier role in their foreign relations. India initiated these treaties due to Bhutan's and Nepal's geographical position; both are viewed as part of India's security frontier, protecting it against China. 15 Nevertheless, Bhutan and Nepal have both promoted regionalism because, unlike Sri Lanka, they must grapple with the problem of negotiating common resources such as hydropower and roads. Managing India's asymmetric power is therefore important for them. Yet India's superior bargaining power in bilateral trade arrangements is not the only reason Bhutan and Nepal are interested in regionalism. As monarchies, Lama notes, both countries have seen "regionalism as a way to resist the Indian brand of democracy." For Bhutan and Nepal, the failure of regionalism has led to a kind of "regionalization without regionalism," as discussed by Bava, characterized by commercial and illegal labor flows from Bhutan and Nepal to India and the rise of civil society groups with both regional and global links. Yet these are second-best outcomes. As for security, it is apparent that resolving security concerns through bilateral treaties has not helped improve the often troubled relations between India and its smaller neighbors.

Speaking of security, the political problems of India and Pakistan are widely seen as being at the heart of the failure of regionalism in South Asia. To overcome these problems, Hussain (chapter 7) argues in favor of relaxing trade barriers between the two countries; this, he says, will benefit the Pakistani middle class and lead to better political relations with India. In the short term, he suggests building trust through civil society, for example by holding a conference of South Asian parliamentarians on regional integration, building networks of institutes for regional cooperation, and easing travel restrictions.

Writing on Sri Lanka's view of regionalism, Kelegama (chapter 8) notes that Sri Lanka was the first South Asian nation to liberalize its economy. That was in the late 1970s, a time when India, Bangladesh, and Pakistan were mired in socialism. Yet Sri Lanka's enthusiasm for regionalism was for security rather than development. When interethnic strife between segments of the native Tamil and Sinhalese populations broke out in the early 1980s, Sri Lanka needed friends in the region. Over the ensuing decades, however, the failure of SAARC, along with the economic success of India, led Sri Lanka to conclude that "integration with South Asia eventually meant integration with India." Hence, it pursued a bilateral arrangement with India, one that has succeeded by focusing on noncompeting imports and investment and tourist inflows from India.

The foregoing examples demonstrate the importance of regionalism for development in South Asia. Regionalism can help achieve two developmental goals: (1) the management of common resources, such as water, and (2) market enlargement. Most of the smaller countries in South Asia pursuing such aims must deal directly with India, whose immense size leads to a power asymmetry in bilateral relations; regionalism helps to correct this imbalance. Security was also shown to be intertwined with development. The unwillingness of political

leaders to confront security issues has led to failures in tackling common developmental problems.

### Supporting Institutional Growth

Policymakers in the smaller countries of South Asia are deeply concerned that economic integration will lead to India's dominance over the region. In chapter 9, Dossani explores whether this fear is justified, using the software industry as a case study. According to his analysis, regional integration is more likely to result in the fragmentation of the supply chain than in India's economic dominance: 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 services. Dossani concludes that India's vast scale offers the rest of South Asia an opportunity for considerably more work in this important field than they could do on their own. The software industry, in other words, could be "shared" by member countries.

Embree, in chapter 10, asks whether more widespread democracy might have made a difference to regionalism. Democratization<sup>16</sup> preceded independence by several decades, but while it was experienced across South Asia, the experience was not identical throughout. For example, he argues that the founding fathers of Pakistan "had much less experience in electoral politics than those that formed India." Focusing on the development of Pakistan's democracy, Embree points to an early rift whose repercussions can be felt today: the secular focus of Pakistan's founder, Muhammad Ali Jinnah, versus the religious ideals of Syed Abul A'ala Maududi, head of the influential organization Jama'at-i-Islami. "This fundamental clash over what constitutes a good society is one explanation for why Pakistan democratized differently than India," Embree writes.

For different reasons on both sides, shared democratic ideals have not warmed relations between India and Pakistan. For Pakistanis, the problem is that "Indian nationalists have at times claimed cultural and sometimes political hegemony over the whole of South Asia, a move resented by their neighbors." In India, negative feelings toward Pakistan—and regionalism in general—date back to the "immense physical suffering caused to millions of both Indians and Pakistanis by Partition. Added to this has been the sense in India that Pakistan represents the destruction of a united India encompassing the entire subcontinent, the rightful inheritance of the Indian people." Embree adds that "India's support for regionalism has been further dimmed by militant insurgent movements in its border regions" such as Kashmir, Punjab, and the northeast.

In chapter 11, Khan discusses the security challenges in Kashmir. Acknowledging that regionalism in South Asia is "stymied by interstate conflicts, internal challenges to domestic development, and global powers' security interests in the region," he concludes that:

India's recent rise heralds both promise and danger for the future stability of this fragile region. On the one hand, India's leaders can use their position to help muster the collective will to make the difficult political decisions needed to stabilize the region. On the other hand, they may assert that their past decisions are immutable and that the rest of South Asia should adjust to India. Both stances are observed, leaving the region's future uncertain.

The chapters by Dossani, Embree, and Khan argue that policymaking, democracy, and civil society in South Asia must mature further if they are to support security policy and the overall stability of the region.

### Global Perspectives on the Region

The book's final section analyzes the interests of three global powers—the United States, China, and Russia—in South Asian regionalism. Dormandy, in chapter 12, considers U.S. interests, which she enumerates as (1) the curbing of terrorism and extremism, particularly in Pakistan and Afghanistan; (2) regional stability, given the nuclear status of India and Pakistan; (3) commercial engagement; (4) reducing narcotics production in Afghanistan; (5) collective action on energy and the environment; and (6) the propagation of democracy.

According to Dormandy, the United States does not believe that regional forums are always the best option for accomplishing its goals; thus, America's commitment to regionalism in South Asia is rather weak. SAARC's failure, of course, has contributed to the U.S. stance on South Asia, but it is also true that the United States has shown mixed support for multilateral and regional mechanisms worldwide. In many circumstances, ad hoc coalitions and bilateral actions appear to be the most promising means of achieving U.S. interests in the region.

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 global cooperation. Dormandy introduces the concept of "core groups" of interested nations that might come together to deal with "specific finite problems" such as cross-border narcotics flows. Bilateral agreements are probably best for efficient economic engagement, at least in the case of U.S. economic interests in South Asia.

Torbakov analyzes South Asian regionalism from the Russian perspective in chapter 13. He argues that "Russia's principal strategic concern is the post-Soviet lands"—in particular, Central Asia. Russia sees India as a potential balance to China's growing clout in Central Asia and as a valuable ally, in part because it shares Russia's concerns about a "unipolar" world in which the United States goes unchallenged. But there are also sources of potential discord between the two nations. First, "India's own increasingly multivector diplomacy leaves Russia as just one of several important strategic partners." Second, Russian democracy, unlike Indian democracy, is based "not so much on formal rules

and institutions as on informal patronage networks." Russia also sees India as an important customer for its military (and now nuclear) hardware and is worried by U.S. advances in this arena.

Despite these concerns, Torbakov concludes that "India will likely remain Russia's main partner in South Asia." As a result, Russia is unlikely to be a strong supporter of South Asian regionalism.

Zhang (chapter 14) focuses on China, concluding that regionalism in South Asia would do little to further China's primary interests: the region's security and the development of western China. Zhang also notes that the "SAARC is not yet sufficiently mature to be a platform for dialogue between China and the South Asian countries."

In sum, the incredibly complex security issues in South Asia have resulted in irresolution, both among member states and global powers. If internal policymaking and outside forces will not help achieve regionalism, can civil society activism lead to state action? Will the evident spread of democracy in South Asia help? Several of this book's authors argue in favor of both as key drivers of regional integration.

### **Looking Back**

How to divide the subcontinent was a thorny issue in 1947, when new states were carved out of British India, with its mix of principalities and directly governed territories and peoples ruled by exploitation of their cultural and historical divides. With few exceptions, the region was divided into its present shape by 1950.

But in 1971 the question of borders resurfaced, this time between the east and west wings of Pakistan. Following the western-based central government's inadequate handling of a devastating 1970 cyclone in the east, popular uprisings culminated in a nine-month war between the two wings of the nation-state. As Pakistan split, the founders of the new nation, Bangladesh, argued that despite sharing a religion (Islam) with Pakistan, East Pakistan's Bengalis constituted a separate nation due to their different culture and, in particular, different language. It was further argued that Bangladesh's relations with other states in South Asia would improve with its independence. In general, Bangladesh's founders turned out to be correct: Bangladesh's political and economic relations with India are better than Pakistan's relations with India both prior to Bangladesh's emergence and today.<sup>17</sup>

Given the success of Bangladesh, one might reasonably ask: Do South Asia's individual states lack the societal context for regionalism because they still contain too many significant nations that have yet to be fully integrated into the state framework? In cases where nations within the states persistently and militantly demand sovereignty or, at least, autonomy, the answer is yes. Pakistan's struggle to control violence in the North-West Frontier Province (NWFP), for example, keeps Pakistan from engaging more fully with its neighbors. And if

subnations' ethnicities cross borders, the problem is even worse. Thus, when some Tamil groups in Sri Lanka in the 1980s demanded greater autonomy, Sri Lanka's relations with India deteriorated along with its ability to enter into regional arrangements. According to Kelegama, India pressured Sri Lanka to sign the Indo–Sri Lanka Political Accord as "a first step toward handling Tamil separatism." The long-running issue of Kashmir's status is another example of subnational struggles undermining India's engagement with its neighbors.

As these cases illustrate, regional integration will be difficult, perhaps impossible, if a member state's legitimacy is challenged by its own people or by another regional member. To begin with a counterexample, 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 these people's behalf. However, if state A refuses to accept that state B is a legitimate spokesman for the entire area or all the peoples under its control, then the political context for regionalism is incomplete. Such is the case with Kashmir: The unwillingness of India and Pakistan to accept the legitimacy of the other side's claim to speak for Kashmir prevents the proper historical, economic, cultural, and social conditions for regional integration from coming together. If Kashmir turns out to be a key cause for the failure of South Asian regionalism, it speaks to the power of events at the margin—Kashmir's population is just about 1 percent of India's and 6 percent of Pakistan's—to derail progress on a far larger scale. Understanding why this could happen and what may be done about it is a key challenge of South Asian integration and, of course, one of the aims of this book.

### **Managing Common Resources**

The main goals of regionalism in South Asia are managing common resources, enlarging markets, and improving security. As we have seen, these issues are interrelated. Regional cooperation also promises a better counterbalance to India's asymmetric power than bilateral action. Many of the institutional contexts for regionalism are in place; the primary obstacle to its implementation appears to be policymakers' unwillingness to accept the interrelationships among countries and to take a holistic view of regionalism—that is, one that tackles development and security together rather than separately. What accounts for this unwillingness? One explanation is that member states may prioritize domestic concerns over regional ones. Another is that the process may be elite driven. As Kumar notes in chapter 5, "the ruling elites in South Asia, including the armed forces in some cases, will have to understand that greater regional economic cooperation and integration does not impinge either on their spheres of influence or on national sovereignty and security. Regional cooperation will contribute to this goal, while noncooperation will likely hurt all the economies of the region." But are policymakers likely to behave differently in the future?

### DOES SOUTH ASIA EXIST?

If so, we argue, the problems posed by state weaknesses, lack of public interest, elite-driven nationalism, and India's asymmetrical role in the region must be overcome. The different countries' key issues with regionalism are summarized in table 1.2.

Table 1.2 SAARC Member States' Key Issues for Regionalism

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

Source: Editors, based on contributors' conclusions.

*Notes*: The column headings are challenges that collective action could resolve. The rows provide details of problems under each category faced by the respective countries. Unless noted, the problem emanates from relations with India. Otherwise, the country from which the problem arises is indicated in parentheses (BD=Bangladesh, BH=Bhutan, I=India, N=Nepal, P=Pakistan, S=Sri Lanka).

For Bangladesh, as noted by Sobhan in chapter 4, 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. While security is not a concern for Bangladesh, India is concerned that illegal labor movements from Bangladesh will affect its own 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 in bilateral discussions.

For Bhutan and Nepal, the problem of common resources—in particular hydropower, transport links, and the environment—looms large (see Lama, chapter 6). Like Bangladesh, they want access to India's markets for trade, investment, and labor. Also like Bangladesh, both countries are hampered by India's superior bargaining power in bilateral negotiations. 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 Bhutan and Nepal into India. In addition, human and drug 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 security treaties with each of the two countries. China's growing importance has raised India's security concerns.

For India, resolving water disputes with Bangladesh and Pakistan is a developmental challenge. India's security concerns, in addition to those already noted, arise from Pakistan's nuclearization and the dispute over Kashmir. 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. Because Pakistan is the largest South Asian economy after India, the power gap between itself and India is the least asymmetric in the region.

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 northeast after the Tamil insurgency. Its attitude toward regionalism versus bilateralism is a consequence of India's size and power, thus mirroring that of the other small countries (Kelegama, chapter 8).

### Ways Forward

What can Europe<sup>18</sup> teach us about regional integration? From their study of the European Union (EU), Bretherton and Vogler list the following conditions that individual states must meet in order to effectively undertake regional development:<sup>19</sup>

- A commitment to a set of overarching values and principles that is shared with other states in the region<sup>20</sup>
- The ability to identify policy priorities and to formulate coherent policies
- The ability to negotiate effectively with other actors in the international system
- The availability of, and capacity to utilize, policy instruments
- A domestic legitimacy of decision processes and priorities relating to external policy

Does the above list apply to South Asia? With the possible exception of the first item, we believe that it does. Whether all the countries of South Asia fulfill the remaining four conditions is a matter of debate, of course, because there have been times even in the recent past when this has not been the case. But this is typical of emerging economies. For example, even India, arguably the strongest and most stable state in South Asia, has failed to reach its targets in significant areas of human development for several decades now, including in rural poverty and urban health care.<sup>21</sup> Does this mean it does not fulfill the second condition? We don't believe so.

None of the states is so weak that it constantly fails to meet the last four conditions, and most of the time all the states 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 2010, is Pakistan, particularly with regards to the last condition. Pakistan's shift to democratic rule in 2008 gave its civilian rulers the legitimacy to make decisions and set priorities relating to external policy, but in practice some of these decisions, as well as control over nuclear assets, are made jointly 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—that is to say, even if rulers were willing to engage in regionalism, their preoccupation with internal issues might prevent them from 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 such initiatives in the future).

Certainly, the willingness of Pakistan and Sri Lanka to cooperate regionally has varied in recent times due to internal problems. In Pakistan's case, civilian rule has alternated with military rule, and military leaders have been 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 groups in Sri Lanka, as noted earlier, led to a great distrust of India among Sri Lankans and an increased willingness to cooperate regionally.

Yet one can overstate the connection between civil instability and a reluctance to engage in regionalism, at least among the smaller states. Bangladesh, a politically fragile state, has nevertheless been a persistent proponent of regionalism. Nepal, a monarchy until the leftist-led democratic revolution, has also favored the strengthening of SAARC.

Further, state weakness may even bolster regionalism because weak leaders tend to participate in regional forums to shore up their domestic reputations. The ASEAN has seen this happen, as has the Arab League to an even greater degree. Members use the association to engage in the "competitive politics of regime survival." Of course, such competition can weaken regional cooperation even as it strengthens 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 they do not want it to do anything "leading to collaboration and integration" since doing so might weaken "political leaders at home." <sup>23</sup>

Turning to the first condition, we identify two important values that should be shared among states in a region that would integrate: democracy and intentionality—the latter, as defined above, meaning interest in regional integration. Note that we include democracy despite the fact that it was not a necessity for Southeast Asian integration. Democracy's importance lies in its ability to allow expressions of popular will—for or against regional integration, for example—to be exercised relatively easily, as Europe has shown.

Although democracy is present in all the states of South Asia as of 2010, the region earlier experienced long periods of military rule (in Bangladesh and Pakistan) and monarchy (Bhutan and Nepal). But among the main states— Bangladesh, Nepal, India, Pakistan, and Sri Lanka<sup>24</sup>—the constant reversion to democracy stands out more remarkably than the episodes of autocracy.<sup>25</sup> That democracy has been unstable is true. The instability of democracy owes to perceptions of internal and external threats. For instance, Pakistan's military has often justified its coups by citing such threats and has usually been welcomed by the population at the beginning of military rule, thus providing it some legitimacy. However, the constant reversion to democracy suggests that most people in the region feel that democracy is the only legitimate form of government.<sup>26</sup> This sentiment has invariably forced autocrats into seeking election—sometimes successfully, as when General Ziaur Rahman created and led the Bangladesh National Party to victory in 1979,27 but more often unsuccessfully, as when Indira Gandhi's Congress Party was defeated in the post-Emergency elections in India in 1977 and General Musharraf's party, the PML(O), lost the elections in Pakistan in 2008.

Thus, democracy—remarkably—is the average South Asian's default preference. This preference fulfills the first key condition for successful regional integration—a commitment to shared values—and takes precedence to such an extent that other forms of governance are tolerated only temporarily. 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) has failed despite its peoples' deep democratic impulses and (2) can succeed if other barriers are overcome, because these democratic impulses are not likely to obstruct regional integration.

The second value is interest in regional integration. South Asians are unlikely to show the same degree of interest in regionalism as Europeans did prior to the formation of the EU, but this lack of concern is at best a nonnegative force. Indeed, it extends all the way up to some members of parliament and may be explained as a natural outcome of extensive underdevelopment and poverty. The vastness of most of the South Asian states also deters people from thinking about regionalism: two of the three smaller states of South Asia—Pakistan and Bangladesh—would together dominate any other regional grouping. As Kumar notes in chapter 5, there is probably greater public interest in domestic market

integration and social integration (within India, Pakistan, Bangladesh, and Sri Lanka) than in integrating across borders.

Not surprisingly, integration has been a harder sell to the South Asian public than it was to the European. Given the democratic impulses of South Asians, this lack of interest has effectively prevented the issue from ranking high on any politician's electoral agenda. This leaves us to consider whether the elite in power might promote regionalism for other reasons, such as improving security (the ASEAN's founding imperative) or encouraging development.

Prior to the advent of South Asia's nuclear age and China's economic great leap forward, India's leaders had little interest in security. When a formal mechanism of regional integration was first proposed by Bangladesh's Rahman in the late 1970s,<sup>28</sup> Sri Lanka welcomed it, but India did not<sup>29</sup>—India felt that the smaller nations of South Asia were about to gang up on it, specifically to pressure India to make political concessions on cross-border issues such as Kashmir, the Tamils, and the Farakka Barrage.

The elite in power may have changed in some ways over the past two decades—notably by embracing the rise of promarket forces—but essentially they are from the same class that has always ruled, and this has stymied progress on security. Whether these democratically elected elites are landowners (Pakistan), members of dominant caste groups (India), or scions of political dynasties (all), they have a strong sense of national identity and a correspondingly limited respect for other states' sovereignty. In other words, these leaders regard their country's sovereignty as a first principle even if it means impinging on the sovereignty of their neighbors. Since dynastic-democratic rule shows no signs of abating in the main South Asian countries, it may be difficult to resolve the sovereignty issue; under these circumstances the probability of South Asian regional integration appears to be dim. Thus, India and Pakistan have been unwilling to find common ground on Kashmir because the leaders on both sides imply that Kashmir is theirs. 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 support to these groups.

But as of 2010, the main issue is Kashmir: as Kashmiris continue to struggle for greater autonomy, Pakistan supports the insurgency while India has made great efforts (both peaceful and military) to accommodate the Kashmiris' demands while keeping Kashmir within India. Arguably, until this problem is resolved, a key condition for regional integration—respect for one another's sovereignty—will not be met.

But other impulses may arise that would make regionalism a possibility. In most of the successful examples of regionalism, a major regional anchor played an important role in bringing countries together, at least in integration's early days. Thus, Germany's leadership was crucial to European regionalism, Indonesia's to the ASEAN, and the United States' to the North American Free

Trade Agreement (NAFTA). Likewise India will play a key part in determining SAARC's future.

Of the examples cited above, India's position is most similar to that of the United States' in North America, as the smaller states' land or littoral boundaries are mostly with India. While one can imagine the three or four smaller countries of South Asia forming their own group—thereby creating the world's fourth-largest grouping by population—this is unlikely to happen given these countries' internal weaknesses and the hostility such a move would provoke in India. A regional grouping consisting of at least Bangladesh, India, and Sri Lanka, but excluding Pakistan, is also possible, though Pakistan would most likely not accept it.

When the idea of South Asian regional cooperation was first proposed by Rahman in the late 1970s, India was in the midst of its most turbulent political period—the Emergency—which had started in 1975 and would not end until the Congress Party was reelected to power in 1980. At the time, India was unstable even relative to its neighbors. Further, it considered itself to be surrounded by forces inimical to its domestic and global interests, which were built around socialism and its close relationship with the Soviet Union. By contrast, Pakistan was experiencing a period of relative calm during these years, with President Muhammad Zia-ul-Haq—still the country's longest serving ruler—bringing his country close to the United States during the Afghan insurrection. Likewise, in Bangladesh, President Rahman moved his country closer to the United States and China during this period, while distancing his country from the Soviet Union. Sri Lanka's Junius Jayawardene, elected president in 1978 shortly after the electoral system was initiated, would go on to rule for the next twelve years, moving the country rightward in a sharp break from 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 India's economic condition finally started to improve in the 1980s, the decade was marked by great political instability, beginning with the Punjab agitation. 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 projects and by the controversial 1987 Kashmir elections, whose impact took up the rest of the decade. Despite its internal turmoil, India kept up some regional efforts—mostly unsuccessful bilateral initiatives like the Rajiv-Benazir dialogue and the Indian Peace Keeping Force (IPKF) expedition in Sri Lanka (a successful exception was 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 in 1991, but by then the country was mired in an economic crisis.

During the early to mid-1990s, India was preoccupied with internal economic reform and had little time for regional efforts. But once economic stability was restored, the country turned to regional integration, beginning

with the ILBFTA in 1998. The SAFTA was inked in 2004 and ratified by member countries in 2006;<sup>30</sup> however, it has yet to be fully implemented. An India-Bangladesh Bilateral Free Trade Agreement was drafted in 2006 but has not progressed since then.<sup>31</sup>

Regardless of their particular status, these free trade agreements are all largely symbolic placeholders marking the beginning of a process of closer engagement rather than real trade liberalization. Nonetheless, regional trade has soared. Even the modest liberalizations under SAARC and the ILBFTA have led to large increases in trade. Optimists believe such increases augur well for truly free trade.

As of 2010, we are in an age when both India and Pakistan are declared nuclear 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 alter some of these realities but most likely only at the margin. So how will South Asian regionalism fare in the face of these new opportunities and challenges?

No one outcome is inevitable. For instance, we earlier noted the possibility of a regional grouping that excludes Pakistan, with India persuading other participating countries that Pakistan is too troublesome a neighbor to include.

We posit the following two possibilities for regional integration in the future. Both center on 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 outcome would be largely the product of two strands of thought: (1) that India's development opportunities lie in trading and investing with the rest of the world, particularly the richer countries, and that it is important to match China's global influence in the medium term, and (2) that national security can best be achieved through global alignments like the one brokered with the United States in 2008. Heightened security might enable India to continue to assert the immutability of its stance on Kashmir and, with U.S. support, keep Pakistan at bay.<sup>32</sup>

The second scenario is that India will try 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 sets an example for the other countries of the region. For this to happen, India must gain the trust of the rest of South Asia, particularly Pakistan, on security. In the short term, India would likely negotiate greater autonomy for Kashmir with Pakistan and open its cross-border zones to economic integration. In the longer term, it would work to build a strong, holistic form of regional integration based on both development and security. Even assuming that the other nations, particularly Pakistan, played along, such a plan would cost India politically and economically. However, it is the job of good politicians to contain such costs, as was shown by Jawaharlal Nehru in the 1952 Delhi Agreement.<sup>33</sup>

As of 2010, India, bolstered by its strategic alliance with the United States, appears to have chosen policies that lead to the first scenario. That is to say, India has assumed that threats from China and Pakistan are long term rather than immediate, and that India's economic growth will lead to ample security when it is needed. As noted, the global downturn could prove this assumption wrong, as the string of terrorist attacks in India in 2008 already put into doubt how safe the country is from terrorism.

The title of this chapter asks the provocative question, Does South Asia exist? In response, we made three arguments. First, we argued that regions exist only when the right social, political, economic, cultural, and historical conditions are in place and that these conditions did not exist in South Asia until quite recently. Second, we argued that the time is ripe for the central country, India, to make definitive decisions about the future of regionalism in South Asia, and that these decisions must be made by policymakers rather than civil society or other stakeholders. As a growing country of global significance, India has foreign policy options that extend well beyond regionalism. It could, therefore, choose not to pursue regional integration at all. We argued that this would be a mistake, however, as the rewards of regionalism greatly outstrip the costs. It is crucial that India realizes its role and responsibility in making South Asian regional integration a success.

In our third and final argument, we showed that, for a variety of reasons, India has chosen to think global rather than regional. Specifically, India has downplayed the significance of regional integration, asserting that some member states, particularly Pakistan, are not ready for it. While this stance does not close the space for regional integration, it certainly dims its prospects. If India succeeds in its ambitions of achieving economic growth and global influence, an integrated South Asian region will likely not exist.

### Notes

- <sup>1</sup> Security is defined here in the conventional sense of meaning the protection of a state's territorial integrity from external threats.
- <sup>2</sup> The Indian subcontinent included 568 principalities that were under indirect British rule. Nepal and Bhutan were independent kingdoms that 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. See R. English, "Himalayan State Formation and the Impact of British Rule in the Nineteenth Century, Convergences and Differences in Mountain Economies and Societies: A Comparison of the Andes and Himalayas," *Mountain Research and Development* 5, no. 1 (February 1985): 61–78. The Maldives was a British protectorate until 1965. Sri Lanka was a British colony that was ruled independent of British India. British influence over Afghanistan varied over the centuries, reaching its peak in the late nineteenth century.
- <sup>3</sup> A United Nations 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).

- <sup>4</sup> Public goods includes public "bads," such as climate change.
- <sup>5</sup> A. Sen, *Development as Freedom* (New York: Anchor Books, 1999), 13–15.
- <sup>6</sup> We thank Thomas Fingar for discussions on this point.
- <sup>7</sup> 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), which then leads to reduced funding for smaller states. Perhaps the most-feared externality is that regions share endowments that 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 case.
- <sup>8</sup> Vested economic interests that will lose from regionalism always exist and will try to prevent regionalism.
- <sup>9</sup> 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.
- <sup>10</sup> 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." See Bava (chapter 2) quoting S. Kim, "Northeast Asia in the Local-Regional-Global Nexus," in *The International Relations of Northeast Asia*, ed. S. Kim (Lanham, MD: Rowman & Littlefield, 2004).
- <sup>11</sup> J. Allen, D. Massey, and A. Cochrane, *Rethinking the Region* (London: Routledge, 1998).
- <sup>12</sup> N. Slocum and L. Van Langenhove, "The Meaning of Regional Integration: Introducing Positioning Theory in Regional Integration Studies," *European Integration* 26, no. 3 (September 2004): 227–52.
  - <sup>13</sup> M. Rasgotra, personal communication with authors, April 6, 2009.
  - <sup>14</sup> Bhutan's and Nepal's treaties with India date to 1949 and 1950, respectively.
- <sup>15</sup> 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.
- <sup>16</sup> 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. See A. Kohli, "Democracy and Development: Trends and Prospects," in *States, Markets and Just Growth: Development in the Twenty-first Century*, ed. A. Kohli, C. Moon, and G. Sorensen (Tokyo: United Nations University Press, 2003), 39–63. Democratization began in 1858 with Queen Victoria's pledge that all Indians would enjoy equal protection under the law. By the early twentieth century, Indians had already begun to vote in legislative elections.
- <sup>17</sup> Pakistan's relations with India floundered for several decades preceding and succeeding Bangladesh's creation. It would be fallacious to argue that relations with India would have been better had Pakistan not been partitioned.
- <sup>18</sup> 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.
- <sup>19</sup> C. Bretherton and J. Vogler, *The European Union as a Global Actor* (London: Routledge, 1999).
- <sup>20</sup> An observer of Southeast Asia would surely conclude, as does a companion volume to this series, that its regional body, the 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.

- <sup>21</sup> 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 successes also, one being the long-standing Indus Waters Treaty of 1960 as well as the Indo-U.S. Civilian Nuclear Energy Agreement of 2008.
- <sup>22</sup> Barnett and Solingen, in *Crafting Cooperation: Regional International Institutions in Comparative Perspective*, ed. A. Acharya and A. Johnston (Cambridge: Cambridge Univ. Press, 2007), 180–220.
  - 23 Ibid.
- <sup>24</sup> Afghanistan, though a frontline state for the United States as of 2010, is not as relevant for the future of regional cooperation. As discussed elsewhere in this chapter, it was admitted to SAARC in 2007.
- <sup>25</sup> Sri Lanka has been a constant democracy; India had one reversion to autocracy, from 1975 to 1977.
- <sup>26</sup> For an analysis of "democracy-reversion" in Pakistan, see H. Kennedy, "Constitutional and Political Change in Pakistan: The Military-Governance Paradigm," in *Prospects for Peace in South Asia, ed.* R. Dossani and H. Rowen (Stanford, CA: Stanford Univ. Press, 2005).
  - <sup>27</sup> The elections were criticized as not being free and fair (www.ti-bangladesh.org).
  - <sup>28</sup> http://banglapedia.search.com.bd/HT/R\_0028.htm.
- <sup>29</sup> 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 (see note 13), who was a participant in the SAARC formation process, Prime Minister Indira Gandhi discussed and ultimately decided that a South Asian forum would be a good thing in that it might give India's smaller neighbors greater confidence in dealing with India.
  - <sup>30</sup> www.financialexpress.com/news/saarc-countries-ratify-safta/55611/.
- $^{\rm 31}$  www.infodriveindia.com/Exim/Trade-Agreement/India-Bangladesh-Free-Trade-Agreement.aspx.
- <sup>32</sup> Although this is a less likely scenario under U.S. president Barack Obama than under his predecessor, the United States may 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 Obama administration appears to be willing to be involved in finding a solution to the Kashmir problem.
- <sup>33</sup> Those who assert that Kashmir is an integral part of India (the "integralists") or the opposite (the "separatists" and, possibly, "autonomists") 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 percent) 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 WorldPublicOpinion.org in 2007 (www.worldpublicopinion. org/pipa/articles/brasiapacificra/511.php?lb=bras&pnt=511&nid=&id=).