

2008-E-26

**Regional Integration to Address Poverty and Human Insecurity in South  
Asia: Problems and Prospects for Mainstreaming Asian Integration**

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February 2009

## ***Abstract***

*With increasing trends of globalization, human insecurity issues in one country easily become concerns or even threats for neighboring as well as for far distant countries. Against this background, regional integration strategies are receiving priority attention in the international arena. This paper explores how South Asian nations are addressing issues of poverty and other common threats to secure the lives of about one-fifth of the world's population living there. The analysis shows that South Asian integration was initially focused on economic integration to achieve sustainable development, but against the globalization trends, mere economic growth has failed to solve key issues of human insecurity and the regional countries' focus has begun to shift to social issues. Although they have achieved some successes, conflicts over common problems among the South Asian countries as well as the non-interference principle they have adopted in integration mechanisms have prevented them from achieving the targeted goal of poverty reduction and human security promotion. This paper argues that in the face of new threats such as climate change, infectious diseases, and food crisis, South Asian nations need to develop an integration strategy that is in line with East Asian as well as global strategies and that such strategies and initiatives will create opportunities for greater "Asian Integration" and for the building of an "Asian Community," which is free from the curse of poverty and other sources of human insecurity.*

## **Introduction**

In the 21<sup>st</sup> century, it is clear that many problems concerning human survival and national development require state-to-state cooperation at the regional level and, thus, regional integration functions as an appropriate organizing unit for international cooperation. In other words, regionalism can be seen as playing an intermediary role between narrowly defined nationalism and overly broad globalism. From an economic perspective, some writers refer to attempts to use regionalism as a mechanism to build new institutions, which transcend the nation-state in economic contexts, as a “strategy of size” built around the notions of economic power and economies of scale.<sup>1</sup>

Alongside the globalization process, countries around the world are increasing their regional economic links through Regional Trade Agreements (RTAs), Regional Free Trade Areas (FTAs), etc. Successful regional integration is more evident in the economic realm than in any other sector. With increasing globalization, however, countries are becoming more and more interrelated in social issues in addition to economic matters. Success in solving cross-broader problems and sharing of public goods requires greater integration among countries geographically located in close proximity. Especially in fighting issues related to common threats such as poverty and human insecurity do the nations concerned require increasing integration on a regional level. As a result, regional integration has become an important issue of concern not only to economists but also to policy makers, politicians, and other social scientists. Integration can bring more success to developing and underdeveloped countries because they can combine their efforts at the regional level and also exercise an increased bargaining power in the international arena.

Based on the above considerations, this paper will assess the problems and prospects of regional integration strategies to fight poverty and human insecurity in South Asia. It will analyze how South Asian developing countries are pursuing combined economic, social, and policy measures to attain their common goal of a poverty-free and peaceful South Asia. The paper will also examine how these South Asian efforts are contributing to the enhancement of opportunities for broader Asian integration. The main research questions to be addressed are:

1. What are the general trends in poverty & human security in South Asia?
2. What are the various regional integration mechanisms the regional countries are pursuing to address poverty and human insecurities in South Asia?
3. What are the problems and prospects of South Asian countries’ integration with East Asia and broader Asian integration?

The discussion is divided into three main parts. The first part will explain the main terminology used in this study and then offers a description of the background of South Asia in terms of its diversities and similarities. The second part will discuss trends in and sources of poverty and human insecurity in South Asia. This is followed in the third part by an analysis of regional economic and social approaches in the region. The fourth, and the final part will discuss the possibility of increasing integration between South Asia and East Asia to contribute to the broader regional integration of Asia as a whole.

## **Definitions of Main Terms**

### Regional Integration and Regionalism

The terms “regionalism” and “regional integration” can be viewed from a multi-dimensional point of view. Even a cursory examination of relevant social science literature reveals multiple definitions of “regionalism”. Regionalism can be seen to satisfy a wide range of social, economic, environmental and geopolitical functions.

Regionalism has often been taken to be synonymous with *economic* regionalism.<sup>ii</sup> Much of the early regionalism debate, in particular, appears to have been predicated on the belief that the economic dimension of regionalism is pre-eminent. Second, this privileging of the economic aspect was taken to be non-controversial and was in turn linked to the view that regionalism was uni-dimensional. However, it is clear that there are a wide variety of perspectives on regionalism and that the concept cannot be conceptualized in economic terms alone. Alagappa writes, “Regionalism may be defined as sustained cooperation, formal or informal, among governments, nongovernment organizations or the private sector in three or more contiguous countries for mutual gain.”<sup>iii</sup> According to this definition, the ultimate goal of regionalism or regional integration is the creation of a win-win situation where various actors concerned will cooperate with each other either politically or non-politically.

Most definitions of “regional integration” put it as a process where political forces play the major role to pave way for cooperation among various public and private entities. For example, Katzenstein states, “Regionalism refers to the political structures that both reflect and shape the strategies of governments, business corporations, and a variety of non-governmental organizations and social movements.”<sup>iv</sup>

Although the definition of “regionalism” and “regional integration” may vary greatly, this author adopts a broad definition to include both economic and non-economic dimensions. It is also accepted that the ultimate goal of participants in regionalism and regional integration is to achieve mutual gains.

### Human Security

The definition of “human security” is also a subject of debate. The 1994 Human Development Report of the UNDP is the first to make a specific claim that an individual should be the referent of security instead of the state, since the state has become less vulnerable to security threats while individual citizens suffer insecurity, even by their own state. The UNDP report proposes human security in terms of safeguards against “the threat of global poverty traveling across international borders in the form of drugs, HIV/AIDS, climate change, illegal migration, and terrorism.”<sup>v</sup> The concept of human security, as UNDP defines it, is built on four essential characteristics: universalism, interdependence of components, prevention rather than protection, and people centered.

The UNDP report identifies seven potential sources of threats that include most, but not necessarily all aspects of human security: economic security, food security, health security, environmental security, personal security, communal security, and political security.<sup>vi</sup> The central argument of the report is that the root causes of threats to human security lie in the structural contexts of societies that provoke conflict, such as poverty, resource scarcity, low level of economic growth, inequitable development, and the impact of structural adjustment.<sup>vii</sup> The basic difference between traditional security and human security is that the latter covers a wider range of variables, and strategies to address them require multiple players. In many cases joint efforts at the regional level are required to address the many problems that transcend national boundaries.

In this context, therefore, regional integration and cooperation have an important role to play to enhance human security by pursuing strategies that address the cause and sources of human insecurity. In South Asia, regional cooperation is playing an important role and its scope can be even made even wider in order to secure the lives and livelihoods of about one-fifth of the world’s people who live in this region.

### **Poverty and Human Insecurities in South Asia: Sources and Trends**

The South Asian region, including Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka, is notable for its rapidly growing population, which already represents more than one-fifth of the world's total population. Despite the rapid economic growth of the nations of the region during the 1990s, they have some of the lowest per capita incomes in the world. With more than 22 per cent of the world's population living on only 3.8 per cent of the total land area of the world, South Asia is home to more than half a billion poor people, or 40 per cent of world's poor.<sup>viii</sup> The region's shares of the world's GNP and purchasing power are very small (around 2 per cent and 7 per cent, respectively). Its share in total world trade is even smaller, only about one percent.<sup>ix</sup> Recently South Asia has been the second fastest growing region in the world. From 1981 and 2001 there was a marked improvement: the proportion of the extreme poor down from 52 percent to 31 percent. Although this improvement was not as dramatic as in East Asia, where the proportion of the extreme poor plummeted from 58 percent to 15 percent, it was nevertheless a significant achievement for South Asia.<sup>x</sup>

There are more than one billion people living in South Asia today. The annual per capita expenditure on the human priority areas of basic education, primary health care, family planning, safe drinking water, and nutritional programs is just \$3 in Pakistan and \$2 in Bangladesh. To put this in perspective, comparable figures are \$123 for Malaysia and \$133 for Korea.<sup>xi</sup> South Asia's share in global income is only 2 percent. However, it imports 20 percent of globally traded arms. In Pakistan, soldiers outnumber doctors by 10 to 1.<sup>xii</sup>

The concept of human security has acquired increasing centrality and urgency for South Asia.<sup>xiii</sup> The combination of continuing political tensions between the two nuclear powers of the region, the recent food crisis, and growing environmental disasters due to climate change has raised the need to look deeply into this concept in relation to South Asia's socio-economic needs and political developments.

Again various national, regional, and international measures and strategies should be taken to transform changes in the economic arena into the social life of the people of South Asia. In the 21<sup>st</sup> century, South Asia is in a period of transition as it strives to develop effective economic, political, social, and legal structures to support sustained growth. The international donor community has prescribed such measures as cuts in subsidies (especially energy subsidies), deregulation, anti-poverty efforts, and increased privatization in many South Asian countries to address the crippling poverty and multi-dimensional causes of human securities in the region. At the same time, the countries are taking various public and private economic, social, and political measures at the regional level to address these issues.

## **Regional Integration Strategies to Address Poverty and Human Insecurity in South Asia**

The idea of regional cooperation in South Asia was first discussed at the three conferences in the late 1940s and early 1950s: the Asian Relations Conference in New Delhi in April, 1947; the Baguio Conference in the Philippines in May, 1950; and the Colombo Powers Conference in April, 1954. However, the idea did not take root with the leadership of the region until President Zia-ur-Rehman of Bangladesh shared his “Working Paper on Regional Cooperation in South Asia” with the heads of states of the other South Asian countries in November, 1980. Several factors contributed to the success of President Zia ur-Rehman’s initiative.<sup>xiv</sup>

Most of the earlier regional integration strategies were mainly focused on economic integration, as it was believed that economic growth would be the engine of development. It is increasingly believed that the regional economic integration can be instrumental for investment and thereby economic growth for the member countries. However, with globalization sweeping the world, increased inequalities within and among countries in the region, competition for global public goods (GPGs), cross-border threats like contagious diseases, natural calamities, and border disputes have emerged as major issues for cooperation among South Asian countries. As a result, social issues have become very important factors affecting even economic cooperation. Earlier economics-focused regional cooperation issues have taken on a multi-dimensional character, with issues related to poverty and human insecurities receiving increasingly high priority. In this author’s opinion, what is required are comprehensive and integrated approaches and programs that address issues of the domestic and external sectors so as to reap the fruits of regionalization.

## **Regional Economic Cooperation in South Asia to Fight Poverty and Human Insecurity**

Institutionalized regional economic cooperation in South Asia started mainly with the establishment of the South Asian Association for Regional Cooperation (SAARC) in 1985. Since then regional cooperation has grown and expanded especially in preferential trade areas (PTAs), free trade areas (FTAs), and other integrative economic mechanisms. However, with time SAARC needs to adopt strategies of regional cooperation that address social issues. In spite of the emergence of a number of regional institutions, SAARC remains the main institution for addressing issues related to economic and social insecurities in South Asia.

### South Asian Association for Regional Cooperation

The establishment of SAARC was intended to bring stability to South Asia by enhancing regional cooperation. SAARC was the first formal initiative that sought to bring the countries of South Asia to the same platform with the aim of promoting the welfare and quality of life of its people through accelerated economic growth, social progress, and cultural development in the region. In addition, SAARC aims to strengthen cooperation of member countries with other developing countries, to strengthen cooperation among the member countries in international forums on matters of common interests and to cooperate with international and regional organizations with similar aims and purposes.<sup>xv</sup> In addition to the original seven member countries, Afghanistan joined SAARC as the newest member during the fourteenth summit held in New Delhi in 2007. The past two decades have witnessed the growth of SAARC into a fraternity that promotes joint ventures and collaboration.

The objectives of SAARC as stated in the SAARC Charter are as follows:

- To promote the welfare of the peoples of South Asia and to improve their quality of life.
- To accelerate economic growth, social progress, and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realize their full potential.
- To promote and strengthen collective self-reliance among the countries of South Asia.
- To contribute to mutual trust, understanding and appreciation of one another's problems.
- To promote active collaboration and mutual assistance in the economic, social, cultural, technical, and scientific fields.
- To strengthen cooperation among themselves in international forums on matters of common interests.
- To cooperate with international and regional organizations with similar aims and purposes.<sup>xvi</sup>

At the inception of the Association, the original members agreed on an Integrated Program of Action (IPA) consisting of a number of Technical Committees (TCs) as the core areas of cooperation. Through the Technical Committees, the Association promotes regional cooperation in several areas: agriculture and rural development; health and population; women, youth and children; environment and forestry; science, technology and meteorology; human resources development; and transport. In recent years, high-level Working Groups have also been established to strengthen cooperation in the areas of information and communications technology, biotechnology, intellectual property rights, tourism, and



energy.<sup>xvii</sup>

The SAARC Charter promotes active collaboration and mutual assistance in the economic, social, cultural, technical, and scientific fields, but the main thrust of regional efforts has been directed towards economic integration. South Asian leaders agree that opening their economies to international trade and investment, especially vis-à-vis neighboring countries, can lay the groundwork for promoting peace, reducing poverty, and addressing human security issues in South Asia.

#### South Asian Preferential Trade Agreement (SAPTA)

There have been strong arguments for regional economic integration in South Asia to generate significant interregional trade and welfare gains for the South Asian countries. The first step in this direction came in 1995, when The South Asia Preferential Trading Agreement (SAPTA) was signed. SAPTA was a parallel initiative to the multilateral trade liberalization commitments of SAARC member countries concluded in 2004 with the aim of reducing tariffs for trade among the SAARC members.

SAPTA included several provisions giving a special treatment to Least Developed Countries (LDCs). For instance, support to LDCs involved the identification, preparation, and establishment of industrial and agricultural projects in their territories, which could provide the production base for exports to other contracting states. SAPTA also contained anti-dumping clauses that suspended concessions to the perpetrators of dumping. The intent behind such measures was to ensure fair trade for all member states and to eliminate potential conflicts/tensions between member states based on skewed economic power relations.

Despite the inclusion of these measures SAPTA proved to be structurally weak in addressing trade-related disputes. The more powerful member states would not agree to embed rules-based institutional and legal mechanisms for dispute settlement. So, in addition to SAPTA, SARRC initiated other economic cooperation mechanisms in the South Asian region.

#### South Asian Free Trade Area (SAFTA)

SAFTA came into force on January 1 2006, and is the most comprehensive mechanism that strives towards intra-SAARC economic cooperation. In contrast to SAPTA, SAFTA has a well-defined approach to trade liberalization. It specifies time-staggered tariff reductions for

each member country. Thus, India and Pakistan, the two main economic powers of this region are mandated to reduce tariffs to 20 percent of the 2006 levels within two years effective January 2006. Subsequently, from 2008 to 2013, their tariff rates are to come down to 0-5 percent. For LDC members, the tariff reduction schedule is more flexible.<sup>xviii</sup>

Additionally, SAFTA addresses a broader range of trade related issues than SAPTA, including the harmonization of standards and certification, customs clearance procedures and classification, transit and transport facilitation, rules for fair competition and foreign exchange liberalization. SAFTA's dispute settlement mechanism is substantively similar to SAPTA; if anything, there are more tiers of consultations, involving a Committee of Experts (COE) and the SAFTA Ministerial Council (SMC). However, much as in the case of SAPTA, no institutional or legal mechanisms for dispute settlement exist and both the COE and the SMC will continue to devise procedures on a case-by-case basis.

#### SAARC FINANCE

The 24th Session of the SAARC Council of Ministers was held in Islamabad on January 2-3, 2004 and recommended the establishment of SAARC FINANCE to examine the concept of a South Asian Development Bank (SADB) and to study and make recommendations on early and eventual realization of a South Asian Economic Union (SAEU).<sup>xix</sup> The basic objective of establishing the SAARC FINANCE Network is to share experiences on macro-economic policy issues among the member countries. Other broad objectives include: promotion of regional cooperation among central banks, harmonization of banking legislation and practices within the region, forging of closer cooperation on macro-economic policies of SAARC member countries, and the sharing of experiences and ideas.

#### **South Asian Regional Initiatives to Fight Poverty**

Poverty alleviation has been an overarching goal for SAARC. Ironically, South Asia is home to almost half of the world's poor. Global economic slowdown, soaring oil and food prices, and growing threats of climate change are driving the destitute people of the region even further below the poverty line. Recognizing that the problem of poverty in South Asia needs to be tackled from a multi-dimensional perspective and agreeing that a focused and action-oriented plan is the need of the hour, South Asian regions have taken various public and private initiatives to fight poverty.

As a first major step, the SAARC Leaders in 1991 established an Independent South Asian Commission on Poverty Alleviation (ISACPA). Based on the Commission's conceptual "framework for poverty alleviation through social mobilization and empowerment in South Asia," SAARC countries expressed their commitment to eradicate poverty through an agenda of action including, *inter alia*, a strategy of social mobilization and a policy of decentralized agricultural development, village reawakening, small-scale labor-intensive industrialization and human development. They also stressed that within the conceptual approach "Dhal-Bhaat (Beans-Rice),"<sup>xx</sup> the right to work and primary education should receive priority.<sup>xxi</sup> As a procedure they established a three-tier mechanism for dealing with poverty issues. The first tier comprises the Secretaries to the governments concerned with poverty eradication and social development in SAARC countries. The second tier is composed of Finance/Planning Secretaries and the third tier includes Finance/Planning Ministers.

Again, noting that human resources development is a key element in any poverty eradication program they directed the SAARC Human Resources Development Centre to look into the possibility of its contributing to the strengthening of the human resources development component of regional poverty eradication programs.

But, as widespread and debilitating poverty continued to be the most formidable developmental challenge for the region, SAARC leaders reviewed activities aimed at poverty alleviation and decided to reinvigorate them in the context of regional and global commitments. They expressed their firm commitment to combat the problem of poverty with a new sense of urgency by actively promoting the synergetic partnership among national governments, international agencies, the private sector, and the civil society. They also agreed to take immediate steps for the effective implementation of the programs for social mobilization and decentralization.

Accordingly, the reconstituted ISACPA submitted its report "Our Future, Our Responsibility," taking poverty alleviation as the overarching goal of all SAARC activities. ISACPA identified 22 regional goals as the SAARC Development Goals (SDGs) and prepared a comprehensive and realistic blueprint for the next five years in the areas of poverty alleviation, education, health, and environment. The Twenty-sixth Session of the Council of Ministers in Dhaka on November 11, 2005, advised that the Commission further recommend that ISACPA might continue its advisory and advocacy roles and advised that the Commission further elaborate the SDGs.

To ensure funding to implement SDGs in 2007 a SAARC Development Fund (SDF) was established. The SDF was created as the SAARC members pledged to support projects to alleviate poverty and improve the status of life in the region. The SDF has been reconstituted with a permanent secretariat and three windows -- social, economic, and infrastructure. The social window, with an initial \$300 million fund, is expected to fund, among other things, poverty alleviation programs and projects.<sup>xxii</sup>

Thus, by all these regional mechanisms, the SAARC countries are united in their determination to reduce poverty, drawing upon the experience of the member countries and committed to achieve the Millennium Development Goals (MDGs).

### SAARC Food Bank

The establishment of the SAARC Food Bank in 2007 was an extremely forward-looking decision to address the food crisis in South Asia in an integrated way. The food bank would store more than 250,000 metric tons of food grains and act as a regional food security reserve for the SAARC member countries during normal time food shortages and emergencies, provide regional support to national food security efforts, foster inter-country partnerships and regional integration, and solve regional food shortages through collective action.<sup>xxiii</sup> For using the food from the SAARC Food Bank, the member countries will not have to pay anything. The country taking food loan from Food Bank will have to just return the food to the storage after the crisis is over. With the a food bank set up in the region, it is expected to increase food production, encourage investment in agriculture and agro-based industries, agricultural research and prevention of soil health degradation, development and sharing of agriculture technologies, and management of climatic and disease-related risks in agriculture.<sup>xxiv</sup>

### SAARC Regional Initiatives to Address Climate Change

In the concluding Declaration of the Fifteenth SAARC Summit in 2008, entitled “Partnership for Growth for Our People,” the heads of state and government reiterated the need for increased regional cooperation in tackling climate change; in particular for capacity building, the development of Clean Development Mechanism (CDM) projects, and awareness.<sup>xxv</sup> Noting the impact of climate change on livelihoods of people living in South Asia, SAARC leaders stressed the urgency to take action jointly and manage its risks and impacts, and called for a study on the human dimension of climate change. As an equitable basis for tackling climate change, they endorsed per capita emissions targets for developing and developed

countries, taking into account historical responsibility and country capabilities. In the Dhaka Declaration on Climate Change of July 1-2, 2008, SAARC members committed themselves to promote programs for advocacy and awareness of climate change and to inculcate habits towards a low-carbon society, including incorporation of science-based educational material in educational curricula. The action plan, covering the years 2009-2011, focuses on seven thematic areas, ranging from adaptation of climate change to regional stance for international negotiations. It emphasizes policies and action for climate change mitigation, technology transfer, financing and investment mechanism, education, training, and awareness, monitoring, assessment and management of impact and risks due to climate change.

In the area of energy, the heads of state and government recognized the need to: develop and conserve conventional sources of energy; build up renewable energy resources; and introduce energy reforms, energy efficiency and the trade and sharing of technology. They also noted current efforts to strengthen regional cooperation in this sector.

### **Peace and Regional Integration in South Asia: An Analysis**

The Indo-Pakistan tensions have put a damper on any kind of activities to increase the pace of economic and social integration and bring about peace in the South Asia region. The "composite dialogue" between India and Pakistan over the past years led to the opening of bus and railway services, and there was dialogue over strategic issues on Siachen, Sir Creek, and the future of divided Kashmir, which were considered key areas of cooperation more openly than before.

History shows that regional economic and social integration strategies can be successful only if the countries concerned establish a commonality of political purpose. France and Germany who fought three wars between 1871 and 1945 were able to thaw differences through EEC. The Cold War gave Western European nations another urgent reason to work together economically to gain strategic strength. The same pattern is evident in ASEAN, which was formed as a political grouping to oppose the threat of Communist expansion from Vietnam and China. It is common in international relations that a small nation has to live in fear when its large neighbor has an "expansionist" policy, or if there are unresolved and complicating factors in their relations. This is particularly true in the case of South Asia as India continuously showed intentions of hegemony towards her small neighbors rather than being regarded as a "Big Brother." Bhutan and Nepal are continuously living under this threat of becoming the next Sikkim.<sup>xxvi</sup> To create a sense of ease in the region, the former

Indian Prime Minister I.K. Gujral adopted a doctrine called “*Gujral Doctrine*”<sup>xxvii</sup> as a tool of conflict management in the region.<sup>xxviii</sup>

In spite of the various regional mechanisms developed in recent years, still there are many issues and disputes among the states in South Asia. As a result, there is growing concern that regionalism in South Asia might end up as a Pandora’s box if concerned efforts are not made beyond the turmoil of political exigencies. It is felt that unless countries of this region enjoy considerable political harmony, they cannot possibly agree on concessions that would require surrendering sovereignty over their economic and social policies. This is particularly true in South Asia where the Indian economy dominates regional outcomes.<sup>xxix</sup> Although economic cooperation and even integration is very desirable in South Asia, there is a call for creating a politically harmonious subcontinent, which is an extremely formidable task.

There have been many important changes since 2006 and South Asia has begun to think in ambitious terms about itself as a region. The proposal to set up a South Asian University, which would require at least \$1 billion, is the best example.<sup>xxx</sup> The business community is thinking even further ahead of the governments in the region. In anticipation of SAFTA, the TATA group of India has already proposed a \$3 billion investment in Bangladesh in gas-based fertilizer, power, and steel plants. The reconstituted Independent South Asia Commission on Poverty Alleviation (ISCAPA) has adopted a more reasonable approach by suggesting a 24-point approach for halving poverty in South Asia by 2010, as opposed to MDG of the UNDP that requires South Asia to do so by 2015.<sup>xxxi</sup> After years of discussion, and, to some extent, a large degree of negligence, the South Asian Development Fund is also making some headway, with assets amounting to around \$300,000,000.<sup>xxxii</sup> South Asia receives around \$32 billion annually in remittances, by exporting labor to the Gulf region and East and Southeast Asian countries.<sup>xxxiii</sup> In Pakistan, remittances increased fourfold from just over \$1 billion in 2001 to over \$4 billion in 2003; in Bangladesh, from \$1.9 billion to \$3.3 billion; and in India, from \$12 billion to \$21.7 billion. Nepal received \$1.5 billion in remittances in 2003.<sup>xxxiv</sup> On June 12, 2008 the India-Bangladesh railway service was restored, though bus services had existed between the countries since 1996. Thus, in spite of multi-dimensional problems and conflicts related to mutual interests, South Asian countries are cooperating with each other through various integration mechanisms to promote peace and prosperity.

### **Problems and Prospects of South Asian, East Asian, and Asian Integration**

As part of its initiative to liberalize trade, investment, and capital flows, South Asia is gradually forging closer ties both with its immediate neighbors and with East and Central

Asian countries.<sup>xxxv</sup> The rapid growth of large emerging market economies such as the People's Republic of China (PRC) and India has brought the South Asia and East Asian economies ever closer together.

East Asia has made the most progress in pursuing regional economic cooperation and integration. Regional integration in the form of economic cooperation and political harmony are mutually reinforcing. ASEAN+3, APEC, and ASEM have led to improved relations between East Asian countries. Without regionalism and inter-regionalism, Japan's relations with its neighbors would have been even more problematic, and regional as well as inter-regional forums have provided the framework for direct contacts between Japanese ministers and their Chinese and South Korean counterparts, which would not have been possible on the bilateral level.<sup>xxxvi</sup> The success of the EU has demonstrated that regionalism, even on such a wide scale, can be instrumental in overcoming historical animosities, embedding democracy and the rule of law, thus guaranteeing regional security and leading to overall stability. Economic integration has come to be regarded as an important tool for diplomacy and conflict mitigation.

In comparison to East Asia, regional integration initiatives in other parts of Asia are less comprehensive. Today, however, countries in those areas are poised to accelerate the pace of integration. In particular, the recent economic growth in South Asia has facilitated the development of various strategies to integrate South Asia with East Asia, which promises to promote overall Asian integration.

SAARC has welcomed Afghanistan as its eighth member. In addition, China, Japan, South Korea, Myanmar, the European Union, the United States, Iran, and Mauritius have been given observer status. This expansion of SAARC from an intra-regional organization to an inter-regional organization and the growing external linkages are indicative of the high level of maturity that SAARC has achieved as an organization. This cannot but enhance greater Asian integration, especially bridging the regional cooperation gap with the East Asian countries, which are playing a very important role to address the issue of poverty and human insecurity in South Asia. Again, such integrating and merging of smaller regional cooperation organizations within Asia will be helpful to reduce regional gaps in different economic and social aspects and will ultimately pave the way toward the creation of an "Asian Community" to mainstream Asian integration. Such efforts of mutual cooperation will be favorable for Asia's growth and economic leadership on the global level, enhancing the region's bargaining power in the international arena.

As an initiative to mainstream South Asian integration with East Asia and beyond, international players can increase and contribute to peaceful relations within South Asia by mitigating the impacts that economic globalization will have on the region's marginalized communities that reside in conflict-prone areas. The international community can remedy market failures; it would be naïve to recommend a succinct list of initiatives that would have, with some certitude, a positive impact on mitigating conflict within South Asia. Rather, the international community should continue to engage with all stakeholders in South Asia in a manner that elevates development to include not just economic needs but also social, cultural, and religious values intrinsic to the region.

## **Conclusion**

At SAARC's inception, South Asian leaders realized that political relations surrounding regional integration could stall regional economic cooperation. Consequently, bilateral issues were kept out of SAARC's purview to prevent political tensions between member states from stalling the integration initiative. Today, however, the absence of any such non-interference mechanism on bilateral issues has become a major concern for effective regional integration initiative in South Asia. Realizing the negative impact of political tensions on trade arrangements in the region, some analysts have called for a regional institutional mechanism to contain conflict among members. Others have even suggested the need to amend the SAARC Charter to allow the group to deliberate upon bilateral issues. As early as 1990, Ariyasinghe had proposed a "strategic regional security framework" designed to ensure regional security in South Asia. No progress has been made on this front, and realistically such a development is not plausible any time soon. Member states, particularly Pakistan and India, must find means outside of the SAARC arrangement to resolve their bilateral differences.

While lessons from the EU and ASEAN prove the benefits of regional integration, there is still a need to shape institutions that, as commentators indicate, are asked to compete and yet cooperate in the neo-liberal political economy. Durable peace must therefore include the resolution of domestic and long-standing differences. Growth of economic integration will depend on how individual nations deal with contentious issues and whether they remain committed to regional cooperation. Peace also needs to include the resolution of the Kashmir issue, border problems, and distribution of natural resources and effective management, if not total elimination, of the corrosive politics that divide Hindus, Muslims, Sikhs, Buddhists, and other religious minorities.



Beneath the political colorations of South Asia reside the socio economic aspirations of its middle class. Some argue that in order for the region to prosper, a new idea of South Asia will have to emerge, and the primary driver will have to be the aspirations of the middle class for something more than private affluence in the midst of public squalor. Hence, social capital building that challenges all of the region's societies and effective collective action within and then across the societies will be the test of whether or not this society emerges.<sup>xxxvii</sup> Other informal political dialogues need to include citizen to citizen contact, which addresses displaced persons following partition of East Bangladesh and West Bengal, the Two Punjabs, and the social and religious values of being able to visit one's homeland, place of birth and ancestral grave sites. Education and cultural exchange should include students, writers, intellectuals and artists to be able to mix and exchange ideas on a new South Asia.

Though there are many hopes for success of economic and social integration strategies within and beyond South Asia, still there are disputed issues that need to be addressed properly. Specifically, regional mechanisms must be strengthened to address issues like geopolitical disputes, climate change, contiguous diseases (SARS, bird flu, HIV/AIDS, etc.), and food shortage to name a few. At the same time initiatives must be taken to extend integration initiatives starting from the continental level, specifically inclusion with the East Asian region, which is playing an important role in the economic and social development of South Asia. At the same time strategies and policies to fight poverty and human insecurities in South Asia must be in line with global targets and strategies so that it will be easier to monitor and evaluate on both with regional and global levels at the same time. With emergence of increasing regional and global integration strategies it must be remembered that it is the South Asian region whose strategies should come first to address issues of poverty and human insecurities. Extending regional integration in East Asian and global level will enhance South Asia's initiatives and commitment to fight against poverty and human insecurities. Initial measures should be taken to integrate South Asia with East Asia. By such initiative both will be mutually more benefited due to their regional as well as cultural closeness. The combined effort of these two regions of Asia will promote Asian integration with the aim of creating an 'Asian Community', free from the curse of poverty and other sources of human insecurity.

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## Notes

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### **Acknowledgement**

An earlier version of this paper was first presented at the Summer Institute on Asian Regional Integration, organized by Global Institute for Asian Regional Integration (GIARI), Waseda

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University 21<sup>st</sup> Century Global Center of Excellence (COE) Program in August 2008. The author would like to thank the organizer for its financial and logistical support for his participation in the program. Thanks also go to Prof. Yasushi Katsuma for reviewing an earlier version of this paper and for his support and guidance in the author's ongoing research. Special thanks go to Prof. Tsuneo Akaha and Prof. Hatsue Shinohara for their comments and suggestions during the presentation. I also thank my friend Jordan Nogaki for his help with the proof reading of an earlier version.