Chapter 2

India and South Asia

Why does India have so many problems with its neighbours? The short answer is: the baneful effects of the politics of cultural identity throughout South Asia arising out of a collective failure to recognize and acknowledge that South Asia has a distinctive personality and intertwined history arising out of its definite geographic identity. Virtually cut off from the rest of the world by the Himalayas to the north, the Indian Ocean to the south, thick forests to the east, and deserts to the west, its inhabitants traditionally had relatively few contacts with the outside world. At the same time, the absence of any significant internal geographical barriers, other than the Central Indian forests and mountains (accounting for the somewhat different history north and south of the Vindhyas) created an inevitable geographical, cultural, economic and ecological interdependence of all parts of this vast expanse of territory. These circumstances gave to the heartland of the South Asian sub-continent, covering the bulk of the territory of present-day India, Pakistan and Bangladesh, a broadly common history and led to the evolution of a unique civilization and culture. Remote and protected in the pre-modern era from the cultural influences of the mainland by the sea and the mountains, the periphery of the sub-continent (Sri Lanka, Maldives, Nepal, Bhutan, Baluchistan, the northwest frontier and tribal regions of Pakistan and India's Northeast Region) had a more autonomous development and therefore more distinctive cultures. But even these regions had considerable interaction with, and were greatly influenced by, the heartland.

South Asia's Cultural Unity

Generally, culture is the most important component of an individual's personality. It is also, for most countries around the world, the prime component of a nation's identity. This is even more true for a land as steeped in culture and tradition as South Asia, with religion as the key element shaping the collective personality of the people and governing their daily lives. South Asia's religions have many common elements. An offshoot of Hinduism, Buddhism rejected the evils of the Hindu caste system, but retained its moral and ethical codes, and the principal features of its philosophy. Buddha is revered among Hindus as an *avatar* of Vishnu. Islam, as practised in South Asia, has a distinct sub-continental character, very different from the Islam practised in the Arab world, Southeast Asia and Africa. It has not been able to transcend many Hindu traditions, including the caste system (whence the unique category of 'Dalit Muslims'). This is not so surprising, considering that the overwhelming majority of the Muslims in the sub-continent are converts from Hinduism. For the same reason, there are Dalits among South Asia's Christians too. Despite the fundamental anti-caste character of Sikhism, the caste system has carried over into Sikh traditions as well. The dividing line between Hinduism and Sikhism, at least in popular perceptions, is not clear. Hindus and Sikhs freely visit gurudwaras and temples, and inter-marry. Some Hindu families have a tradition that one son becomes a Sikh while the others remain Hindus.

In South Asia, neither religion nor race nor language constitutes a basis for developing a unique national identity. On the other hand, there is a commonality in dress, food habits, marriage and social customs and, most importantly, the way of thinking of the South Asian people, regardless of religion. The South Asian obsession with cricket reflects a common culture. Popular films, music, songs and dance also transcend all political frontiers. All South Asian countries have an uncanny common political culture. The politics of agitation like *bandhs*, *gheraos,* and so on as a form of protest and a means to seek

redressal of grievances are widespread. Other commonalities are the political legitimacy of heredity and kinship, the ability of women to become political leaders and, regrettably, political violence. Probably in no other part of the world have there been so many political assassinations. All these common characteristics of the people of South Asia can be explained by the deep cultural and psychological bonds, a kind of emotional unity, among the people of South Asia, arising out of their sub-conscious recognition that South Asia constitutes a distinct civilization.

Outsiders too have regarded India—not the modern nation-state of India but the geographical entity of South Asia—as a distinct civilization. Tales of India's fabled wealth and rich culture fascinated them and aroused their curiosity. Soldiers and plunderers, traders and travellers strove to reach *India*, whether it was the Macedonian Alexander the Great or the Chinese travellers Xuan Zhang and Fa Hien, the Arab Ibn Batuta or the Turks and Mongols from Central Asia. When the Spanish and the Portuguese started their voyages of exploration in the 15th century, it was in search of *India*. While Vasco da Gama actually reached India in 1498, Christopher Columbus who reached the shores of the American continent a few years earlier thought he had reached *India*. In the pre-modern era, Europeans understandably initially mistook other parts of the world with which they came into contact to be India since they were aware of only the Indian civilization as another flourishing developed civilization. Thus, the European immigrants to the Americas called the indigenous people of the Americas *Indians*, be it the 'Red Indians', or the 'Indians' of the Mayan and Inca civilizations in Central and South America. The West Indies and the East Indies got their names in a similar fashion. The impact of 'Indian civilization' extended to countries on the Indian Ocean rim, and even across the Himalayas to Central Asia, where the fascination for India continues unabated. It is worth recalling all this to emphasize that, throughout history, outsiders recognized and admired India's unique civilization and culture.

British colonial rule gave rise to a shared elite culture in undivided India. The thinking and attitude, even the language

(a mix of English with the local languages), of the elite in India, Pakistan, Bangladesh and Sri Lanka in the immediate post-colonial period were common. So were the institutions and laws. In countries where the British impact was not so direct, for example Nepal and Bhutan, their respective elites are distinctive.

Historically, the dividing lines between different religious, linguistic, ethnic and other South Asian communities were never sharp or clear-cut. All modern South Asian countries are multi-ethnic and multi-religious societies, and attempts to repudiate the reality that religious and cultural roots extend beyond national frontiers lead to many inconvenient and illogical contradictions. The Holy Vedas of the Hindus have their origins in the territory of present-day Pakistan. The sub-continental Muslim culture and the Urdu language, which Pakistan claims as its cultural heritage, have their roots in Delhi and western Uttar Pradesh. The holy places of Buddhism, the dominant religion in Bhutan, Sri Lanka and northern Nepal, are in India and the Terai belt of Nepal where Buddhism does not have any strong roots or large following. Nankana Sahib, the birthplace of Guru Nanak, the founder of Sikhism, is in present-day Pakistan. The word 'Hindustan', which means the abode of the Hindus, derives from the word 'Hind' or 'Sindh'. To invaders streaming down the Khyber Pass, 'Hindus' were the inhabitants of the land beyond the first major natural barrier, the river Sindh, or Indus. Pakistan's attempts to find a new identity for itself, by clawing at tenuous linkages with West and Central Asia, while denying its deep historical, cultural and other links with the South Asian sub-continent, have proved futile. It is not easy to uproot or disown the cultural inheritance going back many centuries.

The question of cultural identity is not merely theoretical but has a profound practical relevance. It has affected the politics of the South Asian countries, both within the respective countries as well as in intra-State relations. Differences over culture have retarded development in all countries. The creation of Pakistan was a manifestation of cultural separatism, the essence of its ideology, a denial of its common cultural roots with India. Cultural identity figures high in the politics of other South

Asian countries too. For Bangladesh, its War of Independence in 1971 was about preserving its cultural identity against West Pakistani, specifically Punjabi, political and economic domination. However, in reasserting Bengali nationalism, it has excluded the other cultural and social groups like the Adibashis, the Chakmas and the Garos. In recent years, it has understated its Bengali character, which it has in common with West Bengal, and over-stated its Islamic character. Nepal, at least till recently, retained its sense of identity by emphasizing the role of the Hindu monarch as a factor of unity, as well as by small but telling practices like a unique time zone, a unique flag shape and a unique official dress. Bhutan's deliberate policy of remaining in isolation is intended to preserve its cultural identity. The origins of the conflict in Sri Lanka lie in the attempt of the Sinhala community to evolve a Sinhala–Buddhist cultural identity to the exclusion of its Tamil heritage. Maldives, isolated from the mainland, developed a unique national identity created out of the interplay of influences from India, Sri Lanka as well as the Persian and Arab world. But by designating Islam as the official religion and prohibiting the citizens of Maldives from practising any other religion, the 1997 constitution and former President Gayoom's policies of using religion for political purposes have created an intolerant fundamentalist society.

Common Heritage vs Modern Identities

The modern nations of South Asia have emerged as separate entities just over six decades ago, a relatively short period in the history of this ancient land. As sovereign and independent countries, they have acquired new political and juridical personalities, taken separate paths of development, and understandably seek to project a distinct cultural tradition as an expression of their nationalism and separate identity. Without that, their very *raison d'être* would weaken. South Asian leaders who routinely and grandly proclaim that poverty

alleviation and people's welfare are the foremost concerns for all countries should first try to analyze why the whole of South Asia is so backward. Obviously, it is not because of paucity of resources—no other part of the world is so blessed with abundant sunshine and water, or because people are not talented or hard working, South Asians seem to do very well when they migrate abroad. South Asia has not developed or progressed as much as it could have because the people of South Asia over-emphasize their newest identity as citizens of one country or another and underplay their shared cultural heritage and traditions with other South Asians. South Asia's tragedy is that its people have been artificially divided on the bases of ethnicity, caste and religion, first by their colonial masters and then by their own political elites.

A major challenge before all South Asian countries is how to reconcile and harmonize the common cultural heritage of the South Asian sub-continent with the preservation of their separate modern political identities. Questions arise. How long can a country keep alive its artificially cultivated identity by a selective emphasis of some, and a deliberate denial of other, elements of its past? Are the centuries-old traditions less important than the decades-old ones? Is the religious identity more important than the regional or cultural identity? Is the modern experience more relevant than the ancient inheritance?

The way it has been handled in South Asia so far, culture has been a divisive and debilitating factor. It need not be so. The common cultural heritage of South Asia can, and should, promote unity, harmony and mutually beneficial development. South Asia has had a long tradition of communal harmony and peaceful coexistence through the centuries, at least till the colonial era. Rulers may have been intolerant, but at the popular level South Asia was spared prolonged bloody religious wars like the Crusades or the Catholic–Protestant enmities of the medieval times. However, since the birth of new nations in South Asia in the second half of the 20th century, this region has been beset with enormous violence and killings.

Modern South Asia's political borders are colonial, not natural. True, South Asia has never been a homogeneous

political unit. But never in its history has it been divided along such irrational lines. It is not possible to have mono-religious, ethnically or linguistically homogeneous States in South Asia. The idea was tried through the creation of Pakistan in 1947, but has failed. The Tamil conflict brings out that it is not possible to have a stable Sri Lanka with Sinhala–Buddhist domination. The Nepali ruling elite, dominated by people from the hills, cannot wish away the Madhesis of the Terai who constitute nearly half the population of Nepal. Unfortunately, many South Asian countries have wrapped their respective national flags around an exclusivist, somewhat artificial, identity based on religion or ethnicity. Therein lie the roots of many of South Asia's political and economic problems. Is South Asia home to so many so-called failed States because the concept of nation-hood in South Asia is flawed? Is South Asia one of the poorest regions in the world because South Asian political leaders have deliberately chosen to underplay the interdependence, complementarities and commonalities of the region? Instead of taking advantage of their common cultural heritage and natural synergies—including institutions and inter-connected physical infrastructure inherited from colonial times—to collectively play their rightful role in the world, South Asians are a divided lot working at cross-purposes. Instead of using their common traditions to increase their collective strength and bargaining power, South Asians are enfeebled by internal rivalries and jealousies.

Challenges before India

How to change this state of affairs? Here the lead must inevitably be taken by India. The challenges are formidable. India's neighbours, fearful of its overwhelmingly larger size, power and hence influence over individual countries as well as in the region as a whole, are both envious and suspicious of India and do not fully cooperate with it on its political and security concerns. It does not help that the generally

boorish, overbearing and condescending behaviour of most Indians towards its neighbours has created the image of the 'ugly Indian' in these countries. Thus India's neighbours have traditionally sought some countervailing force to balance its all-round domination of South Asia. This has taken the form of using available leverages against India, and by obstructionist, often openly hostile, policies deliberately designed to hurt it economically (for example, Bangladesh's refusal to give transit access to the Northeast Region or Nepal's reluctance to more effectively harness its hydropower potential), and politically (for example, by allowing outside powers to exercise a degree of influence on their policies that makes India uneasy). India's neighbours have shied away from too close a relationship with it since that could blur their essential identity of projecting themselves as *not* Indian. But there is a conundrum—while they see India as a threat to their identity, all of India's neighbours (except, of course, Pakistan and to some extent, Bangladesh) also view it as the ultimate guarantor of their own security.

India's policies towards its immediate neighbours over the last six decades have not proved terribly successful. A change in India's approach is called for. India's hard-nosed self-interest itself dictates the need for fresh thinking. Even though India has managed an 8 to 9 per cent annual rate of economic growth in recent years, its ability to take along its smaller neighbours will be a key determinant in India's long-term ability to carry on its current impressive growth story. India cannot hope to remain prosperous if its neighbours languish. Growing economic opportunities in India will inevitably generate cross-border flows of legal and illegal economic migrants across porous and laxly policed borders from the poorer regions in South Asia. The open border regime with Nepal has led to a regular flow of Nepali immigrants to India; it has also acted as a safety valve in Nepal. From Bangladesh, a steady stream of illegal migrants numbering more than 20 million has fanned out across India and changed the demographic profile in the neighbouring states of West Bengal, Tripura and Assam, as well as in Delhi. Illegal immigration has severely compromised India's security. It has spawned many terrorist cells within India. But India has been unable to insulate itself from its neighbours by creating an

effective *cordon sanitaire* around itself. Only along the India–Pakistan border has the fencing worked, that too because a strip of land along the border has been cleared of population. Border fencing on the Bangladesh border has been ineffective in stopping illegal Bangladeshi migrants from coming into India. This is hardly surprising. Even the US, with its vastly superior resources and technology, has been unable to control illegal migration from Mexico across a riverine border running through thinly populated arid territory. Where is the hope that India can control borders that cut through thickly populated areas with dense vegetation, particularly when the country on the other side of the border is covertly encouraging emigration to reduce its own problems?

A change of strategy is called for. In order to foster greater mutual confidence and trust, India has to devote much more time and attention to its neighbours. There should be more frequent high-level visits, telephonic conversations and informal contacts, using pegs like private visits, religious pilgrimages and transit halts in order to make personal assessments, exchange views, resolve problems—and massage egos! Discussions should not be confined to purely bilateral issues but cover regional and global issues too. This would convey the message that India considers its neighbours sufficiently important to have an exchange of views on a broad spectrum of global and regional issues. It only exacerbates the apprehensions and frustrations of India's neighbours if India ignores or looks down upon them.

India also has to be generous and magnanimous in stimulating the economic development of its neighbours. It has to make its neighbours willing partners in its own growth and prosperity. While fully respecting its neighbours' sovereignty, independence and sensitivities, India has no alternative but to treat them like India's own states from an economic perspective. The steps taken by India so far can be supplemented by generous technical and economic assistance and large-scale investments in order to build up their infrastructure. These must be high visibility projects that impact on and improve the lives of common people in the neighbouring countries, not projects that can be criticised as bringing benefit to India only. Second, the Indian Government must encourage, through tax

and other incentives similar to those given within India for certain regions and states, India's private sector to invest in these countries to promote their industrial development, create local jobs and produce value-added products for export to India and elsewhere. Hopefully, this would reduce the pressure for people to want to migrate to India in search of greener pastures. Reciprocally, India should welcome investment by businessmen from neighbouring countries. That would give their ruling elites a long-term stake in India's stability, growth and prosperity. Finally, India needs to put in place more liberal and streamlined border trade arrangements. In the absence of a clear strategic approach to promote the economic development of its neighbouring countries, India has left the space open for other countries like China, the US, the United Kingdom as well as a host of smaller donors belonging to the West, whose economic influence in these countries easily gets translated into political influence.

The Future of South Asian Association for Regional Cooperation (SAARC)

All over the world, most countries normally have a fairly large percentage of their overall foreign trade with neighbouring countries, but this is not the case in South Asia. South Asia's forays into sub-regional cooperation have been unimpressive. This is an anomaly. Unwarranted mutual suspicions and political hesitations have stunted the natural integrated growth and development of the countries of the region. Despite so many agreed areas of cooperation, innumerable institutional mechanisms and a permanent Secretariat, South Asian Association for Regional Cooperation (SAARC) has not taken off as a meaningful framework for regional cooperation. Even summits have not been held regularly. In 23 years, SAARC has held only 15 summits, of which four were held in consecutive years between 1985 and 1988 in the immediate aftermath of the formation of SAARC. The absence of any substantive cooperation is masked by an overly exaggerated emphasis on

hyperbole, public rhetoric, formalism, protocol and pomposity. So far SAARC has been basically a talk-shop, or at best a consultative body, without any concrete collaborative project to show. The silver lining is that the relatively low level of regional trade and economic activity in the region only underlines the large potential for expanding trade and investment, which will translate into jobs and economic growth for all countries in the region.

India, Pakistan and Bangladesh, the three largest countries of South Asia, who constitute the core of SAARC, bear collective responsibility for this situation. The remaining five SAARC member-countries are, in geographical, demographic and economic terms, on the periphery of SAARC. Three (Nepal, Bhutan and Afghanistan) are landlocked, and the other two (Sri Lanka and the Maldives) islands. India has no serious problems with any of these five smaller States, which are happy and eager to take advantage of India's proximity and economic dynamism. When President Zia-ur-Rahman of Bangladesh first proposed the setting up of SAARC in the early 1980s, it was not born out of any genuine desire for regional cooperation. SAARC was a mechanism for India's smaller neighbours to gang up against India. India was understandably not enthusiastic about SAARC. It could not openly oppose SAARC, but remained indifferent to it. India has tended to regard SAARC summits mostly as a venue for bilateral diplomacy with Pakistan, or to signal unhappiness with a neighbour. Pakistan also bears considerable responsibility for SAARC's failure to take off. Pakistan continues to link implementation of the South Asian Free Trade Area (SAFTA) agreement with a resolution of the Kashmir issue. Bangladesh too is not blameless. It should not be forgotten that Bangladesh was once part of Pakistan and its ruling elite, particularly the military, remain under considerable Pakistani influence. The problem with Pakistan and Bangladesh is that they have a mindset that is not matched by objective realities. Their quest for 'equality', especially in the case of Pakistan, engenders a competitive rather than cooperative approach. They realize, but do not acknowledge, that they cannot match India, but their response is to seek to bring India down.

SAARC suffers from some fundamental structural flaws. Unless all the countries of the organisation share a common security perspective, it will be difficult to move forward in any meaningful way on regional economic cooperation. Regional economic cooperation—the European Union and ASEAN are good examples—requires a degree of trust and goodwill, which in turn presupposes that all participants share a common political and strategic perspective. Since Pakistan and Bangladesh continue to foment terrorist activities against the Indian State and people, such a precondition is clearly missing. Unsurprisingly, SAARC has floundered for more than two decades. India's overwhelming dominance and the fact that no other member of SAARC has common borders with any other SAARC country except India (this has changed after Afghanistan joined SAARC) put psychological and physical barriers to regional cooperation. Nor has SAARC shown itself to be meaningful to ordinary people; there is no domestic constituency for SAARC in the member-countries.

Things may be changing. The last two SAARC Summits held in New Delhi in April 2007 and in Colombo in August 2008 hold out the hope that SAARC might—just might—evolve into a meaningful regional organization. With Afghanistan joining SAARC, its membership has expanded for the first time since its inception. Now SAARC is not merely a South Asian construct, since Afghanistan is as much Central Asian as South Asian. The second important development is the participation of major world and regional powers like China, Japan, South Korea, the US and the European Union as Observers. Important countries in India's strategic neighbourhood like Iran, Myanmar, Mauritius and Australia have also subsequently joined as Observers. SAARC has clearly begun to look beyond South Asia, and the world too has begun to look at SAARC more seriously. The major world powers that have become Observers in SAARC are understandably interested in the success or otherwise of the SAARC experiment. All of them are deeply engaged with India. Some are wooing India, others seeking to contain it. Given the global significance of the long-term direction that South Asia takes, the world is understandably interested in the future of SAARC. Perhaps the gaze and scrutiny of outsiders will induce

mature and responsible behaviour among SAARC countries. Cooperative, trustful and harmonious relations between India and its neighbours could make South Asia a truly dynamic engine of growth for the region and a pole of influence in the world. Perhaps the South Asian countries can achieve through SAARC what they could not bilaterally.

If SAARC shows potential, it is primarily because India's traditional mindset about SAARC has changed of late. This is welcome. India's changed attitude towards SAARC is not only because India realizes that its traditional approach in dealing with its neighbours has been ineffectual in securing India's interests; it is also in part the result of globalization and India's own growing prosperity. India is more self-confident, its economy more open and its foreign policy more diversified and pragmatic. It follows that India should be far more open-minded about other countries' involvement in SAARC when it has itself joined many regional and global organizations such as the East Asia Summit (EAS), the Shanghai Cooperation Organisation (SCO) and the Asia–Europe Meeting (ASEM). India is a regular invitee to the G–8 outreach meetings, has emerged as a key player in WTO negotiations, and is a member of potentially significant trilateral groupings like Russia–India–China (RIC) and India–Brazil–South Africa (IBSA). As a rising power aspiring to play a greater regional and global role and to become a Permanent Member of the UN Security Council, India would hardly want to be perceived as being obstructionist, narrow-minded and insecure.

As the largest country in SAARC, India carries a special responsibility. It must show that it is a true regional leader, not the neighbourhood bully. Bold measures on India's part are called for. SAFTA agreement is a wholly inadequate framework for trade liberalization within South Asia. The range of the tariff cuts is very modest (0-5 per cent); the period over which the reduction is to take place is too long; the range of products excluded from tariff cuts ('negative lists') is too large; non-tariff barriers are excluded; there is no provision for liberalization in the areas of investment and services; Pakistan does not extend the SAFTA agreement benefits to India because it denies India Most–Favoured–Nation (MFN) treatment and the extent of

trade liberalization that has been envisaged under the SAFTA agreement is much less than what the South Asian countries themselves are pursuing within the framework of the WTO. India appears to have understood this.

By giving duty free access to the Least Developed Countries (LDCs) within SAARC—which would in practice benefit only Bangladesh, since Nepal and Bhutan already enjoy duty-free access to India and Afghanistan cannot really benefit unless Pakistan gives transit facilities between India and Afghanistan—by accepting the concept of 'asymmetrical responsibilities', and by its restrained approach to Pakistan's non-implementation of its obligations to SAFTA agreement, India has taken a few welcome steps in this direction. These initiatives need to be followed up. It is only India that can give SAARC a truly new direction from the 'declaratory to the implementation phase'. Grant of unilateral trade concessions to India's neighbours would not cause significant commercial harm to India though a few sectors like textiles, ready-made garments, tea and rubber would feel the impact. However, the potential of non-economic gains, particularly a change in the psychology of the ruling elites and even more so of the ordinary people in India's neighbouring countries would far outweigh the economic sacrifices. India needs to take a political view on marrying India's long-term political and strategic interests with possible commercial losses.

One of the priority areas for SAARC is connectivity, which is woefully inadequate at present. If people belonging to different countries within the region do not interact with and understand one another sufficiently well, there can hardly be meaningful regional cooperation. Hence the importance of people-to-people contacts, for which better physical connectivity is an essential pre-requisite. The South Asian countries are denied the economic advantages of large-scale cross-border trade and economic activity like tourism. Personal and family contacts have been disrupted. Without wide-ranging people-to-people interaction, misunderstandings and apprehensions are not likely to go away, nor can there realistically be any meaningful regional cooperation. The establishment of direct air flights between the SAARC capitals is a good start, but it is overland connectivity that is crucial. Fortunately, some small steps have

been taken between India and both Pakistan and Bangladesh in recent months. The real challenges will be in establishing transit facilities from India across Pakistan to Afghanistan and across Bangladesh to the Northeast Region of India.

SAARC should also concentrate on forging a South Asian identity, and focusing on areas where the common interests of the member-countries outweigh their differences. Environmental challenges, control of communicable diseases and pandemics, countering drug smuggling and tackling the trafficking of women and children are some promising areas of cooperation. Above all, the South Asian countries have a common interest in cooperation on water resources. Although differences remain, the countries of the South Asian sub-continent are already engaged in much deeper cooperation than countries similarly placed elsewhere in the world. The Indus Waters Treaty between India and Pakistan and the Ganga Waters Treaty between India and Bangladesh constitute an excellent starting point for further cooperation. One fundamental truism that all South Asian countries have to grasp and internalize is that they share a vital common interest in ensuring that the rivers that flow into the sub-continent from Tibet—not just the major rivers like the Indus, Sutlej, Karnali/Ghaghra and the Brahmaputra but the smaller ones too—are not obstructed in any way. Upper riparian India bears the brunt of any untoward happening in Tibet—as happened when the Sutlej River flooded large parts of Himachal Pradesh in 2000, and the Parechu River threatened to do in 2004—but any depletion of water flows into India will ultimately affect lower riparians Pakistan and Bangladesh too. This is a real danger since there is talk in China of diverting rivers rising in Tibet and flowing into the sub-continent. Any irresponsible Chinese activity in Tibet could accelerate the shrinking of Tibetan glaciers and change the climate that sustains the hundreds of millions of inhabitants in South Asia. The very existence of a low-lying country like Bangladesh or a small island country like the Maldives could be threatened. If these scenarios do come to pass, such Chinese behaviour would be definitely considered a hostile act by all South Asian countries. Thus, all South Asian countries have a legitimate

interest in having a dialogue with China on this point. India has already started discussions with China, and there is an agreement for exchange of hydrological data, but it would be much better if India, Pakistan and Bangladesh could jointly broach this subject with China. The South Asian countries could also consult with countries that face a similar problem vis-à-vis China. Russia and Kazakhstan are talking to China on this subject since major rivers like the Irtysh and Ili flow from China into these countries. Cambodia, Laos, Myanmar and Vietnam are already facing depleted flows in the Mekong and Salween because of dams built upstream by the Chinese.

The period 2007–08, when India was Chairman of SAARC, represented a potentially important window of opportunity for India to evolve an imaginative long-term policy towards its neighbours involving a 'leap of faith'. For a while there was optimism that SAARC was an idea whose time has finally come. But domestic political turmoil in Pakistan, Bangladesh, Nepal and Sri Lanka, not to speak of political uncertainties in India itself, made it difficult to move ahead with bold initiatives. If SAARC is to be transformed into a 'Partnership for Prosperity', some meaningful regional projects need to take off soon. The problem of tackling terrorism will have to be squarely addressed without pussyfooting. While the involvement of major world powers in SAARC gives India's neighbours a higher comfort level, the latter too will have to eschew the temptation of letting outsiders play a disproportionate and distorting role within SAARC. India can be expected to nip in the bud incipient trends to give outside powers too much role in financing development projects so that SAARC does not deviate from its stated goal of collective self-reliance. The keenness of some smaller countries to include China as a member of SAARC is indicative of the difficulty of getting out of the rut in which the chariot of SAARC has stalled. Unless this kind of thinking changes, SAARC will merely sputter on aimlessly. One hopes that better sense will prevail.

With SAARC at a crossroads, India's neighbours, particularly Pakistan and Bangladesh, are confronted with a fundamental challenge. When distant countries are planning long-term strategies to plug into India's impressive growth,

logic dictates that India's neighbours too should be thinking along similar lines. Sharing many complementarities with India, they can become globally competitive if they take full advantage of their geographical proximity to India. They could exploit India's competitive advantages such as easy availability of raw materials, economies of scale of a huge production base and a large market. All of them have a deep understanding of India, and are well networked with key players in India. But they have to honestly answer some hard questions. Do they want to ride on the back of India's success and weight in the world? Will the global competitiveness of Pakistan and Bangladesh improve if they are economically integrated with India? Or do these countries believe that their growth, development and prosperity could be autonomously generated? Probably because they are aware that they have fewer options, India's smaller neighbours like Bhutan, Nepal, Maldives and Sri Lanka have shown greater interest in economic integration with India than the larger ones like Pakistan and Bangladesh. They are more receptive to cooperation within a regional framework than on a bilateral basis, perhaps because numbers give them a sense of greater security. All South Asian countries need to look beyond existing political prejudices and think of what they must collectively do in a globalized, fast-changing world if they are not to be left behind.

Democracy in South Asia

The issue of democracy sometimes complicates India's relations with its neighbours. The problem is that while India is an established and vibrant secular democracy, its neighbours are not. India will always remain an unspoken factor in the domestic politics of its neighbours—and, to a lesser extent, vice versa. Willy-nilly, the Indian model of democracy exerts a powerful influence on politics in neighbouring countries. Recent political developments in Nepal, Bangladesh and Pakistan bring out the strong yearnings of the people for

genuinely democratic regimes. The overthrow of Musharraf in Pakistan, the end of Nepal's monarchy and the growing popular revulsion against covert military rule in Bangladesh show that South Asian authoritarian regimes do not have long-term survivability. Sensing the changing winds, Bhutan is moving towards a constitutional monarchy and Maldives towards a multiparty democratic system. From India's perspective, these are welcome developments. India is interested in democratic neighbours because regimes that are elected by and accountable to the people are likely to be more cooperative and friendly to India since there is a much greater coincidence of interests among ordinary people, rather than the elites, of South Asia.

Democratic governments in South Asia are also likely to be more stable. South Asia's history shows that multi-ethnic and multi-religious South Asian countries can be harmonious and peaceful, both internally and with one another, only within a genuinely democratic framework that takes care of legitimate popular grievances and provides some guarantees of a respectful and tolerant approach towards all religious and other minorities. Non-democratic governments create a political void that is readily filled by religious obscurantists, extremists and fundamentalists. Within the South Asian countries, most of the controversies, agitations, violence and killings have been over cultural identity rather than economic issues. Some of the key factors that have shaped India's political life in recent years have been communal problems involving Hindus and Muslims (and lately Christians too), the issue of 'secular' vs 'communal' parties, the controversy over 'Hindutva', and the rejection by the Dalits and the Other Backward Classes (OBCs) of a common cultural legacy with the upper caste Hindus. Pakistan broke up over the inability of the system to accommodate Bengali nationalism. Punjabi Sunni political, economic and cultural domination in Pakistan has continued to provoke widespread Shia–Sunni violence and separatist movements in Baluchistan and Sindh. Sri Lanka has been wrecked by a debilitating ethnic violence over the Tamil issue for over two decades. In Nepal, the recent violence in the Terai is ethno-cultural in nature, representing the resentment of the Madhesis over the continuing domination of the hill people in all aspects of

Nepal's life. Democracy is the only effective long-term way to tackle secessionism, communal violence, sectarian conflict and fundamentalism, and to ensure peace, prosperity and stability in South Asia.

India is also concerned that the policies of repressive regimes in India's neighbours often give rise to domestic strife that inevitably has a fall-out on India, particularly on contiguous States where the population shares deep emotional, cultural and family links across the border. Moreover, as ethnic, religious and linguistic groups in South Asia invariably straddle more than one country, tensions tend to spill over state borders. Where a divided community feels that its culture or identity is being threatened, the problem no longer remains domestic. There is widespread empathy for Sri Lanka Tamils in India's Tamil Nadu state which has periodically received persecuted Tamil migrants from Sri Lanka. Some other noteworthy examples are the millions of Bangladeshi citizens who sought refuge in India in 1971 and those who have illegally migrated into Assam and various other parts of India; the periodic migration of persecuted Tamils in Sri Lanka and, most recently, the problems that Nepali-origin people expelled from Bhutan have created for West Bengal and Nepal. If the Madhesis in Nepal's Terai do not find political satisfaction of their grievances within the framework of Nepal's new Constitution, the problem will spill over into India.

India does not use democracy as an ideological stick with which to beat its neighbours. It is not in the business of exporting democracy and has been perfectly willing to deal with all kinds of regimes in its neighbourhood and around the world. Moral judgements need to be tempered by pragmatism and political realism. At times a strong hand is needed to keep a country united, secure and stable. However, where military regimes are in power, the military has to be seen as acting in national interest, not self-interest. The use of military power must be legitimized by the explicit support of the people—as is done in democracies where there is civilian control over the military—or by the people's implicit acceptance of military rule. As a democratic country, India must speak out more in favour of the desirability of democracy in its neighbourhood, since in its

experience democratic governments in neighbouring countries have been more cooperative and less hostile than authoritarian regimes and also because the solutions to many of the social and political problems in its neighbouring countries lie in greater democracy.

India should obviously not interfere in its neighbours' internal affairs. At the same time, it cannot afford to abdicate its responsibility to facilitate the resolution of such problems in its neighbouring countries because these have an effect on India itself. It has no alternative but to closely follow and deeply analyze political trends and discreetly try to influence the domestic political debate within these countries. Over the last six decades, India has been on many occasions the decisive factor in seeking a resolution of domestic political crises in Bangladesh (1971), Sri Lanka (1987), Nepal (1950–51 and 2005–08) and Maldives (1988). The challenge for India lies in not getting drawn into situations from which there may be no safe and honourable exit, and in simultaneously pushing for national consensus that involves all the principal political actors in the country concerned.

Most of India's neighbours are at a crucial transition period in their internal politics. Following the historic elections in Pakistan in February 2008 and the departure of Musharraf, will the new civilian government manage to effectively govern Pakistan? Will Bangladesh use this opportunity to cleanse its political life and become a healthy democracy or will its military succumb to the temptations of political power? Is there any hope at all of Sri Lanka being able to find a negotiated political solution to the Tamil conflict? Will Nepal settle down and evolve into an inclusive and stable democracy? How will Bhutan's new monarch handle Bhutan's tentative forays into democratic governance? The answers to these questions will determine to some extent the policies of these countries towards India. The chances of regional cooperation taking off are much better if India's neighbouring countries have democratic governments that are responsive to the real interests of ordinary people rather than the selfish interests of the ruling elites. Bangladesh, for example, has invariably seen higher economic growth during democratic regimes than under dictatorships.

Future Prospects

The quest for a peaceful, harmonious neighbourhood, while certainly most desirable as an end in itself, cannot be the only long-term strategic ambition of India. If South Asia were united and vibrant, it would be able to easily extend its reach and spread its influence in South Asia's strategic neighbourhood of the Persian Gulf, Central Asia and Southeast Asia. Historically, Indian influence has been preponderant in all these regions. It is only over the last six decades, since South Asia itself has been divided, that India has lost its natural influence in these regions, and other powers have stepped in. All South Asian nations, particularly India, Pakistan and Bangladesh, have common interests in the Persian Gulf region. These countries have between them more than 450 million Muslims who have close emotional and spiritual bonds to the holy places of Islam in this region like Mecca, Medina, Najaf and Karbala; large expatriate communities which are critical to the economic life in the member-states of the Gulf Cooperation Council (GCC) but which are frequently exploited and overwhelming energy dependency on the Persian Gulf region. India's vision of an integrated Asia from the Himalayas to the Pacific would have reassured other SAARC countries that they would not be left behind as India increasingly integrates with East Asia. If South Asia as a whole seeks to integrate with East Asia, all parties, namely India, the other South Asian countries and the East Asian countries would benefit more. Bangladesh's cooperation is required for the optimal success of India's economic integration with the East Asian economies as well as for India to take advantage of overland transportation links between India and Southeast Asia.

Is Bangladesh willing to be India's partner in this endeavour? If Bangladesh wants to, it can easily take full advantage of India's strategic opening to the east. Similarly, if Pakistan can be persuaded to change its traditional mindset, it can work with India and Afghanistan in re-establishing South Asia's traditionally strong but now considerably weakened contacts with Central Asia. With Iran becoming an Observer in

SAARC, and if the proposed Iran–Pakistan–India oil pipeline fructifies, Iran too could be part of this cooperative regional framework.

Can the South Asian sub-continent ever overcome its divisions and be reunited? Probably not. Nor is this necessary. But South Asians can derive hope and inspiration from the example of Europe. While retaining their respective political sovereignties, European countries have set aside their deep-seated historical animosities to come together in an unprecedentedly peaceful and cooperative relationship. It is doubtful if the soldiers who fought the Second World War could have imagined in their wildest dreams that their great-grandchildren would be born in a Europe without borders and with a single currency. The leaders of South Asia must be commended for having made a conceptual breakthrough in the way they see and treat one another. At the 14th summit of SAARC in New Delhi in 2007, they agreed on working towards the ambitious goals of a South Asian Customs Union, a South Asian Economic Union and a South Asian community. No doubt these goals will take time. The European Economic Community was set up in 1957 under the Treaty of Rome. It took another 35 years for the Europeans to set up the European Union under the Treaty of Maastricht in 1992.

History teaches us that dramatic and completely unexpected developments do sometimes occur. Why not in South Asia too? In the long term, India might look for regional integration within a European Union-type framework—open borders and free movement of peoples, goods and capital—undoing the artificial South Asian political order established following the partition of undivided India. However, that is a long way off. It may come about only when the younger generation of South Asians, which does not carry bitter memories of old feuds and antagonisms, begins to wield political power.