

SOUTH ASIA- POLITICAL AND ECONOMIC REGION

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Introduction

South Asia is a realm of one of the oldest civilizations in the world where people from all races and religions have coexisted over a long period of time. This layering of different cultures has given it a unique identity that is unparalleled anywhere else in the world. The appellations South Asia and the Indian subcontinent are synonymous. The area was usually referred to as Britain's Indian Empire or Raj prior to 1947. Most geographers, such as Sir Dudley Stamp, called it the Indian subcontinent because of its separation from the rest of the Asian landmass by a continuous barrier of mountains in the north. This enabled the development of a civilization in relative isolation through the ages.

The seven independent countries of the region are India, Bangladesh, Pakistan, Nepal, Sri Lanka, Bhutan and Maldives. India has been the central core of this region both physically and culturally. The other countries form the peripheral region that has been influenced historically and politically by the core for many centuries. South Asia is located at the southern extremity of the Eurasian continent. Continental access is mainly from the west through passes such as the Khyber and Bolan which are difficult but not impossible to cross. Most foreign invasions and infiltrations from the west took place through these routes. Some came with the purpose of settlement and some to plunder and conquer. South Asia's location bordering the Indian Ocean opened it to maritime trade over 3000 years ago. It was the European traders such as the French, the Dutch, the Portuguese and later the Britishers who took the greatest advantage of such maritime linkages.

It is a commonplace in any introduction to South Asian history to expound on the cliché about the region's unity in diversity. It may be more appropriate to characterize South Asia and its peoples as presenting a picture of diversity in unity, indeed of immense diversity within a very broad contour of unity. The geographical boundaries drawn by the highest mountain ranges in the world and encircling seas and oceans set the whole of the subcontinent apart from the rest of the world. Yet within these boundaries there is great diversity in natural attributes - imposing hills and mountains, lush green river plains, arid deserts and brown plateaus. Peoples inhabiting such a clearly defined, yet diverse, region have evolved a shared cultural ambience, but at the

same time are deeply attached to distinctive cultural beliefs and practices. Over the millennia the peoples of the subcontinent have engaged in many cultural exchanges with the outside world and worked out creative accommodations of cultural difference within.

Basically, a region can be defined on the basis of certain specific indicators that confirm its existence. A set of countries in close geographical proximity with each other can be categorised as a 'region' when, first and foremost, they share a certain commonality of (national) interests. These interests could incorporate a whole gamut of social, economic, political, cultural, historical, and other factors. Secondly, this set of countries should be sufficiently enlightened so as to understand the significance of placing cooperation above conflict in the conduct of inter-state relations. This should also be bolstered by a collective desire to come together on a common plank to create some lasting mechanism for regional cooperation. These sentiments are more or less lacking among the South Asian states, as is evident in years of lack-lustre performance by the South Asian Association for Regional Cooperation (SAARC). Following the conception of the SAARC in 1983, very little has been actually done to promote this sole existing mechanism for collective cooperation in the subcontinent.

There is a lack of cooperation in South Asia in terms of its shortcomings as a region. The main contention is that South Asia is still in the process of evolving as a 'region' due to two basic factors: an adequate degree of complementarity of interests has not yet been achieved among the South Asian states and the almost perpetual preoccupation with intra-state conflicts and crises leaves individual states with scarce time or resources to work towards regional solutions. Such lack of 'region-ness' in South Asia can also be understood in terms of another related phenomenon, that is, the persistence of myriad social, economic and political problems in practically each and every South Asian state. Such intra-state problems are often either the cause or consequence of inter-state disputes and misperceptions as well. Thus, there emerges an inextricable connection between the internal and external relations of South Asian states with patterns that are further complicated by what has been succinctly explained as the pursuit of 'order, welfare and legitimacy.'

The peoples of South Asia speak at least twenty major languages, and if one includes the more important dialects, the count rises to over two hundred. A panoply of very diverse languages and language families, South Asia has made enormous contributions to world literature from ancient to modern times. It has major accomplishments in the arts and maintains

distinguished musical traditions. Adherents to every major world religion are to be found in the subcontinent. It is the source of two of the world's great religions and the home to more devotees by a third than either the Middle East or Southeast Asia. Hinduism with its ancient roots, modern transformations and multiple interpretations plays a vital part in the culture and politics of the subcontinent. The majority of the population of India are, Hindus, but they are distinguished along lines of language and caste. While the formal adherents to Buddhism may have dwindled in the land of its birth, it continues to flourish in Sri Lanka and the Himalayas as well as in East and Southeast Asia. Some of the greatest cultural and political achievements of Islam have taken place in the subcontinent, where more than 400 million of the world's 1.3 billion Muslims live today. Each of the three most populous countries in South Asia - India, Bangladesh and Pakistan - has nearly 140 million Muslims, next only to Indonesia as the largest Muslim countries in the world. South Asia also has significant Jain, Zoroastrian, Christian and Sikh minorities.

South Asia today is strategically a vital part of the world which has significant implications for the international order at the beginning of the new millennium. With the testing of nuclear devices by India and Pakistan in 1998 and the continuing conflict in Kashmir, the subcontinent has been the focus of an unaccustomed dose of media attention. The location of one of the most intractable international problems of the past fifty years that could trigger a nuclear war, South Asia demands a depth of historical understanding. Since the early 1990s, South Asia, especially India, has witnessed important shifts in economic policy, making it important to assess the region's linkages to the global economy, along with an examination of its persistent problems of poverty and inequality. Genuine prospects of peace, democracy and cooperative development vie with disputes, especially over Kashmir, placing South Asia at a decisive crossroads in its history. Flourishing electoral democracy coexists in the region with deep strains of authoritarianism, often within the same country. In spite of very strong and persistent, often localized, traditions, the notion of changeless 'Tradition' in South Asia was always a myth, but perhaps never more so than at the present moment as South Asians negotiate their place in an arena of global interconnections in the throes of rapid change.



Political History of South Asian Countries

India

At the federal level, India is the most populous democracy in the world. For most of the years since independence, the federal government has been led by the Indian National Congress (INC). Politics in the states have been dominated by several national parties including the INC, the Bharatiya Janata Party (BJP), the Communist Party of India (Marxist) (CPI(M)) and various regional parties. From 1950 to 1990, barring two brief periods, the INC enjoyed a parliamentary majority. The INC was out of power between 1977 and 1980, when the Janata Party won the election owing to public discontent with the state of emergency declared by the then Prime Minister Indira Gandhi. In 1989, a Janata Dal-led National Front coalition in alliance with the Left Front coalition won the elections but managed to stay in power for only two years. As the 1991 elections gave no political party a majority, the INC formed a minority government under Prime Minister P.V. Narasimha Rao and was able to complete its five-year term.

The years 1996–1998 were a period of turmoil in the federal government with several short-lived alliances holding sway. The BJP formed a government briefly in 1996, followed by the United Front coalition that excluded both the BJP and the INC. In 1998, the BJP formed the National Democratic Alliance (NDA) with several other parties and became the first non-

Congress government to complete a full five-year term. In the 2004 Indian elections, the INC won the largest number of Lok Sabha seats and formed a government with a coalition called the United Progressive Alliance (UPA), supported by various left-leaning parties and members opposed to the BJP.

Since independence, India has faced challenges from religious violence, casteism, naxalism, terrorism and regional separatist insurgencies, especially in Jammu and Kashmir and Northeast India. Since the 1990s terrorist attacks have affected many Indian cities. India has unresolved territorial disputes with China, which in 1962 escalated into the Sino-Indian War; and with Pakistan, which resulted in wars in 1947, 1965, 1971 and 1999. India is a founding member of the United Nations (as British India) and the Non-Aligned Movement. In 1974, India conducted an underground nuclear test and five more tests in 1998, making India a nuclear state. Beginning in 1991, significant economic reforms have transformed India into one of the fastest-growing economies in the world, increasing its global clout.

Pakistan

The history of Pakistan as a modern nation began with independence from British India on 14th August 1947, although the region has been inhabited continuously for at least two million years; its ancient history includes some of the oldest settlements of South Asia and some of its major civilizations. The political history of eventual birth of the country began in the aftermath of the Indian Rebellion of 1857, which culminated in 90 years of direct rule by the British Crown, and, subsequently, spawned a successful freedom struggle led by the Indian National Congress and the All India Muslim League. The latter was founded in 1906 to protect Muslim interests and rose to popularity in the late 1930s amid fears of neglect and under-representation of Muslims in politics. On 29 December 1930, the poet Muhammad Iqbal called for an autonomous "state in northwestern India for Indian Muslims".[6] Muhammad Ali Jinnah espoused the Two Nation Theory and led the Muslim League to adopt the Lahore Resolution[7] of 1940, demanding the formation of an independent Pakistan.

Pakistan became independent as a Muslim-majority state with two wings to the east and northwest of India respectively. Independence resulted in communal riots across India and Pakistan — as millions of Muslims moved to Pakistan and millions of Hindus and Sikhs moved to India. Disputes arose over several princely states including Kashmir and Jammu whose ruler

had acceded to India following an invasion by tribesmen from Pakistan. This led to the First Kashmir War (1948) which ended with India occupying roughly two-thirds of the state and Pakistan occupying the remainder. A republic was declared in 1956 but was stalled by a coup d'etat by Ayub Khan (1958–69), who ruled during a period of internal instability and a second war with India in 1965. Economic grievances and political dissent in East Pakistan led to violent political tensions and army repression, escalating into civil war[8] followed by the Indo-Pakistani War of 1971 and ultimately the secession of East Pakistan as the independent state of Bangladesh.

Civilian rule resumed from 1972 to 1977 under Zulfikar Ali Bhutto, until he was deposed by General Zia-ul-Haq, who became the country's third military president. Pakistan's secular policies were replaced by the Islamic Shariah legal code, which increased religious influences on the civil service and the military. With the death of General Zia in a plane crash in 1988, Benazir Bhutto, daughter of Zulfikar Ali Bhutto, was elected as the first female Prime Minister of Pakistan. Over the next decade, she alternated power with Nawaz Sharif, as the country's political and economic situation worsened. Military tensions in the Kargil conflict[with India were followed by a Pakistani military coup d'état in 1999 in which General Pervez Musharraf assumed executive powers. In 2001, Musharraf named himself President after the forced resignation of Rafiq Tarar. After the 2002 parliamentary elections, Musharraf transferred executive powers to newly elected Prime Minister Zafarullah Khan Jamali, who was succeeded in the 2004 Prime-Ministerial election by Shaukat Aziz, followed by a temporary period in office by Chaudhry Shujaat Hussain. On 15 November 2007 the National Assembly completed its term and a caretaker government was appointed with the former Chairman of the Senate, Muhammad Mian Soomro as Prime Minister. The assassination of Benazir Bhutto resulted in a series of important political developments: The general elections were postponed until 18 February 2008; a coalition government came to power after the elections; President Musharraf stepped down and a civilian, Asif Ali Zardari, was elected as the new President.

Bangladesh

Bangladesh became one of the last major nation states following its secession in 1971 from the nation of Pakistan, which achieved its independence from the British Empire along with India in (1947). The region's history combines Indo-Aryan, Austro-Asiatic, Dravidian, Mughal,

Arab, Persian, Turkic and British influences. Bangladesh today including its surrounding territories (present day Indian states of West Bengal, Orissa, Bihar, Meghalaya, Assam and Tripura) territory historically was known as Bengal, was part of the Mughal Empire for more than five centuries and then the Bengal Presidency and finally the British Empire. A.K. Fazlul Haque, Huseyn Shaheed Suhrawardy, Abdul Hamid Khan Bhasani and finally Sheikh Mujibur Rahman struggled to lead the Bengali nation to independence in 1971. Since independence, successive following governments have led to define Bangladesh's democracy to this day.

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Nepal

The History of Nepal is characterized by its isolated position in the Himalayas and its two dominant neighbors, India and China. Even though Nepal's heart land was independent through most of its long history, its territorial boundaries have varied greatly over time and internal mosaic of kingdoms restructured often: right from the period of Mahajanapadas, through Greater Nepal to the British Raj.

Due to the arrival of disparate settler groups from outside through the ages, it is now a multi-ethnic, multi-cultural, multi-lingual country. Its population is predominantly Hindu with significant presence of Buddhists, who were in majority at one time in the past. Nepal was split in three kingdoms from the 15th to 18th century, when it was unified under a monarchy. The national language of Nepal is called 'Nepali', a name given - long after unification of Nepal - to the language called Khas Kura.

Nepal experienced a failed struggle for democracy in the 20th century. During the 1990s and until 2008, the country was in civil strife. A peace treaty was signed in 2008 and elections were held in the same year. Many of the ills of Nepal have been blamed on the royal family of Nepal. In a historical vote for the election of the constituent assembly, Nepalis voted to oust monarchy in Nepal. In June 2008, Nepalis ousted the royal household. Nepal was formally known as the Federal Democratic Republic of Nepal when it became a federal republic.

Bhutan

Thimphu has been the seat of Bhutan's government since 1952. Bhutan's early history is steeped in mythology and remains obscure. It may have been inhabited as early as 2000 B.C., but not much was known until the introduction of Tibetan Buddhism in the 9th century A.D. when turmoil in Tibet forced many monks to flee to Bhutan. In the 12th century A.D., the Drukpa Kagyupa school was established and remains the dominant form of Buddhism in Bhutan today. The country's political history is intimately tied to its religious history and the relations among the various monastic schools and monasteries.[1]

The consolidation of Bhutan occurred in 1616 when Ngawanag Namgyal, a lama from Tibet, defeated three Tibetan invasions, subjugated rival religious schools, codified an intricate and comprehensive system of law, and established himself as ruler (Shabdrung) over a system of ecclesiastical and civil administrators. After his death, infighting and civil war eroded the power of the shabdrung for the next 200 years when in 1885, Ugyen Wangchuck was able to consolidate power and cultivated closer ties with the British in India.

In 1907, Ugyen Wangchuck was elected as the hereditary ruler of Bhutan, crowned on December 17, 1907, and installed as the head of state Druk Gyalpo (Dragon King). In 1910, King Ugyen and the British signed the Treaty of Punakha which provided that British India would not interfere in the internal affairs of Bhutan if the country accepted external advice in its external relations. When Ugyen Wangchuck died in 1926, his son Jigme Wangchuck became the next ruler, and when India gained independence in 1947, the new Indian Government recognized Bhutan as an independent country. In 1949, India and Bhutan signed the Treaty of Peace and Friendship, which provided that India would not interfere in Bhutan's internal affairs but would be guided by India in its foreign policy. Succeeded in 1952 by his son Jigme Dorji Wangchuck, Bhutan began to slowly emerge from its isolation and began a program of planned development.

Bhutan became a member of the United Nations in 1971, and the National Assembly was established and a new code of law, as well as the Royal Bhutanese Army and the High Court.

In 1972, Jigme Singye Wanchuck ascended the throne at age 16. He emphasized modern education, decentralization of governance, the development of hydroelectricity and tourism and improvements in rural developments. He was perhaps best known internationally for his overarching development philosophy of “Gross National Happiness.” It recognizes that there are many dimensions to development and that economic goals alone are not sufficient. Satisfied with Bhutan’s transitioning democratization process, he abdicated in December 2006 rather than wait until the promulgation of the new constitution in 2008. His son, Jigme Khesar Namgvel Wangchuck, became King upon his abdication.

Sri Lanka

Sri Lanka, officially the Democratic Socialist Republic of Sri Lanka is an island nation in South Asia, located about 31 km (19.3 mi) off the southern coast of India. It is home to around twenty million people. Because of its location in the path of major sea routes, Sri Lanka is a strategic naval link between West Asia and South East Asia, and has been a center of Buddhist religion and culture from ancient times. Today, the country is a multi-religious and multi-ethnic nation, with more than a quarter of the population following faiths other than Buddhism, notably Hinduism, Christianity and Islam. The Sinhalese community forms the majority of the population, with Tamils, who are concentrated in the north and east of the island, forming the largest ethnic minority. Other communities include the Muslim Moors and Malays and the Burghers.

Famous for the production and export of tea, coffee, coconuts and rubber, Sri Lanka boasts a progressive and modern industrial economy and the highest per capita income in South Asia. The natural beauty of Sri Lanka's tropical forests, beaches and landscape, as well as its rich cultural heritage, make it a world famous tourist destination.

After over two thousand years of rule by local kingdoms, parts of Sri Lanka were colonized by Portugal and the Netherlands beginning in the 16th century, before the control of the entire country was ceded to the British Empire in 1815. During World War II, Sri Lanka served as an important base for Allied forces in the fight against the Japanese Empire. A nationalist political movement arose in the country in the early 20th century with the aim of

obtaining political independence, which was eventually granted by the British after peaceful negotiations in 1948.

The Constitution of Sri Lanka establishes a democratic, socialist republic in Sri Lanka, which is also a unitary state. The government is a mixture of the presidential system and the parliamentary system. The President of Sri Lanka is the head of state, the commander in chief of the armed forces, as well as head of government, and is popularly elected for a six-year term. In the exercise of duties, the President is responsible to the Parliament of Sri Lanka, which is a unicameral 225-member legislature. The President appoints and heads a cabinet of ministers composed of elected members of parliament. The President's deputy is the Prime Minister, who leads the ruling party in parliament and shares many executive responsibilities, mainly in domestic affairs.

Members of parliament are elected by universal (adult) suffrage based on a modified proportional representation system by district to a six-year term. The primary modification is that, the party that receives the largest number of valid votes in each constituency gains a unique "bonus seat." The president may summon, suspend, or end a legislative session and dissolve Parliament any time after it has served for one year. The parliament reserves the power to make all laws. On July 1, 1960 the people of Sri Lanka elected the first-ever female head of government in Prime Minister Sirimavo Bandaranaike. Her daughter Chandrika Kumaratunga served multiple terms as prime minister and as president from 1999 to 2005. The current president and prime minister, both of whom took office on November 21, 2005, are Mahinda Rajapaksa and Ratnasiri Wickremanayake respectively.

Sri Lanka has enjoyed democracy with universal suffrage since 1931. Politics in Sri Lanka are controlled by rival coalitions led by the left-wing Sri Lanka Freedom Party, headed by President Rajapaksa, the comparatively right-wing United National Party led by former prime minister Ranil Wickremesinghe and Marxist-Nationalist JVP. There are also many smaller Buddhist, socialist and Tamil nationalist political parties that oppose the separatism of the LTTE but demand regional autonomy and increased civil rights. Since 1948, Sri Lanka has been a member of the Commonwealth of Nations and the United Nations. It is also a member of the Non-Aligned Movement, the Colombo Plan, Asia-Pacific Economic Cooperation and the South Asian Association for Regional Cooperation. Through the Cold War-era, Sri Lanka followed a foreign policy of non-alignment but has remained closer to the United States and Western

Europe. The military of Sri Lanka comprises the Sri Lankan Army, the Sri Lankan Navy and the Sri Lankan Air Force. These are administered by the Ministry of Defence. Since the 1980s, the army has led the government response against the Marxist militants of the JVP and now the LTTE militant forces. Sri Lanka receives considerable military assistance from Pakistan and China.

Sri Lanka was considered one of the "world's most politically unstable countries" by the World Bank and Asian Development Bank in 2004. The Economist labels Sri Lanka a "flawed democracy" in its 2006 rankings (ranking 57 and positioned among 54 other flawed ranked ones) and Foreign Policy ranks Sri Lanka 25th (Alert Category) in its Failed States Index for 2007. However, Sri Lanka, according to the US State Department in 2005, was classified a "stable democracy" amidst a ceasefire period of the long running civil war.

Maldives

1968 referendum approved a constitution making Maldives a republic with executive, legislative, and judicial branches of government. The constitution was amended in 1970, 1972, 1975, and 1997 and is again under revision.

Ibrahim Nasir, Prime Minister under the pre-1968 sultanate, became President and held office from 1968 to 1978. He was succeeded by Maumoon Abdul Gayoom, who was elected President in 1978 and reelected in 1983, 1988, 1993, 1998, and 2003. On November 3, 1988, Sri Lankan Tamil mercenaries tried to overthrow the Maldivian government. At President Gayoom's request, the Indian military suppressed the coup attempt within 24 hours. At present, he is the longest serving leader in Asia.

Since 2003 the country has experienced occasional anti-government demonstrations calling for political reforms. Political parties were allowed in June 2005. There are four parties registered in Maldives: the Maldivian Democratic Party (MDP), the Dhivehi Raiyyithunge Party (DRP), the Islamic Democratic Party (Maldives) (IDP) and the Adhaalath Party, also known as the Justice Party (Maldives). The first party to register was the Maldivian Democratic Party (MDP) headed by popular opposition figures such as Mohamed Nasheed (Anni) and Mohamed Latheef (Gogo). The Dhivehi Raiyyithunge Party (DRP) headed by President Gayoom was next.

The Maldives have scored poorly on some indices of freedom. The "Freedom in the World" index, a measure of political rights and civil liberties and published by Freedom House, judges Maldives as "not free", and the "Worldwide Press Freedom Index", published by Reporters Without Borders, lists Maldives as a "very serious situation" (a judgment also given to Libya, Cuba, and China).

Violent protests broke out in Male on September 20, 2003 after Evan Naseem, a prisoner, was killed in Maafushi jail, after the most brutal torture, reportedly by prison staff. An attempt to cover up the death was foiled when the mother of the dead man discovered the marks of torture on his body and made the knowledge public, therefore triggering the riots. A subsequent disturbance at the prison resulted in three deaths when police guards at the prison opened fire on the inmates. Several government buildings were set on fire during the riots. As a result of pressure from reformists, the junior prison guards responsible for Naseem's death were subsequently tried, convicted and sentenced in 2005 in what was believed to be a show trial that avoided the senior officers involved being investigated. The report of an inquiry into the prison shootings was heavily censored by the Government, citing "national security" grounds. Pro-reformists claim this was in order to cover-up the chain of authority and circumstances that led to the killings.

There were fresh protests on August 13, 2004, (Black Friday), which appear to have begun as a demand for the release of four political activists from detention. Up to 5,000 demonstrators were involved. After two police officers were reportedly stabbed, allegedly by government agents provocateur, President Gayoom declared a State of Emergency and suppressed the demonstration, suspending all human rights guaranteed under the Constitution, banning demonstrations and the expression of views critical of the government. At least 250 pro-reform protestors were arrested. As part of the state of emergency, and to prevent independent reporting of events, the government shut off Internet access and some mobile telephony services to Maldives on August 13 and 14, 2004.

A new Constitution was ratified in August 2008, paving the way for the country's first multi-party presidential election two months later.

Inter-State Relations -in South Asia

South Asia is known to constitute one of the "critical regions" or "security complexes" in the world primarily due to the fact that most of the South Asian states are engrossed in varying degrees of inter-state disputes and conflicts. While the British imperial rule brought the South Asian countries within a common colonial system, it simultaneously sowed several seeds of discord that continue to plague inter-state relations in the area even today. The differences between India and Pakistan over the two-nation theory and between Sri Lanka and India over the nationality of Tamilian plantation workers are only two of the most outstanding examples in this regard. The final hasty retreat of the British Raj and the ensuing bitterness generated between the ruling elites of the two major South Asian states gravely disrupted the traditional complementarity and cohesion. Indeed, the historical fact that Pakistan and Bangladesh are the severed limbs of what was once a united India under the Raj bestows a unique complexity to the entire region. Ethnic and linguistic complexities further complicate the scenario.

India, per se, faces several unresolved issues that stem from internal as well as external sources. These include ethnicity, border disputes, separatist demands, terrorism and subversive activities, communalism, religious fundamentalism, and so on. All these issues flout the basic ideals of nation-building in India, that is, the ideals of democracy, secularism, socialism, and federalism. Moreover, the very fact that myopic sub-national interests are considered prior to the socio-economic and political well-being of the country as a whole, is detrimental for the development of a genuinely democratic polity. No wonder then that the perpetuance of these problems prevents India from becoming a 'nation' in the true sense of the term and also adversely affects the imperatives of order, welfare, and legitimacy. Indeed, ethnic and communal violence in India since the early 1980s has been at its highest since independence.

Pakistan also continues to suffer from disturbances and violence instigated by the forces of disintegration and about 9000 lives have reportedly been lost in a recent 5-year period. Similar types of problems continue to bedevil the domestic political scene in Bangladesh where the armed forces are involved in containing a small but potentially grave ethnic minority rebel group in the Chittagong Hill tracts.

The problems arising out of divided communities spread across the South Asian countries are particularly intractable when open borders encourage constant interaction between the populace of these countries. Such interaction often becomes the source of misgivings between

states. Inevitably, Pakistan's reactions to the killings of Muslims in India are matched by India's response to the killings of Hindus in Bangladesh. Indo-Sri Lankan relations also remain strained over the discrimination and occasional mistreatment meted out to Tamils in Sri Lanka. Indeed, relations between India and Sri Lanka have also not improved much despite the withdrawal of the Indian Peace Keeping Force (IPKF) following the breakdown of the 1987 Indo-Sri Lankan accord and the hectic democratic efforts of President Kumaratunga for restoring peace on the island. Both countries continue to view each other with suspicion regarding the LTTE crisis, while Sri Lanka battles alone against the increased hostility of the Tamil tigers who are disrupting the stability of the island with wide connotations for the entire region (the annual report of the US State Department on major terrorist groups had, for the first time in 1995, included the LTTE as well).

Then there are a host of other factors. For instance, Indo-Bangladesh relations have suffered due to persisting disputes like the problem of illegal migration from the Chittagong Hill Tracts and the demarcation of boundaries involving fertile islands and enclaves. Moreover, both countries frequently accuse each other of supporting insurgency and militancy in their respective troubled territories. To illustrate, Bangladesh has repeatedly accused India of supporting the militant wing of the Chakma insurgency of Bangladesh, whereas India believes that the Bangladeshis encourage various subversive and guerrilla activities in the northeastern states of India such as Mizoram and Tripura.

Indo-Nepalese relations have also been occasionally strained over the form of government operating in Nepal (the communists assumed power in Nepal on an anti-India plank) and certain trade-related and transit problems (for instance, the trade blockade of 1989). Moreover, it has been said that bureaucracy and procedural stringency on the part of Indian authorities is hampering Indo-Nepal trade ventures. It must also be mentioned here that the controversy between Nepal and Bhutan regarding the Nepalese refugees in Bhutan and the use of Nepal by extremist and secessionist elements from Northeast India are some other problems that could assume significant dimensions in the coming years. There are no major disputes between India and the states of Bhutan and Maldives. Yet, within the Maldives itself, there are certain internal political pressures stemming from the peculiar political situation where a President has been in power for a long time.

Similarly, the overlapping of languages and, more importantly, religions, frequently exerts a negative impact on inter-state relations in South Asia. To top it all, the manipulative ability of political leaderships to exploit ethnic tensions for electoral reasons is an ever-present danger afflicting South Asia. The area is characterised by countries with widely differing political systems - democracies, military dictatorships, and monarchies. Though most of the South Asian states emerged with shared colonial pasts, similar political experiences, and common social values, divergences are still significant. In terms of the type of government, India and Sri Lanka are said to have performed better than others as functioning democracies with varying degrees of success. The Indian experience of democracy has had severe tests in recent years, beginning with the Emergency Period of 1975-77, while Sri Lanka has often compromised democratic norms as a result of ethnic crises. Pakistan and Bangladesh, at the beginning of the 1990s, witnessed a sweeping democratic transition in their domestic scenarios. But in a long-term perspective, both have yet to institutionalise democracy and confirm the capability of the political system to keep the military out of politics. Nepal's transition to democracy has also yet to be firmly rooted. Bhutan retains the authority of monarchy as the dominant institution while the Maldives has yet to experience a multiparty political system.

Divergences are also manifest in values and principles followed in governance and statecraft. The Indian political system has been professedly a blend of democracy, federalism, secularism, and, until its global collapse, socialism. Bangladesh started with more or less the same principles in statecraft, but later changed course, making room for endless debates on the influence of religion - though more as an instrument of political profiteering than as an indicator of prevailing public opinion. Pakistan has Islam as the basis of its political system while Maldives is an Islamic society with relatively lesser influence of religion in politics. Nepal remains under Hindu influence while Bhutan and Sri Lanka are Buddhist societies. Not surprisingly, a leading scholar of South Asia remarked that "South Asia presents as different political orders and power structures as one seldom finds in any other geo-political region of the world."

Almost inexorably, South Asian nations, despite their apparent adherence to the ideal of nonalignment, have pursued extremely dissonant foreign policies. Consequently, the major global powers have played their roles in aggravating the intra-regional cleavages of South Asia. Finally, India's overwhelming regional preponderance creates certain basic insecurities and sharp

differences between India and its neighbourhood. The most pronounced security dilemma, therefore, stems from an escalating arms race in South Asia, particularly between the two major military powers India and Pakistan.

"The fact that India's freedom struggle was jeopardised in the end by a demand for the partition of the country, the fact that India's independence was greeted by unprecedented Hindu-Muslim holocaust, the fact that India and Pakistan were engaged in armed conflict over the Kashmir issue almost immediately after Independence, the fact that the *raison d'être* of Pakistan not only differed from that of India but also tended to thrive at India's expense, and finally, the fact that India has fought three wars with Pakistan - have all made Pakistan a crucial factor in Indian (power) politics".

Indeed, over the past 50 years, the two neighbours have fought at least two wars (in 1948 and 1965) that were a part of their bitter territorial dispute over Kashmir. This unresolved problem has also sustained a so-called "low-intensity conflict" between them for several years. Each accuses the other of seeking to destabilise it by fomenting anti-government communalism, secessionism and terrorism that have collectively caused massive casualties and destruction of national property. All this coincides with the fact that India has brought almost all South Asian states, except Pakistan, within the confines of its regional security framework. In the case of Nepal, Bhutan, and Sri Lanka, formal treaties, accords, and agreements have connected these countries with India's conception of regional security (examples here are the Indo-Bhutan Treaty of August 1949, the not-so-successful Indo-Sri Lankan Agreement of 1987, and the various Indo-Nepalese treaties of December 1991). As regards Maldives, India's ready assistance in foiling a coup d'etat in this tiny island in November 1988 and shared common interests in the Indian Ocean provide justification for cooperation between these two states.

And yet, the troubles in South Asia, its endemic tensions, mutual distrust, and occasional hostilities are largely considered products of the contradictions of India's security perception with that of the rest of the countries of the area. India's neighbours perceive threats to their security coming primarily from India whereas India considers neighbours as an integral part of its own security system. The pre-eminence of India in the South Asian power configuration given its geography, demography, economics, and ecology is something about which neither India nor its neighbours can do nothing but accept. But the image of India in South Asia is that of a power that demands habitual obedience from its neighbours. According to the strategic doctrine

of India drawn from that of British India, the country's defence perimeter is given not by the boundaries of India but by the outer boundaries of its immediate neighbours. Thus, the main theme of this doctrine is that South Asia is to be regarded as an Indian backyard. No wonder then, that there have always been certain psychological misgivings on the part of the smaller states about their all-powerful neighbour India.

This has also been the main cause of failure of the SAARC. As it is, serious misgivings about the SAARC developing into a vehicle of purposeful and effective cooperation among the member countries are created by the history of the subcontinent which, as elaborated earlier, has been replete with conflicts and discords. On top of this, since its inception in 1984, there have also been serious differences among member countries over the aims and functioning of SAARC. There is also a propensity for the smaller member countries to gang up against suggestions made by India. This is in the face of the fact that closer social, economic, and cultural ties (the espoused ideals of SAARC) are considered the one and only hope for building regional cooperation efforts in South Asia in the coming years. Indeed, increasing regionalization of world trade and the fluidity of the emerging global system has increased trade within each trade bloc and those countries that do not belong to any trade bloc are likely to be the losers. This alone provides a strong rationale for sustaining the SAARC vis-à-vis future trade prospects of South Asia.

South Asia – Development Challenges

Viewed from either the global or regional perspective, South Asia provides a disappointing picture in every social, economic, and political context. This is due to the fact that South Asia is almost perpetually plagued by various intra- and inter-state conflicts and crises stemming from myopic attitudes of the largely illiterate masses and the lackadaisical approach of the ruling elite toward resolution of such problems. Practically every South Asian country is almost perpetually plagued by internal conflicts and crises based on narrow considerations of caste, religion, ethnicity, language, community, and the like. This distorts the national integrity/unity and the overall order situation of the affected state(s). Moreover, constant and often excessive preoccupation with domestic problems renders such states highly vulnerable to external threats and interference, which also challenges their sovereignty and consequent legitimacy. In other words, the persistence of multifarious problems, both within and between the

South Asian states, hampers the sustenance of an environment wherein the basic essential needs of the common man are fulfilled.

This can also be explained as the lack of 'order' in South Asian societies which, in turn, retards the economic development ('welfare') as well. Taken collectively, the inability of the ruling government to provide satisfactory levels of order and welfare leads to a crisis of political legitimacy. To illustrate this point, discontentment and frustration among certain sections of the Indian population over the effectiveness of governmental order and welfare measures has adversely affected the legitimacy of the Indian polity. This emboldens subversive forces both within and outside the country to exploit the national inadequacies. As a result, the internal crises of the country often find external manifestations as inter-state regional conflicts. One of the causes of the conflict with Pakistan has been the disillusionment of Kashmiri Muslims with socio-economic and political policies of the central government and, hence, their support to Pakistani terrorist activities in the Kashmir valley. Likewise, India's problems with Sri Lanka are an external projection of the frustrations of certain Tamilians in the southern parts of India. Following the end of the cold war India has now got an opportunity to rise as the most important power in the Indian Ocean. For this the country has to overcome the internal problems of political chaos, economic crisis, and regional instability.

Taken collectively, though the governments of India, Pakistan, Bangladesh, Sri Lanka, and Nepal have been making efforts to improve their socio-economic conditions through democratic means, these attempts have often been frustrated by the background of colonial rule and societies behest by extraordinary religious, ethnic, and linguistic complexity. Among the issues related to welfare, the most important concerns of South Asia include limiting population growth, raising literacy levels, and addressing environmental degradation. South Asia today contains 20% of the world's population. At present levels of growth, the most recent World Bank projections for the year 2025 put India's population at 1.3 billion, Pakistan's at 244 million, Bangladesh's at 180 million, Nepal's at 38 million, and Sri Lanka's at 24 million. These high rates of population growth threaten to undermine the benefits of economic development, as well as advances in agricultural productivity, and place massive pressures on the land and its resources. With a substantial population living below the poverty line in most of the South Asian countries (one-third, in the case of India) and with extremely low Physical Quality of Life Indices (39 for a well-established democracy like India), none of these nations can really afford

added detriments to their overall growth and progress. In fact, the South Asian region contains more people living in abject poverty than any other region of the world. In terms of providing for these people, the nations of the region are required "to run in order to stand still."

The migration of the landless into cities exacerbates urban environmental problems and creates opportunities for socio-political unrest. Moreover, the movement of people across the subcontinent's borders in search of food and employment causes friction within and between the regional neighbours. Further, despite some improvements in the past four decades, the literacy rates remain disappointingly low throughout most of South Asia, especially for females and in the rural areas. The overall adult literacy rate for India is an estimated 48%, for Pakistan and Bangladesh about 35%, and for Nepal 26%. High illiteracy rates stifle family-planning efforts, limit farmers' abilities to utilise technological improvements, and reduce labour efficiency in the general manufacturing sector. Only Sri Lanka has achieved solid success in improving literacy, with literacy rates close to 90%. Although most of the South Asian countries have recently initiated varying degrees of economic reforms by adopting liberalisation and free market economic policies, the pervasive and innate character of their domestic/regional problems tends to negate most of the constructive efforts.

According to a 2005 report of the Human Development Centre, South Asia is fast emerging as the poorest, most illiterate, most malnourished, least gender-sensitive -- indeed, the most deprived region in the world today. And yet it continues to make more investment in arms than in the education and health of its people. The per capita gross national product (GNP) of South Asia (\$US 309 in 1993) is lower than any other region in the world. To reiterate a statement made earlier, nearly 40% of the world's poor live in South Asia. While the region contains 22% of the world's population, it produces only 1.3% of the world's income. The adult literacy rate (48%) in South Asia is now the lowest in the world. Its share (46%) of the world's total illiterate population is twice as high as its share of the world's total population.

There are more children out of school in South Asia than in the rest of the world, and two-thirds of this wasted generation is female. According to a recent UNICEF study, the worst-affected region for malnourished children is South Asia, not Sub-Saharan Africa. Half the children in South Asia are underweight, compared to 30% in Sub-Saharan Africa, despite the much higher GNP growth rate and a more robust increase in food production in South Asia. Furthermore, South Asia's Gender-Equality Measure (GEM), prepared by UN Development

Programmes (UNDP) Human Development Reports to reflect economic and political opportunities open to women compared to men, shows the lowest value (0.235) among all the regions in the world. South Asia is also the only region that defies the global biological norm, with only 94 women for every 100 men (instead of 106 women to 100 men as in the rest of the world), so that 74 million women are simply 'missing.'

The extent of human deprivation in South Asia is also colossal. About 260 million people lack access to even rudimentary health facilities, 337 million lack safe drinking water, 830 million have no access to basic sanitation facilities, and over 400 million go hungry each day. Despite all this, South Asia is one of the most militarised regions in the world. The widespread human deprivation contrasts sharply with large armies, modern weapons, and expanding military budgets. Indeed, two of the largest armies in the world are in South Asia and it is also the only region where military spending (as a proportion of GNP) has gone up since 1987; it declined substantially in all other parts of the world after the end of the Cold War.

Environmental degradation in South Asia is analogous to the region's population problem apart from having several negative socio-economic and politico-security implications. The dependence of the poor regions of South Asia on their natural resource base, such as soil, water, forests, and fisheries, is self-evident. And yet, environmental abuse is rampant to an unbelievable degree. Deforestation (a particular problem in Sri Lanka and Nepal), soil erosion, droughts (as in Bangladesh and certain parts of India), floods (as frequently experienced in Bangladesh due to siltation of rivers and channels), and urban pollution (New Delhi, the capital of India, is the third most polluted city in the world today and even hitherto clean environs like those of Nepal are becoming increasingly polluted) have often undermined economic growth, depleted food supplies, and caused socio-political instability in South Asia.

As per statistics, the region is also losing a considerable amount of productive land due to water-logging and salinity. In India alone, over three million hectares are believed to be affected by salinity and up to 8.5 million hectares by water-logging. Nearly five million acres of forests are cut down each year in South Asia, with only feeble efforts at reforestation. Fresh water resources are being depleted at a rapid rate - by as much as one-third in Pakistan during the 1980s. Moreover, such problems also have spill-over ramifications for the region (like aggravating global warming and depleting of the ozone layer). Most of these environmental problems, finally, link up with the desperate poverty of people in South Asia; for want of any

viable alternatives for sustaining their livelihoods, they have no choice but to denude and destroy the very land, forests, and water resources that they live on - little realising that these resources are not ever-lasting.

Furthermore, South Asia is an area of tremendous political complexities. Certain South Asian states like Pakistan and Bangladesh, have been largely ruled by authoritarian, military rulers. In fact, the former has had the dubious distinction of being labelled a "Garrison state" due to its lengthy trysts with military regimes. As in the case of Bangladesh, Pakistan's military intelligence agencies (like the dreaded ISI) reportedly exercise a crucial influence over the country's national and international affairs. Cross border terrorism has continued to ruin the peace endeavours with each country viewing the other with suspicion and hatred. The election of democratic governments in South Asia had raised expectations of the citizens of the region for a better life (related to the imperative of welfare). Hence, failure by elected governments to deliver economic and social benefits sought by the citizens has repeatedly undermined the faith in democracy (and subsequently the legitimacy of the system) in South Asia.

In Nepal, for example, it has been felt that the new, democratically elected government is not producing any better results than the old royal regime, and that corruption is widespread and growing. Ethnic and religious conflicts are posing major threats to the democratic governments of the region. In addition to creating law and order problems, increased human rights violations, and a heavy reliance on security forces (all indicators of dysfunctionality of the order imperative), such conflicts divert the attention and resources of governments from urgent socio-economic needs, undermining their ability to satisfy the demands of the electorates (that is, the question of legitimacy). In South Asia, the problem of civil violence has in recent years emerged as a more serious security issue than the problem of inter-state warfare. India has been variously preoccupied with quelling conflicts in the states of Punjab (due to the separatist demands of the often-violent Akali community), Kashmir (an issue that remains contentious between India and Pakistan, and has certain religious, ethnic, psychological, and economic underpinnings), and the North-east (stemming from ethnic and regional movements in Assam, Nagaland, Mizoram, Tripura, etc.) The law and order situation is insecure in most of the rural areas and the Indian government spends nearly \$US 9 million per day to maintain about half a million security forces in Kashmir alone.

On the economic front, the initial pace of market reforms adopted by India in 1991 has been slackening over the past few years. Many global giants and institutional investors agree that India is a future market and they have begun to invest in the country. India has the potential to become an important destination for global business with the right economic policies. This has become evident from the growth in the GDP in the last decade. This momentum has shown slight sluggishness due to global slump and with the recession in the American economy. This being an inevitable fallout of globalization, it is quite commendable that the losses incurred in the Indian economy seem to be under control. In order to sustain its growth the economic reforms would have to keep pace with the changing international scenario. All out efforts would also be required to further improve our basic infrastructure to improve our ranking of foreign investments in the face of tough competition from China and other south-east Asian countries. It is also important that the benefits of growth trickle down to other sectors such as agriculture, health, education, rural development through proper governmental intervention. If this is not done the divide between the rich and the poor and the “haves” and “have-nots” will continue to grow. The conflict in the society, terrorism, regionalism, intolerance, fanaticism and unrest will become too big for anyone to control. India would have to keep these evils of globalization in check and adopt policies to include each one in the process of growth. It is only India which has the potentiality to lead the other nations of South Asia to move on the path of development and welfare.

Neighbouring Sri Lanka has also had its share of problems. Democracy in this tiny island-nation remains overshadowed by the Tamil-Sinhalese ethnic conflict and frequent outbursts of Sinhalese militancy. These conflicts have stymied the government's economic reform efforts and polarised political debate. In Pakistan, the society faces sporadic bursts of violence emanating from ethnic, sectarian, and religious differences in its diverse community. For instance, the conflict in the Sindh province between ethnic Sindhis and those residents who migrated from India following partition has made the province, especially its capital Karachi, ungovernable. Conservative religious elements are also very powerful in Pakistan, leading to tensions and conflicts over religious fundamentalism, which has also played a major role in sustaining the Indo-Pakistan altercations over Kashmir.

Religious orthodoxy is evident in Bangladeshi society as well, manifesting itself in attacks on women's groups, prominent non-governmental organisations (Bangladesh Rural

Advancement Committee and the Grameen Bank), and the intellectuals (like Taslima Nasrin). In Sri Lanka, religious chauvinism, intensified by the corrosive effects of years of civil war, is powerful and erodes the tolerance that is imperative for maintaining the country's democracy. All this can largely be attributed to the fact that political and governing institutions in most of the South Asian countries are weak while the political parties themselves lack vigour, organisation, discipline, and commitment. The condition can be best summed up in the words of J.K. Galbraith when he sought to explain the Indian polity as "a functional anarchy".

Taken individually, each of the South Asian states suffers from some kind of instability and, consequently, projects varying intensities of human deprivation. In India, 291 million adults are still illiterate and 45 million children were out of primary schools in 1995 alone. 44% of the total population lives in absolute poverty and nearly one-third of the world's poor live in India. About 135 million people are denied access to primary health care, 226 million are without safe drinking water, and 640 million have to make do without basic sanitation facilities. Though the crude death rate has been halved from 21 per 1000 in 1960 to 10 per 1000 in 1994, infant mortality is still widespread, particularly involving the female child. The per capita food production increased by 23% between 1980 and 1993, but there are still 62 million malnourished children under the age of five and nearly one-third of the children under 16 are forced into child labour. In the face of all this, India was ranked first in arms imports but 147th in terms of per capita income between 1988 and 1992.

Likewise, Pakistan's social and human indicators make very dismal reading. In the context of development, the governments in Pakistan are said to be up against a crisis that has four features: wide-spread poverty, rapid and unplanned urbanisation, rising debt, and rapid erosion of the natural resource base. Over two-thirds of Pakistan's adult population is illiterate and there are 740,000 child deaths each year, half of them linked to malnutrition. Pakistan is also experiencing one of the fastest rates of urbanisation in the developing world, which may result in the urban population exceeding the rural by the turn of the century. At the same time, the population growth rate, at around 3% per annum, is the highest in South Asia. According to long-term UN projections, Pakistan will emerge as the third most populous country in the world by the year 2050. Already, 36 million people live in absolute poverty. More than half of the cultivable land in the holdings of 50 acres and above is in the hands of big landlords, thereby

encouraging the rich-poor divide to further widen. Even after five decades of independence, Pakistan has remained an essentially feudal society.

Despite enjoying the privilege of an elected female Prime Minister for a few years, the status of women in Pakistan is very low. Apart from being subjected to subjugation through several orthodox customs and traditions, female mortality is disproportionately high in Pakistani society. And against 100 males, only 16 females are economically active - the lowest ratio in the SAARC region. Likewise, the share of women in Parliament is also the lowest in South Asia.

While the overall state of human development is poor, widespread regional disparities make the situation even worse. For instance, the adult literacy rate ranges from 17% in rural Baluchistan to 50% in urban Punjab to 52% in urban Sindh. The female literacy rate in rural NWFP is only 5.4%, and lower still at 3.2% in rural Baluchistan compared to 41.3% in urban Sindh. Overall, urban Sindh has the highest Human Development Index (0.537), comparable to Zimbabwe, but rural Baluchistan has the lowest HDI (0.388), at par with Zaire. These regional disparities also indicate that the task of national integration in Pakistan is difficult since it requires a major investment in accelerating the pace of human development as well as ensuring a special emphasis on less developed regions, particularly in rural areas. At the same time, the treasury is worse than broke - it owes roughly \$US30 billion to domestic creditors and another \$30 billion abroad. Graft is so shameless that Transparency International, the German-based monitoring group, has named Pakistan as one of the five most corrupt countries in the world.

Pakistan's so-called 'deep commitment' to the creation of an Islamic state has been often criticised as nothing more than an attempt by the upper-class ruling elite to get a theocratic legitimacy to create their own separate state. From the very beginning, these elite have not only demanded a separate state, but also separate electorates, languages, and identities - demands that bode ill for the process of national integration in Pakistan. Moreover, ethno-national problems of political autonomy have plagued Sindh, Baluchistan, and the North-Western Frontier Province of Pakistan since the 1950s. The ethnic issue drew world-wide attention with the 1971 dismemberment of Pakistan that subsequently led to the creation of Bangladesh. The situation has only worsened in recent years with ethnic conflicts between Pathans, Mohajirs, Sindhis, and Punjabis having assumed serious proportions. For example, in 1986 more than 300 people were killed in riots between Mohajirs and Pathans in Pakistan. Estimates also show that more than 3000 Sindhis have been massacred in the country since 1971 and countless others are missing.

Since the early 1990s, many Pakistani cities such as Karachi (also the capital of Sindh) have become battle-grounds for rival Islamic sects (the Sunnis versus the Shias) and wide-spread sectarian violence now perpetually poses a crisis of legitimacy for the ruling Pakistani government. More than 1000 people have reportedly been killed in sectarian clashes in several parts of Sindh during 1998 alone, forcing the authorities to repeatedly declare an emergency in this strife-torn province.

Though Bangladesh is the youngest state in South Asia, it has already undergone a number of political vicissitudes, social upheavals, natural disasters, and economic crises. Indeed, the country has been fraught with political crises and instability ever since its inception. The state has been too divided over issues of ideology and national identity to enforce its authority impartially. The structures of state authority, such as the police force, the intelligence branch, and, to an extent, the judiciary, have been weakened by political interference; civilian institutions, such as educational establishments, have constantly faced unwarranted intervention from unscrupulous political elements. The latter tendency has led to periodic unrest and other forms of political violence further exacerbated by the struggle between the forces of religious extremism and secular liberalism. All this has been contributing collectively to a crisis of governance in Bangladesh.

As regards the overall HDI, 52% of the Bangladeshi population survives below the absolute poverty line and nearly two-thirds of all adults are illiterate. There is only one doctor for every 12,500 people and two-thirds of all deaths under age five are attributable to malnutrition. 50% of the infants are born underweight, against the average of 19% in developing countries. According to a 1996 UNICEF Report, the proportion of malnourished children in India and Bangladesh is significantly higher than even the poorest countries of Sub-Saharan Africa. The population density of 800 persons/ sq km in Bangladesh exceeds that of all major countries. It even surpasses the density that would result if the entire population of the world moved into the territory of the United States. And yet, military holdings (total military equipment of all descriptions) have increased by 122% in less than a decade. This is truly appalling in view of the fact that the most tenacious problem in Bangladesh is that of mobilising sufficient resources for human development and using them effectively.

However, many believe that Bangladesh would have the stability to develop economically and to exploit resources such as its abundant natural gas. This is possible only if

corruption, violence, and political infighting that defined previous governments are reduced. Government-backed thugs extort from local businessmen, intimidate judges, and threaten political opponents. Public dissent is quickly snuffed out and the incidence of human rights abuses is increasing. As a result, Bangladeshis and the country's international backers have begun to cry foul, putting foreign investment, international aid, and even the survival of the present government into question. Although foreign investment continues to pour in, analysts say it could be much greater if the government could quell instability and carry out the desperately needed reforms. Many potential investors are said to have backed out of Bangladesh due to the bureaucracy, corruption, and lack of basic infrastructure

Nepal is one of the least developed countries in the world, with an extremely low income and very poor human development indicators. Nepal's illiteracy rate is 74% and over 40% of the population lives below the poverty line. About four-fifths of the total population is deprived of basic sanitation and more than half has no access to potable water. Stunting occurs in two-thirds of all children in Nepal. Though the earned income share of women in Nepal is 26%, one of the highest in the SAARC region, yet ironically, Nepal is also one of the only two countries in the world where males live longer than females. Furthermore, despite a vigorous growth rate, the current level of per capita income is only \$US190, the lowest in South Asia. Finally, there are more soldiers (35) per doctor in Nepal than in any other country in the region. Some of these problems can be explained due to the fact that despite Nepal's commendable democratic transition, the reality is that a small minority still exercises a virtual monopoly over the highest positions of power and profit. Moreover, following the recent political confusion in Nepal, it has been aptly remarked that democracy in this world's sole Hindu kingdom has turned out to be such a multiparty ménage that popular mandate has little to do with the governments formed by elected legislators. Thus, human development in such a situation is both erratic and highly selective.

Sri Lanka is a country full of paradoxes. Its HDIs are among the highest in the world, often surpassing those achieved in the more prosperous regions of the developing world, and sometimes even the human progress made in the industrial nations. Currently, Sri Lanka has a population growth of 1.5% compared to the average of 2.3% for South Asia. Its adult literacy rate, at 90%, is one of the highest in the developing world. Basic health facilities are available to 93% of the population and life expectancy, at 72, is 11 years longer than the South Asian average

of 61 years. These impressive figures are a result of a conscious policy effort of successive governments to invest in social development over the past five decades. And yet, a substantial part of the population is dissatisfied and the country is being systematically ravaged by never-ending ethnic tensions. The simmering tensions between the Tamils and the Sinhalese, which began in the 1950s, exploded into open violence in the 1980s and have turned the country into an ungovernable mess ever since. Much of this stems from the serious imbalance between economic growth and human development in Sri Lanka during its formative years. The earlier governments also made the fatal mistake of extending certain social benefits to society on a discriminatory basis and not addressing the grievances of the minorities seriously enough. These mistakes have still not been rectified and it seems that it will take a long time for future governments to effectively tackle this malaise.

The relatively insignificant states of Bhutan and Maldives present a mixed bag of successes. After several experiments, recent years have seen Bhutan being relatively peacefully governed by a monarch who is assisted by a National Assembly of elected representatives of the people. The country also takes great pride in its self-imposed isolationist policy (implemented until the early 1960s), which enabled it to keep intact a unique cultural heritage and a substantial degree of political independence. Nonetheless, given its size and geographical considerations, Bhutan has had to accept a great deal of policy influence from both India and China, the former exercising greater control than the latter. Though there is a dearth of credible empirical data on Bhutan's socio-economic development, the following points are noteworthy for the purpose of this research. Though two-thirds of the population enjoys access to some form of health services, Bhutan's crude death rate of 15 per 1000 is the highest in the region. The population growth rate and infant mortality rate are also the highest in South Asia. And in real terms (in PPP\$), the GDP per capita of \$790 is the lowest in the region. Furthermore, although more than two-fifths of the female population is economically active, only 19% of girls are enrolled in primary schools. Taken collectively, males and females receive an average of 6 and 2.4 months of total schooling respectively - the lowest ratios in the SAARC region. All in all, ranked 159 out of 174 countries on the HDI ladder, Bhutan comes across as a rather poor and underdeveloped country.

Maldives is considered the most homogenous state in South Asia in cultural terms. A common religion (Islam) and a common language (Divehi) have provided a strong national identity and cultural distinctiveness. Added to this was the historical tradition of a fairly

continuous authority structure. The current president has been at the helm of affairs for the last eighteen years, having been elected four times. This provides considerable political stability, which has also fostered greater human development than in most other countries of the region. Its adult literacy stands at an amazing 93%, the highest in South Asia, with no gender disparity. Per capita income, at \$US820, is also the highest in South Asia and the Maldives government spends nearly 7% of its GNP on promoting education. The main concern for this relatively prosperous island-state therefore is how to diversify its sources of income and protect itself from ecological disaster. There is also scope for betterment of living conditions in certain spheres. For instance, only 4% of rural households have access to sanitation facilities in Maldives and, according to a 1984 survey, there was only one doctor available for 20,300 people. More importantly, Maldives is expected to experience the largest annual population growth rate in the region, 3.2% per annum, between 1993 and 2000.

South Asia – Economic Cooperation

Among the SAARC countries, India happens to dominate the economic scenario as its population accounts for 77%, followed by Bangladesh (10.2%), Pakistan (9.8%), Nepal (1.7%), and Sri Lanka (1.6%). Once again, India's hegemony is a lurking fear in the minds of other SAARC members. Hence, they are generally hesitant to commit themselves to cooperation in hard-core economic areas. Experts suggest that India can assist most of the other SAARC members in their developmental efforts by virtue of its diversified industrial base and relatively skilled manpower. For example, Nepal and Bangladesh could benefit in textiles and plastic products while Bangladesh and Pakistan could substantially improve iron and steel production with a little cooperation from India. Sri Lanka and India can also co-operate in exporting tea to the rest of the world through a properly evolved set of guidelines. But in reality, attempts to use SAARC as a platform from which to launch joint industrial or manufacturing ventures threatens the smaller states with further integration into India, while India itself remains reluctant to allow access to what is still an essentially protected domestic market. Pakistan has continued to restrict Indian trade because of strategic considerations, especially involving investments by private Indian firms that might displace Pakistani firms from lucrative markets or, more problematically, from emergent third markets in Central Asia. Moreover, most of the SAARC countries continue to remain primarily agricultural in nature and depend upon the developed world for their exports

and imports of both manufactured as well as semi-manufactured products. The resources of the governments in SAARC countries are almost perpetually under severe strain in view of the ever-increasing need for social amenities for the expanding populace. This also cuts into the funds originally allocated to various developmental projects. Not surprisingly therefore, lack of adequate financial resources is considered one of the major constraints in transforming the work of technical committees and other SAARC bodies into more effective action. One of the key outcomes of the Eighth SAARC summit that concluded in New Delhi on May 4, 1995 was an agreement among the seven member states - India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, and the Maldives - to initiate the South Asian Preferential Trade Agreement (SAPTA). Since 1993, Bangladesh, Sri Lanka, and Nepal had been pushing for the formalisation of SAPTA, essentially a framework in which members would accord a certain set of goods and commodities entry into their countries under preferential rates of import duties. But until 1995, the members could not even agree on the set of goods for this agreement. The agreement came into effect from December 7, 1995 after Pakistan and Bangladesh also endorsed it. After the signing of SAPTA, a pertinent remark was made by the then-Sri Lankan Foreign Minister Lakshman Kadirgamar who said, "SAPTA is a good beginning, but it is not enough." More than anything else, this sums up SAARC and, ironically, SAPTA.

Nobody expects political problems among member countries to disappear in a hurry. "Politics and infrastructure are the major roadblocks to SAPTA's success," feels C.D. Wadhwa, economist at the Centre of Policy Research. Because of this, SAPTA is unlikely to immediately yield the situation to which it was loosely modelled, an economic self-help area like the Association of South Asian Nations (ASEAN), earlier a regional geo-political minefield, but 25 years later a six-nation group with loose trade and economic ties that have often helped smooth ruffled political feathers. The former Indian Prime Minister Narasimha Rao waxed eloquent about the possibility of SAPTA evolving into SAFTA (South Asian Free Trade Agreement), but most economists privately believed that SAARC can never achieve its full potential unless major political differences between members are settled. A major part of the problem in implementing the economic agenda stems from the near perennial Indo-Pakistan tension, which almost all officials are agreed upon. Members have identified 226 items for tariff reduction, but the future will definitely depend upon the course of Indo-Pakistan relations. Pakistan, for instance, has not yet granted the most-favoured nation status to India. On the other hand, Pakistanis complain

about inordinate delays in getting clearances from India. Despite liberalisation and deregulation, businessmen in Pakistan feel compelled to follow the current political line. In Indo-Pakistan relations, economics clearly follows and is bonded to politics. Hence, if the Pakistani position is that Indo-Pakistan relations cannot improve until the Kashmir issue is resolved, then any encouragement of trade would be seen as a sell-out and tantamount to repudiating the governing national interest.

The growing emphasis on economic cooperation is significant in view of the fact that intra-regional trade among SAARC countries, as a percentage of their total world trade, is presently a low 3.4%. This is because of trade policies pursued in these countries that, along with sour political relationships, have tended to discourage cooperation within the region. Furthermore, the SAARC Survey of Development and Cooperation, published by the Research and Information System (RIS) points out the skewed nature of the distribution of imports by South Asian countries from their own region. For instance, India was dependent on South Asian supplies to the extent of 0.43% of its total imports, while Nepal's dependence was as high as 17.6%. Besides, the share of India's exports in intra-South Asian trade was 60% in 1993. As the pattern of trade stands today, India and Pakistan are the only countries to have a surplus of trade with the other countries in the region. The other five countries have large trade deficits, which are increasing over time. Where they are going to find the funds to finance these large deficits is anybody's guess.

In a 1996 lecture on South Asia, former US Secretary of State James Baker warned that "the Indian subcontinent is one of the most dangerous places in the world because it has the maximum risk of seeing a nuclear war . . . The US has conclusive evidence that both India and Pakistan have the bomb." Indeed, recent years have seen increased global apprehensions about an Indo-Pakistan nuclear race being just around the corner. It may also be noted here that there is very little recognition of the need for early warning indicators for conflict management or resolution in South Asia. As yet, there are no agencies that monitor potential conflicts, except for the national intelligence services, which are notorious for their bias and lack of credibility. There is no public agency that can work towards conflict prevention and no ombudsmen or other governmental institutions to facilitate preventive action. These observations hold true for South Asia as a whole. States tend to respond to conflicts as they arise, recognising political power only if it is sufficiently organised. Non-governmental bodies are mostly concerned with the results of

violence and are involved in humanitarian work such as caring for refugees, displaced people, and the casualties of conflict. While there is a very large network of scholars within South Asia aware of the conflict situations, academic disciplines are not oriented toward action or policy. The challenge, therefore, is for existing scholarly networks now cooperating within South Asia to create fora for exchanging findings and views on new conflict dynamics. Such networks will need to develop linkages with nongovernmental bodies, so preventive actions may be placed high on the agenda of international affairs in South Asia.

Given the close connection between economic and security issues, the challenge on the economic front must also be tackled more decisively. Apart from reviving economic reforms, both India and Pakistan must also face the economic repercussions of their nuclear (mis)deeds. Whatever the future outcome of South Asia's ongoing arms race may be, it must be realised that there are certain calculable as well as incalculable consequences of another war between India and Pakistan (assuming that it would now naturally involve nuclear weapons). Any use of nuclear weapons in the region, even on a small scale, would cause very high civilian casualties and collateral damage. Moreover, it might also cause escalation from a limited nuclear exchange into a major counter-strike on cities. Among the expected effects of a nuclear war that cannot be calculated would be irreversible changes in the weather pattern and environment, mutations in plant and animal life, and unpredictable changes in the socio-political order. In fact, there are certain social and political factors peculiar to South Asian states that would affect casualties and destruction after the nuclear war.

So what is the situation in South Asia? It is a common phenomenon in international relations that a small neighbour often suffers from a fear complex with regard to its larger neighbour, especially if there are unresolved and complicating factors in their bilateral relations. This is particularly true in the case of South Asia. India finds itself being regarded as a hegemonic Big Brother and bilateral disputes are especially acute with Pakistan, Bangladesh, and Nepal. Indeed, the six other countries see SAARC as a forum for ganging up to withstand Indian hegemonic pressures. In 1993-94, India had a trade surplus with each of these other members. Trade liberalisation is bound to widen that surplus and increase resentment towards India. Levels of trade between India and its neighbours are low because their economies do not complement each other in resource availability, the structure and content of production, the supply of services, and cut-throat competitiveness. For example, Bangladesh, India, and Nepal compete

with their jute products in the United Kingdom, EC and Japan. India, Sri Lanka, and Bangladesh compete with tea in the UK and EC. Similarly, there is bitter rivalry between India, Pakistan, and Bangladesh over the export of textiles to the US and EC, which has been compounded in recent years by complex rules and regulations regarding textiles in the international trading system

Conclusions

It can be concluded that South Asia cannot be said to have evolved into a complete region because the propensity toward conflict has always prevailed over the desire for peace and stability among the states comprising this geographical area. It is hoped that such trends would be zealously encouraged with the desire of imparting the long-eluded quality of 'region-ness' to South Asia in the not-so-distant future. It must still be hoped that, however complex, such solutions will ultimately be implemented in order to build an economically stronger and socio-politically more cohesive region called South Asia.

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