

SOUTH ASIA  
Envisioning a Regional Future

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Envisioning a Regional Future

*Editor*

**Smruti S Pattanaik**



**Institute for Defence Studies & Analyses  
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## List of Abbreviations

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ADB	Asian Development Bank
AFTA	ASEAN Free Trade Agreement
AL	Awami League
ANA	Afghan National Army
ANDS	Afghanistan National Development Strategy
APEC	Asia-Pacific Economic Cooperation
APECCITT	Asia-Pacific Economic Cooperation Counter Terrorism Task-force
APRC	All-Party Representative Committee
ASEAN	Association of the South East Asian Nations
BG	Broad Gauge
BIMSTEC	Bay of Bengal Multilateral Sectoral Technical Economic Cooperation
BNP	Bangladesh National Party
BOT	Build Own Transfer
CA	Constituent Assembly
CAREC	Central Asian Regional Economic Cooperation
CBO	Community Based Organisation
CC	Constitutional Committee
CENTO	Central Treaty Organisation
CFA	Ceasefire Agreement
CPA	Comprehensive Peace Agreement
CPJ	Consultative Peace Jirga
CPN (UML)	Communist Party of Nepal-United Marxist Leninist
CSC	Council of Security Cooperation
CSO	Civil Society Organisation

CTTCS	Counter-Terrorism Transnational Crime Sector
DAC	Development Cooperation Directorate
DG	Dual Gauge
ECO	Economic Cooperation Organisation
EPDP	Eelam Peoples' Democratic Party
EU	European Union
FAO	Food and Agricultural Organisation
FARC	Revolutionary Armed Force of Columbia
FATA	Federally Administered Tribal Area
FDI	Foreign Direct Investment
FEW	Food-Energy-Water
FIA	Federal Investigation Agency
FTA	Free Trade Agreement
GBM	Ganga Brahmaputra Meghna
GCC	Gulf Cooperation Council
GEP	Group of Eminent Person
GER	Gross Enrolment Rate
GHQ	General Head Quarter
GLOF	Glacial Lake Outburst Flood
GoSL	Government of Sri Lanka
GWOT	Global War on Terror
HDI	Human Development Index
HQ	Head Quarter
HRCP	Human Rights Commission of Pakistan
IC	International Community
IC	Interim Constitution
ICD	Inland Container Depot
ICMOD	International Centre for Integrated Mountain Development
IDP	Internally Displaced Person
INGO	International Non Governmental Organisation
IPA	Integrated Program of Action
IPKF	Indian Peace Keeping Force
ISAF	International Security Assistance Force
ISGA	Interim Self-Governing Authority

ISI	Inter-Services Intelligence
IWT	Inland Water Transit
IWT	Indus Water Treaty
JHU	Jathika Hela Urumaya
JVP	Janatha Vimukthi Peramuna
LDC	Least Developed Countries
LTTE	Liberation Tiger of Tamil Eealm
MDP	Maldives Democratic Party
MG	Meter Gauge
NA	Nepal Army
NAFTA	North America Free Trade agreement
NATO	North Atlantic Treaty Organisation
NC	Nepali Congress
NEFIN	Nepal Federation of Indigenous People and Nationalities
NERF	North East Reconstruction Fund
NSG	Nuclear Suppliers Group
NTB	Non Tariff Barrier
NWFP	North West Frontier Province
OECD	Organisation for Economic Cooperation and Development
OEF	Operation Enduring Freedom
PCPB	Post Conflict Peace Building
PIC	Permanent Indus Commission
PLA	People's Liberation Army
PRT	Provincial Reconstruction Team
P-TOM	Post-Tsunami Operational Mechanism
RECC	Regional Economic Cooperation Conference
RSC	Regional Security Complex
RSS	Rashtriya Swayamsevak Sangh
SAARC	South Asian Association for Regional Cooperation
SADF	South Asian Development Fund
SAGQ	South Asia Growth Quadrangle
SAP	Structural Adjustment Program
SAPTA	South Asia Preferential Trade Agreement
SAFTA	South Asia Free Trade Agreement

SCO	Shanghai Cooperation Organisation
SDF	SAARC Development Fund
SDOMD	SAARC Drug Offence Monitoring Desk
SEATO	South East Asian Treaty Organisation
SFRP	SAARC Fund for Regional Projects
SIPA	SAARC Integrated Plan of Action
SLFP	Sri Lanka Freedom Party
SRMTS	SAARC Regional Multimodal Transport Study
SSR	Security Sector Reform
STOMD	SAARC Terrorist Offences Monitoring Desk
TAPI	Turkmenistan-Afghanistan-Pakistan-India
TAR	Tibetan Autonomous Region
TMVP	Tamil Makkal Viduthalai Puligal
TULF	Tamil United Liberation Front
UCPN	United Communist Party of Nepal
ULFA	United Liberation Front of Assam
UNDP	United Nations Development Program
UNESCO	United Nations Economic, Social and Cultural Organisation
UNFCCC	UN Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNMIN	United Nation Monitoring Mission in Nepal
UN-OHCHR	UN Office of the High Commissioner for Human Rights
UNP	United National Party
UNSC	United Nations Security Council
UNSG	United Nations Secretary General
UPFA	United People's Freedom Alliance
USGAO	United States Government Accountability Office
VHP	Vishwa Hindu Parishad
WB	World Bank
WMD	Weapons of Mass Destruction
WoT	War on Terror

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# Introduction

## Moving Beyond the Rhetoric of Cooperation

*Smruti S Pattanaik*

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The idea of a political community cutting across state boundaries of global citizenship, of economic integration among states is not new in international politics. Ever since the modern state system came into being, rather than functioning as self-contained units, the states have cooperated with each other to deal with various issues of common interest and concern. While earlier such cooperation often took the shape of military alliances to counter potential adversaries, with advancement in global communication and revolution in information technology, more and more states realised the need of greater economic cooperation and mutual interdependence as a means for global peace and harmony.

With the birth of the European Union, the concept of economic integration gained political currency in international politics. The phenomenon of globalisation also contributed to the movement towards integration of markets and interdependence between countries. Today the world economy is so integrated that economic crises in one country now have a spiraling effect on the entire world. The recent credit crises in the US which had a world impact is a case in point. Economic integration is an integral part of development efforts in any region of the world. However, South Asian countries mired in mutual suspicion and mistrust are still lukewarm to the idea of regional integration even if they have adopted national measures to integrate individual countries with the global market. Some of them have even emerged as major players in world trade – of course, as suppliers of mostly finished products.

South Asia's growing economy, its emerging markets and expanding middle class with greater purchasing power has made the region one of the most sought after destinations for trade and investment. This is despite the

reluctance of the countries in the region to form a common economic unit. However, there is a prospect for greater regional cooperation now than ever before. Interestingly, the recent political transition and establishment of democratically elected governments in many South Asian countries has generated hopes of political stability in the region. This would be an important factor in establishing peace and political stability in the region. It is hoped that with the onset of democracy in most of the countries, the elected governments would take adequate steps for good governance and economic development to cater to the demands of the people they represent. Many in South Asia live below the poverty line and have high expectations from their governments. They are the people who constitute a large 'vote bank' in electoral politics. Therefore, popular aspiration embedded in electoral politics is likely to create pressures for greater indulgence of the governments in economic development which would create opportunities for breaking out of their insular and inward-looking economies and pave the way for regional economic integration.

At the political level too, there is a need for greater inter-governmental coordination and synchronisation of efforts to fight the common threats of transnational network of terrorists, illegal flow of arms and ammunitions and rise of religious radicalism. Given the porous borders and ethno-communal linkages amongst the people, political instability in one country will inevitably have adverse impact on the society and politics of other states. Terrorist violence in one country has inter-state ramifications. Countries in the region continue to host refugees and illegal immigrants which have larger socio-economic and security repercussions. Exacerbation of conflict in some countries, inability of countries to deal with violence politically and accommodation of minority rights have created the conditions for perpetuation of violence. It is in this context that cooperation becomes the key. Therefore, relations between the South Asian countries becomes crucial as a framework of analysis to envision a common regional future in terms of economic cooperation and political stability of the region.

### **Economics of Cooperation**

Current global economic downturn has affected the export-oriented economies of South Asian countries that send bulk of its products to the markets in the Western countries. Due to the complex political relations among the states, official bilateral trade within the region has remained confined to about 5 per cent. But unofficial trade between the countries has prospered over the years which indicates the potential of intra-regional trade

and the scope for enlarging the official trade basket. While the smugglers and their agents have profitted the countries of the region have lost millions in terms of revenue. This should provide sufficient rationale for the countries of South Asia to have liberal trade regimes that facilitate economic integration.

However, the issue of integration is enmeshed in protective trade regimes and lack of standardisation of procedures, custom rules and excessive documentation. Most of the countries seek to protect their domestic industries that require government support by providing favourable tax regimes and regulated foreign investment. This approach may be changing slowly at the moment as the countries are trying to move towards free trade and a zero tariff regime and are in the process of reducing their long negative list.

According to the Advance Report of 2010 brought out by the World Bank (WB), India accounts for 80 per cent of the total GDP of the region followed by Pakistan (10 per cent) and Bangladesh (7 per cent). Another report of the Bank says that South Asia is home to half of the world's poor. The WB statistics for the countries shows that about 29 per cent of Indians, 33 per cent of Pakistanis, 42 per cent of Nepalese and 50 per cent of Bangladeshis live below the poverty line. Thus, there is an urgent need for joint action against poverty in the region. This can take the shape of commitment of the states to integrate their economies with each other and enable the process of regional cooperation. In fact, this will provide greater employment opportunities for the large number of educated unemployed youth who are suspected to be falling prey to terrorist networks out of economic compulsions, in many cases. The International Labour Organisation (ILO) report on "Global Employment Trends for Youth" published in August 2010 is instructive in this regard. Number of youth in South Asia will increase by 12.1 m or from 27 per cent to 29 per cent by 2015. Youth employment to population ratio is at 8.6 per cent and youth unemployment rate is 10 per cent. There is an increase in the number of unemployment youth between 1998-2008 and South Asia has the highest number of such youth which is 27.5 per cent out of the global figure.

Attempts are being made to restore the extensive transport and communication networks in the region which were suspended after the partition of India. It is true that the SAARC countries have agreed to establish multi-modal transport networks in the region as part of the regional initiative. Some of the countries are also part of Asian Highway and Asian Railway network that looks promising as far as transport integration is concerned. Connectivity has become a key word which has the potential to energise the regional economy. However, mutual suspicion continues to hinder any possibility of restoring these pre-partition linkages. Moreover, the prevailing

instability in many of these countries has made them rather inward-looking for want of regional synergy and vision.

### **Cashing on Socio-Cultural Capital**

Connected to the issue of economic integration is the need to promote common socio-cultural and religious heritage of the countries to establish a common bond to knit the people of different countries together – a bond that would transcend the geographical confines of the nation states in South Asia and withstand the compulsions of politics. In this context, it is imperative to get out of the conflict-suspicion paradigm to a beneficial cooperative framework and develop a long-term vision of the future rather than stay mired in short-term political considerations. The big question here is can the region overcome the state-sponsored project of creating the ‘other’ out of communities that share a common socio-cultural tradition?

The wounds of partition are a yet to heal in South Asia and the post-colonial nation-states in the region have carefully nurtured the concept of the ‘other’ in the process of creating exclusive national identities that justify their existence as separate nations. Therefore, it becomes difficult for the states to sell ‘regionalism’ as it subsumes the invented ‘other’ and makes it irrelevant. The creation of the ‘other’ as an *agent saboteur* provides a ground for the state to strengthen its military machinery rather than spending on developmental issues. The visa regime becomes an instrument to consolidate this image as the state assumes the authority to control people-to-people contact through such mechanism. In the absence of regular contact, the states hope that the collective memories of people (especially regarding the natural affinity between them) will gradually fade away making it easier for them to impose their exclusivist identities on the people in which the regime would emerge important. Denial of visa to cultural activist served this purpose as its sole motive is to prevent a sense of cultural unity among the people. Such barriers, thus, create more ground for the states of South Asia to deeply nurture a sense of enemy image of each other, to the advantage of the ruling elites. The media remains largely state controlled and at times promotes ‘media nationalism’ and hardly plays a constructive role in the process. However, of late, with the advent of satellite channels and revolution in information technology things may begin to change. Social network websites like ‘Facebook’ or ‘Twitter’ are now in the business of creating trans-state communities that share similar vision. These networks facilitate interaction across the border and may compel the states to leave their exclusivist nation-building projects and lower the walls they have created between the peoples in the name of safeguarding their respective national identities and interests.

## **Strengthening Democracy**

Democracy is in poor health in the region because of various reasons, i.e., assertive military in some states, poor system of governance, predominance of feudal social structure, widespread corruption, and a rather diffident civil society. Non-democratic regimes, especially led by the military in certain countries, seek to perpetuate an atmosphere of mistrust and suspicion and draw legitimacy for their political sustenance from the unfriendly relations that exist between the states. However, in the last two decades, the people of South Asia have strongly demonstrated their preference for democracy, especially in countries either plagued by political instability or under military rule. It has led many analysts to argue that a wave of democracy is now sweeping the region which bodes well for regional cooperation. The year 2008 has been most significant in this respect. That year, Pakistan reverted to democratic rule; the elections in Bangladesh saw an end to a period of nagging political instability that had seen military-backed caretaker government assuming power; multiparty democracy was introduced successfully in Maldives, the Maoists of Nepal were successfully mainstreamed into the democratic political process and Bhutan transitioned from absolute monarchy to constitutional monarchy. Similarly Sri Lanka saw an end to violent conflict with the elimination of LTTE, providing political space for ethnic reconciliation.

The process of democratization, gradual empowerment of marginalized people and their aspirations for the establishment of a more egalitarian society have raised issues that are crucial to democratic governance. The people of the region are now yearning for a better standard of living and access to health-care and education. In the changing political scenario there is a demonstrated will of the people to break free of the barriers set by the states and transform the economic landscape of the region. The onset of democracy thus gives rise to hope that the governments in region will take the popular will for change seriously and work sincerely towards strengthening regional cooperation.

In the recent past there has been some commendable cooperation between the democratically elected governments. For example, cooperation between Bangladesh and India to address the issue of terrorism, cooperation between India and Sri Lanka that saw the end of the Liberation Tiger of Tamil Eelam (LTTE) and the landmark twelve-point agreement in Nepal which was facilitated by India led to the mainstreaming of the Maoists. Similarly, the democratic leadership in Pakistan made some encouraging statements vis-à-vis India which showed that it was prepared to make a break with the past. The statements like Pakistan did not consider India an enemy, that it will

not be the first to use nuclear weapon against India, and that a relationship of friendship with India was more important clearly outlined such a mindset. The spoilers in Pakistan have tried to reverse this encouraging trend; however, it is too early to say whether they will succeed in the end. With India willing to pursue peace with Pakistan despite 26/11 Mumbai attacks, the spoilers may find it difficult to stop the process of dialogue.

Even if the governments may not be able to revive the dialogue process, the civil societies in the two countries have started taking initiatives to move forward in the right direction. In spite of state barriers, there are Track-II level meetings between India and Pakistan and India and Bangladesh. Similarly, there have been various civil society initiatives to pressurise the governments to break the stalemate. For example, in the recent past the media has started a campaign of *Aman ki Asha* to propagate the desire of the people for peace and to drive home the point that conflictual relationship cannot be sustainable and would not benefit the region. With democracy taking roots, it is hoped that the governments will be under pressure to translate the popular demand for greater cooperation between the states into reality.

### **Challenges to Regionalism**

Issues of terrorism, religious radicalism, assertion of ethno-national identity have made the states adopt a cautious policy towards the issue of regional integration. Many a times the countries of the region accuse each other of interference in their internal affairs and take it as a pretext not to do anything at the internal level to address the domestic concerns that result in the alienation of the people. At another level, transnational linkages between the terrorist groups, sometimes with state patronage, have also hindered the process of integration. For example, Pakistan's reluctance to bring the perpetrators of the Mumbai attack to book has led to hardening of sentiments in India vis-à-vis the dialogue process. Similarly, the civil society in Pakistan – especially the saner elements – has not felt it necessary to put any pressure on their government to do something tangible to address these genuine Indian concerns. As a result, the rise of tension between India and Pakistan has inevitably affected the progress of the SAARC as a collective forum. Therefore, it is not surprising that the Maldivian president in his address in the sixteenth SAARC summit at Thimpu held India and Pakistan responsible for the slow progress in regional cooperation.

The nuclearisation of South Asia has its own dynamics. It is debatable whether nuclearisation has led to strategic stability or instability. However, there is a greater popular realisation today than ever before that war can no longer be an option. It is also true that a limited war would always have the

risk of escalation and can graduate into a larger catastrophe. Moreover, a close examination of the security dynamics in South Asia reveals that internal threats faced by various states are more acute than the external ones. Whether it is assertion of ethnic identity or left or right wing extremism many of them originate from state's inability to resolve issues of political grievances and economic aspirations.

Unfortunately, weak governments with their narrow ideological orientations and focus on regime interest have created the necessary condition for the terrorist and radical elements to thrive in. The states of region must realise that their patronization of terrorism has not contributed to resolution of bilateral conflicts; rather it has exacerbated the conflicts and seriously affected bilateral relations. An assessment of various ongoing conflicts in the past suggests that war has not resolved any issue in South Asia. This leads us to the question: whether South Asian countries could learn from their past mistakes and move towards dialogue and discussion and have patience while striving for peaceful settlement of various disputes. If the answer is affirmative, one can be hopeful that the region would move towards cooperation rather than conflict.

### **Popular Aspiration for Peace**

There is a growing feeling among the people of South Asia that the states need to make earnest efforts to address the issues of misgovernance, corruption and poverty and tide over their reluctance to cooperate with each other at the regional level. There are several ways in which constructive ideas aimed at boosting inter-state cooperation can be exchanged amongst the people. These can be achieved if the governments relax their visa regimes, facilitate people-to-people contacts and encourage exchanges in areas like culture, art and cinema.

Though inter-state relations continue to hinge on bilateral issues there is a need to jettison them in the interest of regional integration. It is necessary to conceptualise South Asia as a region and emphasise on the common challenges that confront its people, cutting across states. The states ought to realise that efforts by different states to individually tackle common challenges – like terrorism, terror financing, climate change, growing water scarcity etc. – are unlikely to succeed and they need to develop a common regional vision and a regional approach to meet these challenges.

This book seeks to address the following questions: how do we see the future of South Asia? Are we moving towards a future that is marked by mutual antagonism and uncertainty or cooperation marked by peace,

prosperity and stability? Based primarily on these two important questions, this book is divided into four thematic sections: (i) delineating important issues of regional cooperation and forging consensus on regional agenda and goals; (ii) country-perspectives on issues that are confronting the nation-states in South Asia; (iii) interests of major powers in South Asia and how it impinges on regional security dynamics; (iv) what is the way out from the present conundrum.

The first section deals with building a regional consensus on issues which would determine the direction of the future. Nirupama Rao, the current Foreign Secretary of India, has laid down a broad template for such a vision while delineating the reasons for forging regional cooperation. She also tries to explain the role India intends to play in it. Arvind Gupta deals with possible future scenarios. He argues that regional cooperation is vital for peace and prosperity in South Asia. For this the countries in the region should shed their anti-India mindset and demonstrate strong political will in favour of cooperation. Otherwise, he argues, the region may see the rise of tension which may perhaps lead to conflict. Shahedul Anam Khan rues the fact that in spite of realisation by the states, terrorism is a common threat which is well reflected in the many instruments and protocols of SAARC well before 9/11; the SAARC countries have failed to implement these provisions. He explores why South Asia requires a regional approach and how to achieve it. Kaiser Bengali and Nausheen Wasi make an argument in favour of India-Pakistan cooperation to deal with challenges posed by extremist and terrorist elements. They emphasise that India has a major responsibility towards the success of democracy in Pakistan as a democratic Pakistan is in India's interest. Darini Rajasingham Senanayake argues how transnational actors, aid agencies, external powers, while providing aid and humanitarian assistance, in some cases, exacerbate intra-state conflicts as they fail to build local stakeholders and their conception of peace is exogenous to the local condition. She argues that there is a need to re-think the current state-centric regional security approach and shift to a more comprehensive human security framework that entails poverty reduction, inclusive development and peace building. Uttam Kumar Sinha argues how cooperation in water would be key to building peace in the region and therefore managing riparian relations would be a major challenge that would impinge on regional cooperation.

It is an undeniable fact that domestic politics impinges on the external policies of states which have a bearing on inter-state relations. While some of the states are too mired in domestic problems some others lack the political will to cooperate given the regime-centric view of regional cooperation. The second section of the book deals with domestic politics of some of the South

Asian countries to understand the direction in which the countries are heading in the stability-instability paradigm. The direction of the states, their ability to resolve some of the fundamental problems relating to state restructuring so as to address grievances of its diverse population will have implications for the entire region. Davood Moradian feels that the roots, drivers and causes of many of the present problems in Afghanistan can be located in the relationship between the Afghan state and society, the nature and the evolution of Afghan statehood and its engagement and interactions with the international system. He concludes that premature disengagement of the US or sub-contracting Afghanistan to Pakistan and/or to reactionary forces will take Afghanistan back to the 1990s and turn it into a failed state and a haven for international terrorism and drug lords. Sumanasiri Liyanage builds a few scenarios and analyses their possible impact on the Tamil issue and the future of the Sri Lankan state. Krishna P. Khanal dwells on the issue of federalisation of the Nepali State and the attendant challenges and opportunities. He argues that though there are several proposals that have been floated in Nepal on how to federalise the state, there is a lack of political consensus over the issue and the inability of the political parties to form a government despite twelve attempts has stalled the Constitution writing process which does not augur well for the future of Nepal. Tahmina Rashid argues that most of the ills Pakistan is suffering from have their origin in the Islamisation efforts by the Zia regime, which Islamised not just the state but the mindsets in Pakistan as well. This phenomenon was visible among the people who studied in modern schools. This has led to emphasis on ritualism and piety which has given rise to public display of religiosity. More and more people are now joining the so-called 'apolitical' *dawah* groups. These groups are now playing a leading role in the radicalisation of the civil society in Pakistan. Ibrahim Hussain Zaki feels optimistic and concludes that consolidation of democracy would ensure cooperation rather than conflict.

The third section of the book deals with Extra-Regional Powers and Regional Security. External powers have their own interests in the region and their presence has generated a certain amount of apprehension given the fact that the region is afflicted with identity-based ethnic conflicts and any outside manipulation could complicate the domestic political situation and intensify the conflicts. The international community is now focussed on the region as terrorism, largely emanating from the Af-Pak region, has threatened global peace. This has been welcomed by some states while others have felt threatened by it.

Nishchal Nath Pandey brings out various international actors and their interests in Nepal and how that impinges on the fragile peace process in the

country. He feels that the UNMIN's role has been controversial as it is pursuing the agenda of the Maoists and argues that this is not in the interest of peace. Nepal's tenuous peace process, the author feels, will affect not just the future of the state but the region as a whole. Ahmad Shayeq Qassem discusses the role of the regional countries in Afghanistan and how Afghanistan perceives its role as a land-bridge between the South and Central Asia. He argues that Pakistan is crucial for stability of Afghanistan and concludes that Pakistan will continue to look for strategic depth in Afghanistan even if India decides to close its Consulates in Afghanistan. He concludes that Afghanistan conundrum can only be resolved within the purview of the Afghan Constitution. Rajesh Rajagopalan argues that it is the regional countries that have used the extra-regional powers to further their interests rather than the other way round. He concludes by saying that the key drivers of extra-regional involvement in South Asia are likely to continue because of the regional security agenda of the local powers than that of extra-regional ones. Swaran Singh delineates how China has pursued its South Asia policy and argues that while many in India see China's presence in the region as an effort to 'encircle India', this may not be entirely true. Such analyses, he cautions, often fuel skepticism on both sides and affects mutual perceptions and policies adversely.

The last section focuses on "Forging Regional Cooperation: The Way Ahead". This section deals with regional organisations and initiatives. The chapter on future of SAARC deals with how the regional organisation has proceeded since its creation and how its agenda has expanded given the reality of globalisation and compulsion of economic integration. This chapter argues that even small steps taken by the SAARC, given the complexity of the region, should be seen in a positive light. If in the process it is able to foster a regional identity it should be welcome. Nitya Nanda and Souvik Bhattacharjya focus on economic cooperation and the challenges and hurdles such cooperation faces. The authors argue that the initiative has met with limited success due to limited tariff reductions, barriers present in trade agreements, prevalence of sizeable informal trade and weak governance and political frictions. The authors conclude that SAFTA has its own dynamics and cannot be linked to promoting regional peace and cooperation as trade integration is neither a necessary nor a sufficient condition to achieve peace. M. Rahmatullah makes an analysis of various trade and communication routes that had existed during the British period and new routes that could be made feasible. He argues that it is also essential that concerted efforts be made together by all stakeholders: the governments, the private sector and the civil society at large, to bring about a change in the political mindset of the leaders who are still not fully convinced of the benefits of regional cooperation. The author concludes that unless

earnest efforts are made in this regard, the countries will lose out on the benefits of globalisation.

The contributors to this volume argue that the search for a common regional future will not be futile if states change their mindset towards cooperation. As has been outlined above the challenges that the states face are common to all and they cannot be addressed individually by any single country of the region. Mutually beneficial policies like harnessing of joint rivers for energy or to control floods and the sharing of flood related data would not be possible if the states remain self-centred. Moreover, challenges of poverty and unemployment can only be addressed through greater economic integration which will provide comparatively less-developed states with an opportunity to benefit from their association with some of the fast-developing economies like that of India. In spite of intractable bilateral issues, attempt needs to be made to change the mindset of the ruling elites towards regional cooperation.

According to World Bank Report, South Asia is growing at 7 per cent in 2010 and is likely to grow at 8 percent in 2011. In the first three quarters of 2009, South Asia attracted about 40 per cent of total investment commitments in private participation in infrastructure projects in the developing world worth a record US\$26 billion. During this time, India exported more small cars to the rest of the world compared to China. South Asia has 26 per cent of the world's youth which is likely to grow to 28 per cent in 2010 according to the World Bank's 'Population Prospect 2008' revised database. As South Asia is changing, the contours of the relationship between the states are likely to change. All hopes for a change in mindset towards regional integration rest on the new generation of youth in the region. Even if the nation-states impose a strict visa regime the virtual world has no boundaries and it is most likely that the youth of this age will not feel encumbered by the bitterness of the past and relate to one another more uninhibitedly across the artificial walls of distrust so carefully built by the states. Their interactions through the virtual world whether it is Facebook, Twitter or Orkut, have managed to break the psychological barriers and deconstruct the 'other' that the nation-states have created. Moreover, with democracy taking roots the popular yearning for peace and progress will compel states to adopt a pro-integration approach in the days to come.

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