The Security Architecture of South Asia: Problems and Prospects

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Abstract: Security architecture is an overarching, coherent and comprehensive security structure for a geographically-defined area, which facilitates the resolution of that region's policy concerns and achieves its security objectives. From the perspective of security architecture, South Asia is a relatively closed and unique strategic unit. It, in a whole, showed the features of asymmetry and fracturation in security architecture from 3 different 'layers' or 'dimensions.' In the dimension of *power*, India enjoyed absolute predominance in spite of different dependencies of other state powers on it; in the dimension of *mechanism*, the design flaws on SAARC have shadowed double side impacts on both economy and society, which have resulted in the fragmentation of economic integration between the India-eastward camp and the Pakistan-westward camp, as well as the huge gap between official social communication or confidence building and unofficial people-to-people contacts. In the dimension of *idea*, the bias of *land first, sea later and military first, bread later* have long and rooted origins, although now it might be the right time to redefine the gravity and priority between land power and sea power. This kind of asymmetric and fractured security architecture cannot adapt to new security situations and demands, nor satisfy the needs of South Asian people for a sustained peace and sustainable development. There exists some possibility for adjusting or correcting those imbalances, fractures, and biases. This will mainly rely on the dominant power of that region, and in the long run so do the people of South Asia, although in the short-term, some outside active or even assertive policies may in practice have certain positive results.

Introduction

After the Cold War, regionalism[1], together with new realism and globalism, became one of three perspectives used to study the security order. Regionalism emphasizes the uniqueness of a particular region, acknowledges the linkages between different regions, and centers on increasing the region's influence and political power, thus usually being regarded as the *middle* dimension (or bridge) of analysis between the domestic dimension and the global dimension. However, with regards to South Asia, there are still some doubts about it.

First, can South Asia be called an independent region? Or, as Rafiq Dossani wonders, does South Asia exist?[2] Or, as Swaran Singh held, would it be more proper to

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call it southern Asia?[3] If south Asia exists, what is the geographical scope of South Asia? How do we define the different powers? Then, in a geographically defined South Asia, does there exist an overarching security architecture? If partly yes, what could be the key features of that security architecture? Could it help to address the current policy considerations or other security concerns of those players in that region? Or, if it is partly no, what will be the important catalysts and future scenarios for the evolution of a security architecture?

In this paper, I refer to *South Asia* instead of *Southern Asia*, for the latter has a slight British colonial color. For example, in the Yearbook of the United Nations 2005, The Aden Colony, British Somaliland, and Singapore, though administered at various times under the Raj, have not been proposed as any part of South Asia.[4] Furthermore, this paper assumes there exists a geographically defined South Asia region that clearly includes Afghanistan for both geo-political and geo-economical consideration. It defines South Asia in the domain of SARRC, namely India, Pakistan, Bangladesh, Nepal, Bhutan, Sri-lanka, the Maldives and Afghanistan. Although Myanmar has been historically and geo-politically part of the region, it is not included into South Asia as it's not part of the regional association. The U. S. and Russia are defined as important external powers, and China is defined as an "important potential power of South Asia,"[5] mainly because it is an immediate neighbor of South Asia.

Through a literature review,[6] this paper questions the received wisdom that simplified the dominant feature of the South Asian security structure as *India-centric*. It argues instead that besides being asymmetric the South Asian security structure is also fragmented, thus refocusing the role of Pakistan. Moreover, it asks two important questions: (1) how can we analyze this India-centric asymmetry more directly (i.e. what are the different dimensions of dependency for other state powers on India?), and (2) for those who have little dependency on India, does there exist another semi-center besides India, and can this lead to the fragmentation of the whole security architecture?

This paper tries to analyze the *asymmetry* in South Asia from 3 dimensions, namely the *power dimension*, the *mechanism dimension*, and the *idea dimension.* And the main arguments of this paper are as follows: On economic power, there are 4 different types

of economic dependency on *India-as-Center*. The different degrees of economic dependency on India result in fragmentation of regional economic integration and thus form the India-Eastward Camp and the Pakistan-Westward Camp. However, economic fragmentation doesn't necessary hinder unofficial social integration and people contacts, thus the regional economic integration and social interaction is unparalleled. This unparalleled discourse between economic integration and social interaction has great relevance to the idea of *Land First (Sea Second) & Defense First (People Development Second)*. In this sense, the asymmetric and fragmented security architecture of South Asia embodies the potential for dynamic balance if key powers would re-define or re-think their roles in that region.

Security Architecture: Definition and Dimension

The use of the term *security architecture* in the IR domain originated at the end of the Cold War and the collapse of the USSR with its impacts on the security environment of Asia and the possible potential for reconstruction. But the first clear use may be traced back to Western scholars when they were discussing Asia's economic structure and mechanism around 1998. Later, Amitav Achayra transplanted this word to explore the normative role of institutions in Asian security politics.[7] David Shambaugh, for instance, suggests that "the US-led alliance system remains the predominant regional security architecture across Asia." Yet Shambaugh also goes on to refer to an emerging "multilateral institutional architecture that is based on a series of increasingly shared norms about interstate relations and security" and suggests that regional security architecture can be likened to a complex "mosaic" of actors and factors.[8] Meanwhile, "architecture" has also been used to define the distinction between different regional dimensions such as the security architecture in Northeast Asia, Southeast Asia, South Asia and so on.

In China, under the influence of multilateral diplomacy and opening-up practices, scholars began to use "framework" to refer to both the structure and process associated with a series of cooperation activities. It also partly has the same meaning as power

structure, security mechanisms, and the overarching impacts posed by new security threats on the security environment.[9] In practice, people interchangeably used "architecture" with "mechanism" and "framework".[10]

However, the definition is still somewhat obscure. First, views differ on the relations between the security and economic dimensions of the framework. Some analysts don't make a distinction between economic and security components in an over-arching regional or institutional "architecture,"[11] but others specify economy and security as two distinct "pillars" or legs in an over-arching regional architecture.[12] Yet another perspective views trade and security arrangements as distinct components of a broader Asian institutional architecture but still considers the "strategic interaction" between them.[13] Second, it's still hard to separate bilateral and multilateral agreements in the overarching security architecture. For example, David Shambaugh, suggests that "the US-led alliance system remains the predominant regional security architecture across Asia." Yet Shambaugh also goes on to refer to an emerging "multilateral institutional architecture that is based on a series of increasingly shared norms about interstate relations and security" and suggests that regional security architecture can be likened to a complex "mosaic" of actors and factors.[14]

This paper borrows William Tow's definition of security architecture as "an overarching, coherent and comprehensive security structure for a geographically-defined area, which facilitates the resolution of that region's policy concerns and achieves its security objectives."[15] Moreover, it emphasizes the following guidelines: "(1) the term 'security architecture' should only be employed in an over-arching macro-analytical sense rather than used interchangeably with other descriptors such as 'institutions' or 'arrangements'; … (3) it should embody a sense of coherence; … (6) it should be sufficiently broad to accommodate the 'comprehensive' understandings of security so distinctive to the region; and (7) the terminology should not be used as a mere synonym for multilateral security institutions."[16]

This paper holds, despite of some distinctions between the economic and security dimensions of a security architecture, that they are not completely separate but instead intertwined and strategically interacted. For the purpose of a dedicated analysis of

security architecture in South Asia and in the broader comprehensive security context, this paper divides security architecture in South Asia into 3 dimensions, namely (1) a "power dimension" which includes physical indicators like land area, population, economy and military strength; (2) a "mechanism[*] dimension" which includes both bilateral treaties and multilateral treaties such as the SAARC and the South Asian Free Trade Agreement, which reflect the degree of regional integration; (3) and an "idea dimension" which mainly refers to policy makers' judgments on the sources of security threats.

Power Dimension: Deconstruct the *Indo-Center*

South Asia has distinct geographic characteristics. Just from the map, it's easy to see that India is not only the biggest country therein, but it also lies at the center of the subcontinent. This means two things: first, all the other states in South Asia see India as the main stakeholder in regional security, if not a security threat itself; and second, geographic centrality makes India *the* important hub for transporting goods and services. Because India must give transit permission, other bilateral trades and services communications face high transport costs.

On one hand, *India-as-center* suggests an asymmetry in regional power relations, which is reflected to a degree in all the physical indicators. For example, the land area of India is 1.8 times of that of the sum of the rest of its regional partners; Its population is 2 times as large; and its GDP (2010) is 5 times as large. In defense spending, India spends 6.7 times of that of Pakistan and 30 times of that of Bangladesh. Meanwhile, India's economy has maintained a rapid growth rate over the past five years (from 2004 to 2010, India's GDP growth averaged 8.4%), and it is expected continue to keep up this momentum in the next 5 to 10 years. According to a recent IMF report, in 2012 India will start to surpass China's economic growth rate. With respect to foreign trade, India's foreign trade volume accounted for more than 90% of the trade of the whole of South

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[*] Mechanism (in Chinese jizhi), means the institutions possessing norms, rules, customs and procedures which facilitate a convergence of expectations. Partly same meaning as Regime, but much more softer. See Stephen D. Krasner(ed), International Regimes, Ithaca, NY: Cornell University Press, 1983.

Asia. Without India's contribution in foreign trade, the share of the rest of the South Asia region in global economic contacts and participation would become quite negligible.

（Form 1） Basic data of countries in South Asia[17]

country	Land Ares (squ.km)	Population (mil.)	Defense (US,mil.2010)	GDP (US.bil.2010)	GDP rate (%)	Share of industry in GDP (%)		
						Agri.	Indus.	Serv.
Nepal	147181	29.3	207	14.3	5.0	40	20	40
Bangladesh	147570	162.2	1137	99.8	5.8	35	19	46
Bhutan	47,000	0.7	----	3.78	6.7	45	10	45
Pakistan	769,095	156.8	5160	174.8	4.4	24	25	51
Sri-Lanka	65,610	20	1280	4.86	7.8	20	26	54
Maldives	300	32.9	-----	1.48	8.0	20	18	62
Afghanistan	652,100	25.5	250（2009）	14.2(2009)	22.5(2009)	32.6	28.2	39.2
India	**3,287,263**	**1,184.1**	**34816**	**1,599.7**	**8.6**	**17**	**18.5**	**64.5**

On the other hand however, in practice the India-centric model reveals a different degree of economic dependency by other states on India. This can be clearly demonstrated by the final import and export destinations of each state in that region.

(Form 2) Final import and export destinations for states in South Asia 2010[18]

country	Import dest.（share of total import）		Export dest.（share of total export）	
	Fir. Imp. Dest.	**Sec. Imp. Dest.**	**Fir. exp. Dest.**	**Sec. exp. Dest.**
Nepal	**India（65.2%）**	China（10%）	**India（60.4%）**	Bengal（7.3%）
Bhutan	**India（77.8%）**	Japan	**India（93.5%）**	Bengal

Category 1 greatly rely on India both on import and export				
Sri-lanka	**India (21.1%)**	China (13.7%)	U.S (20.4%)	U.K (12.7%)
Bangladesh	China (16.2%)	**India (12.6%)**	U.S (20.2%)	Germany (12.7%)
Category 2 Rely on Western market, but need China and India's goods				
Maldives	Singapore	India	Japan	Thailand
Category 3 Rely on East Asia market, but need India goods				
Afghanistan	Pakistan(26.8%)	USA(24.8%)	USA (26.5%)	India (23.1%)
Category 4 Rely on Pakistan goods (*geographic factor*) and India market				
Pakistan	China (15.4%)	Saudi Arabia(10.5%)	USA (15.8%)	UAE (12.4%)
	Oil(30.8%) machinery(16.9%)		Textile (mainly to West 56%)	
Category 5 doesn't rely on India				

The different degrees of other states' economic dependency on India also suggest some political and strategic implications for the relations between India and other states in South Asia. Namely, a different degree of dependency on India instead of India Center (this means putting India first on the a state's economic and security agenda, or saying it is India-driven strategically) could help to explain the policy concerns embedded in the definition of Security Architecture. We can conclude, but are not limited to, the following simple policy implications.

1) Nepal and Bhutan are still been regarded as the traditional backyard   of India. India will continue to keep its pre-dominance and strategic sensitivity to that area. Currently, there is highly free movement of people, goods, and services between India and Nepal, and the Nepalese have almost the same employment rights in India. Former Indian Minister of Commerce and Industry Kamal Nath observed in 2004 that for some special cases, "certain practices are inconsistent with the World Trade Organization (WTO) regulations."[19] As Chinese scholar Wang Hongwei argues, "yindu cong ying zhengfu jicheng

xialai de tiaoyue guanxi juyou yifu yu hezuo xiang jiehe de tedian. Yindu yi xiang xiao wangguo tigong jingji yuanzhu he hezuo de shuoduan ,lai dadao shi xiao wangguo zai anquan wenti shang dui yindu d yifu yu congshu de mudi (The treaty relationship that the Indian government inherited from the British-Indian government possessed the features of dependency and cooperation. India aims to make Nepal fully security-dependent on it by providing Nepal financial and military assistance)."[20]

2) Bangladesh and Sri-Lanka are typical states who seek to balance between or "bandwagon" between bigger powers, for example, India and China. This may contribute to the so-called "string of pearls" misperception. However, it is important to remember two things. First, neither India nor China can provide a final market for these two states; both are very dependent on Western markets. When the deep influence of the international economic crisis was still in the process of fermentation and neither India nor China could miss it*, could* India and China, as symbols of emerging markets, have made efforts to reform and reconstruct their economies so as to play the role of driving engines in Asia's economy and provide final markets to its neighbors?   (2) With respect to their trade structures, the goods imported by these two states from China and India have some similarity. When we consider the entry-into-force effect of SAFTA in 2006, we see that actually "in practice Bangladesh is the only relevant beneficiary of India's LDC-only SAPTA preferences, since Nepal and Bhutan have long had duty free access to the Indian market under their bilateral treaties, and the Maldives trade is negligibly small (at least from India's perspective)."[21] So, in this sense, India still enjoys pre-eminence in those two states, and the judgment that India and China have strategic competition there is not true.

3) Afghanistan has become the frontier where India and Pakistan are competing with each other. But here geopolitical features need much more attention. Pakistan's historical, geographic and ethnic connections with Afghanistan

should be respected. And the process of U. S. withdrawal from the country still presents many uncertainties on security, economy, and domestic politics.

Mechanism Dimension: fragmented economic integration and unobstructed social contacts

For South Asia, the most influential institutional mechanism is the South Asian Association for Regional Cooperation (SAARC in short). It was established in 1985 and committed "to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields … to promote and strengthen collective self-reliance among the countries of SOUTH ASIA … [and] to contribute to mutual trust, understanding and appreciation of one another's problems"[22]. But at the same time, it also said in the general provisions that "bilateral and contentious issues shall be excluded from the deliberations," which in practice contributes little to reduce the parties' concerns about being cheated or help build confidence. *In this case, the profit from economic cooperation is difficult to transmit to the traditional military domain, and vice versa. Parties have very little motivation or stimulus to push the economic cooperation forward.*

A. *Official economic integration*

To summarize the ways in which South Asian states can promote regional economic integration, we must differentiate between bilateral and multilateral agreements as well as developing, non-developing, and least-developing countries. Before SAFTA was signed in 2004, India signed bilateral free trade agreements with Sri Lanka in 2000 and Nepal in 2002. Pakistan, as the second largest economy in South Asia, was obligated by SAFTA to reduce tariffs to 20% in the in the first 2 years (till 2006), while other countries (Bhutan, Nepal, Bangladesh, and the Maldives) could wait until January 2006 to start tariff reduction, which had to reach 20% by 2008. In 2008 India, Pakistan and Sri Lanka, as the three most developed countries in South Asia committed themselves to realize trade liberalization within the next 5 years (namely till 2013). Those lesser

developed countries such as Bhutan, Nepal, Bangladesh, Afghanistan and the Maldives were allowed to reduce tariffs to 0-5% by 2016. On one hand these steps reflect the principle of positive discrimination or distinction, but on the other hand it ignores the fact that Pakistan is actually much weaker than India in power, and in this sense it actually equated India with Pakistan, asking Pakistan to reduce tariffs to 20% in the in the first 2 years.

However, till now the intra-regional trade volume is still very small, only accounting for 5% of total foreign trade of South Asia, whereas the share of the ASEAN region is 26% of the total. Besides, there is a long list of "sensitive products" that account for almost 53% of total trade. From this perspective, there's still a long way ahead for regional economic integration in South Asia and more importantly, it is unlikely that the entire region will benefit from trade liberalization.

(Table 3)   Intra-regional trade share in south Asia[23]

	Total trade with SA/total foreign trade (%)	Trade with India/ total trade with SA (%)	Trade with Pakistan/ total trade with SA (%)	Trade with Afghan/ total trade with SA (%)
Nepal	63.68	63.35	0.16	0
Sri lanka	17.23	15.54	1.2	0.01
Bangladesh	8.92	7.98	0.82	0.01
Maldives	15.06	9.72	0.33	0
India	2.53		0.32	0.08
Afghanistan	43.18	6.3	36.76	
Pakistan	5.79	2.22		2.72

Note: SA refers to South Asia.

Here we can make the following judgments:

1)   How to evaluate the gravity between India's influence and Pakistan's influence in Afghanistan? Although Afghanistan needs India as a final market, Pakistan still enjoys a dominant role in Afghani trade because Pakistan geographically lies between India and Afghanistan and because of Pakistan and Afghanistan's

shared ethnic and historical legacy. As shown in the Table 3, for Afghanistan, among its total trade share with South Asia (SA), the Afghanistan-Pakistan share is 36.76 while the Afghanistan-India share is 6.3%. In 2010, Afghanistan and Pakistan had signed a transit trade agreement that facilitated the free flow of trade and logistics between the two countries. But it doesn't allow the trucks of Afghanistan to transport Indian goods back to Afghanistan by land. If India hopes to explore its economic relations with Afghanistan, it cannot exclude Pakistan. The same is also at least partly true in terms of the countries' political and strategic engagements.

2) As shown in Table 3, *the economic integration in South Asia has resulted in a* de facto *fragmentation effect, creating the India-eastward camp and Pakistan-westward camp*. For example, in the case of Sri Lanka and Bangladesh, their trade with India accounts for 90% of their entire trade with South Asian countries. For the Maldives the share of Indian trade amounts to 65%. On the other hand, the share of Nepal, Sri Lanka, Bangladesh, and the Maldives' trade with Pakistan only represents 0.05% of total South Asian trade, and the share of trade with Afghanistan is almost zero.

3) For both camps, the only difference between India and Pakistan as the center for different camps is that for Pakistan, although India belongs to another "camp," the share of Pakistan-India trade relative to the rest of its SAARC trade is 2.22%, just slightly lower than Pakistan's trade share with Afghanistan (2.72%); while for India, the share of Pakistan-India trade relative to the rest of its SAARC trade is only 0.32%, much lower than of India's trade share with the rest of the India-eastward camp as a whole   *(2.21%). So, although Pakistan could also be called another center for the Pakistan-westward camp, it also needs India's and thus is relatively weak when compared to India-as-center.*

4) Between India and Pakistan, who needs SAARC more? It is evident that for India, the percentage of its trade share with SAARC in its total foreign trade is only 2.53%, while for Pakistan it is 5.79%. Moreover, the basic total foreign

trade volume between the two countries is very different. *To conclude, Pakistan needs trade liberalization more than India, and it should not be condemned as the fundamental obstacle in future regional economic cooperation.*

B. Unofficial social interactions

Even though there are high political barriers to economic integration, the unofficial economy, supported by common cultural and social links, is fairly open. Just as Vice Chancellor of Sikkim University Dr. Mahendra P. Lama said, "there are in fact two SAARCs, one is official government-led integration, and the other is unofficial integration. The government-led, due to the constraints of [the] India-Pakistan political relationship, is unlikely to get substantial progress in the next five years, while the unofficial contacts and integration between people in South Asia have achieved tremendous progress and reached [a] high level."[24] The links between professional counterparts in the medical, environmental protection, and law fields have been maintained at a high level.

The fast integration of unofficial people-to-people contacts, which has deep roots in the traditional cultural links between India and other states in South Asia, also partly benefits from the process of globalization in which trans-boundary immigration, refugees, and other influential, informal groups participate in political coordination and governance. In South Asia, civil society might be called a "patchwork" or "mixture," in which thinktanks, research institutes, NGOs, and grassroots groups are all included. Despite the area's low HDI, these organizations have played a significant grass-roots role in opening up the regional economy. NGOs play a strong role in mobilization and policy advocacy for human rights, environmental rights, and the rights of women and children. Intellectual elites have established regional research institutes like the Regional Center for Strategic Studies (RCSS) and the Center for South Asia Policy (CSAS). Moreover, private citizens have also promoted the establishment of a series of subsidiary bodies under SAARC, like the South Asian Chamber of Commerce, the South Asian Free Media Association, and the Law Society of SAARC.

From these examples it is clear that economic fragmentation at the governmental level doesn't necessary hinder un-official social integration and informal contacts. *This shows that South Asia is a relatively closed and unique social and political unit.*

Idea Dimension: Rethinking security & development

As defined above, security architecture should embody a sense of coherence and should be sufficiently broad to accommodate the "comprehensive" meanings of security. Since the establishment of the Republic of India and the Islamic Republic of Pakistan, what would constitute a coherent sense of security? How can these two actors seriously prioritize between military spending and development spending, between their traditional military rivalry and their non-traditional security concerns? What about the conflict between state security and human security?

For a long time South Asia's main security concern, as a geographically closed sub-continent, came by land from the north-west, rather than from the ocean. As Stephen Cohen said, "Since the end of the Cold War, the geo-strategic position of India has been still the same as that in the 18th century and 19th century." [25] Since independence in 1947 and the separation of Pakistan from India, political and military tensions have remained elevated in the minds of policy elites. These tensions thus become a constant factor when studying the security architecture of south Asia (although in 2011 some progress toward reconciliation has been made between India and Pakistan).
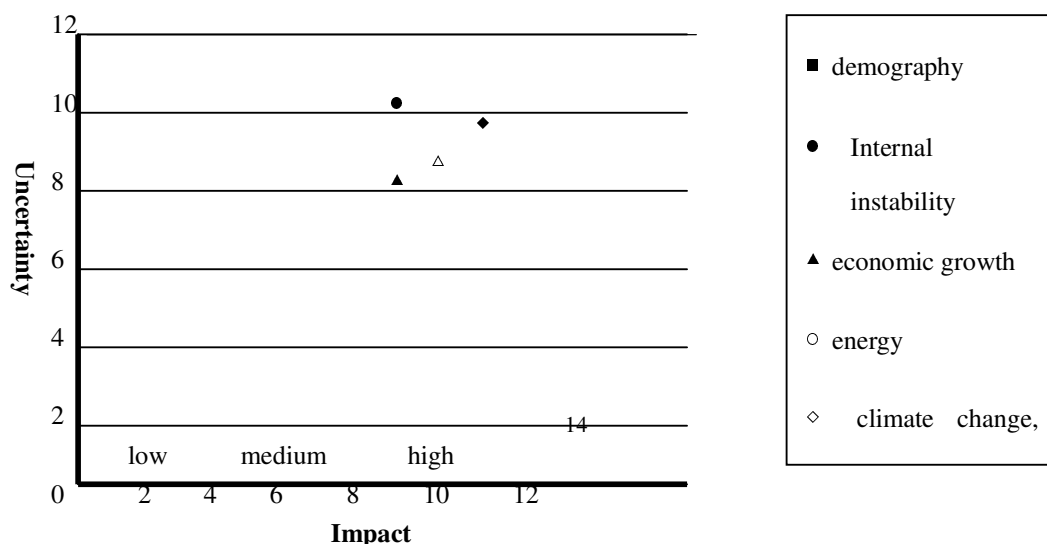
The recognition of this security threat has framed policy priorities around security and development for a long time, and this priority ranking has resulted in long-term negative impacts to the development of the whole region. Even today, South Asia remains one of the world's least-developed areas, and HDI in some areas even ranks below sub-Saharan Africa. Common people have difficulty getting clean water and basic food, education, and housing. In today's South Asia, it seems the whole region is facing a security situation in which traditional security constraints (nuclear deterrence) are intertwined with non-traditional security threats such as terrorism, trans-boundary

water resources, floods, climate change, ethnic conflicts and separatist movements.

It is estimated that by 2050, the population of South Asia will reach 2.3 billion. This will impose tremendous challenges to the overall effort to reduce poverty and achieve the UN Millennium goal. On the other hand, it also implies that the economy of South Asia must maintain a certain growth rate in order to create enough employment opportunities. Otherwise, the demographic profit (a large amount of young and relatively cheap labor) would not definitely contribute to the economic development. In that situation, expanding populations will become directly relevant to increased regional turmoil. If it's hard for a large number of young people to find a job, "it could give impetus to insurgencies, militancy and terrorism."[26] To take advantage of young people as a resource, huge investments in education and health will be required. It is of utmost importance that economic growth is inclusive so that its benefits are spread evenly among the population. And policy interventions of high quality will be required to make the growth inclusive.

How will these non-traditional drivers impact the uncertainties of security in South Asia? We are trying to rank these drivers on the impact-uncertainty matrix as follows:

Chart 1: Key drivers Impact-Uncertainty Matrix[27]

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First, from this matrix, it's not hard to conclude that the internal instability of countries will bring the most uncertain impacts to the whole region. If the region alone is not be able to manage these hypothetical future conflicts, in certain situations *external influence might be accepted and even welcomed.* In addition, although anti-Indian sentiment is high, India can improve its relations with its neighbors though a mediating power, which is the reason why some states in South Asia welcome the possibility of working with external powers so as to indirectly influence India. Second, the matrix suggests the possibility for cooperation on anti-terrorism and energy, but this does not necessarily mean it will be successful. Third, climate change, flood and water security, and economic cooperation are domains in which players may find common interest, but these issues are not high on most countries' agenda.

Rising India, emerging scenarios and implications for China

Rising India has brought a lot of opportunities to South Asia, while at the same time it has brought some doubts for people who wish to re-define it. For example, how could the economic development of India be inclusive so that the other states in South Asia also benefit from it? Or to put it another way, could India be the engine for economic development in South Asia? Could it incorporate its neighbors when it is rising? And what is India, if it's not only a sub-regional country? Also, when comparing India and Pakistan as two foci on the South Asian East-West axis, will India's rise make Pakistan weaker in comparison?" What will be the strategic implications of that?

With these questions in mind, we may hypothesize the following possible scenarios with considerations of some new trends and key drivers.

1. The *Deteriorating* scenario: with the increasing gap between India and Pakistan, both as the leaders of different camps, the asymmetry is increasing and those in

India's camp rely more on India, while the fragmentation between the two camps becomes more and more severe. The eastern part of the sub-continent, under the light of the rise of India, will show enhanced sub-regional integration, especially among key states in ASEAN, such as Thailand, Singapore and Indonesia. Meanwhile, the western part of south Asia will continue to suffer from terrorism, state transformations, and domestic political power struggles, unable to muster enough resources for economic development and human development.

2. The *No Change* scenario: Pakistan and Afghanistan, through tremendous efforts, realize stability after the U.S withdraws in 2014. Pakistan focuses on economic development, and the gap between India and Pakistan doesn't accelerate too much. The political distrust between India and Pakistan remains, and very little substantial progress is achieved through SAFTA. South Asia as a whole region will be unable to deal with the emerging problems of climate change, energy, and water and food security in a meaningful and effective way because this requires cooperation of a high degree, which will not be forthcoming.

3. The *Improving* scenario: Skeptical sentiment toward India on the part of the Western countries of South Asia softens as India seeks improved political and economic relations with its regional partners. The situation would improve vastly if India includes Pakistan as a lateral partner for regional development."

4. Meanwhile, economic profits will spill over into the political domain, and official trust between East and West will increase gradually and will have a beneficial impact on the security and developmental situation in the region.

The point at issue for all the above scenarios is how India will include its neighbors as it develops economically. That is, what kind of development model will India choose? We might say that India will face a process of re-industrialization while China is restructuring its economy. In respect to the rest of Asia, how could India and China, as the largest emerging states here, cooperate instead of conflict? We can examine this question from the perspective of the inter-regional economic linkages between East Asia and South Asia.

Till now, East Asia and South Asia have emerged as two extremely unparallel regions due to the gap in their levels of development. Since the 1998 Asian financial crisis, the de facto industry chain of East Asia has been transformed by Japan as the leader, followed by South Korea and Taiwan, then the PRC and Hong Kong, and finally Southeast Asia. A dozen years after its "Look East" policy was initiated in 1991, India has found it hard to follow Southeast Asia as the end of the industry chain of East Asia because (1) both India and Southeast Asia could not provide a final market for each other (final markets are still in the West); and (2) because India's economy is mainly IT driven it lacks core inter-linkage and related industry with Southeast Asia.

On the other hand, China has adopted a grand Western Development Strategy. If China's Western style development could become East Asia's Westward expanding tendency, it will be a way out for both India-China relations as well as India-Pakistan relations. The key to Western expansion is to link the industrial shift form East Asia to South Asia and foster the East Asian independent regional market with South Asia's industrialization process to realize inclusive economic development and human development at the same time. Thus it will form an industry chain in East Asia: Japan, South Korea, Taiwan, China, India, and Southeast Asia. It will be hard for India to skip both Southeast Asia and China to directly follow South Korea.

For China, there are also some implications for its South Asia policy. First, with India's rise, it's high time to respect the unique qualities of South Asia as well as both India and Pakistan's roles in the region. And in the short-term, China still needs to keep relatively active presence in South Asia, although this will arouse India's strategic suspicion, for in practice it will somewhat force diplomatic improvement with India's neighbors.[28] In the long-term, China should work together with other East Asian countries to include India in the East Asian industry chain and promote equal emphasis on both economic and human development. And for the important trilateral relations with Pakistan, the author assumes that China should conduct more substantial exchanges and cooperation with Pakistan while, at the same time, consulting with India on South Asia.

Acknowledgements

[1] See Louise Fawcett, "Regionalism in Historical Perspective", in Louis Fawcett and Andrew Hurrell, eds., *Regionalism in World Politics: Regional Organization and International Order*, Oxford University Press,1995/1997,p.10; Edward D.Mansfield and Helen V.Milner, *"The New Wave of Regionalism"*, *International Organization* Vol. 53, No.3,Summer 1999; Andrew Wyatt-Walter, "Regionalism, Globalization, and World Economic Orde*r"*, in Fawcett and Hurrelleds,*Regionalism in World Politics: Regional Organization and International Order,* Oxford University Press, 1995/1997,pp.92~97.

[2] See RafiqDossani, Daniel Sneider and VikramSood, *Does South Asia Exist?* Washington D.C.: Brookings Institute, 2009,

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