



Regional Integration in South Asia: Essays in Honour of Dr. M Rahmatullah

Prabir De and Mustafizur Rahman (Eds.), Knowledge World, 2017, 288 pages. Hardback. ₹800. ISBN 9789386288141

The rise of Asia represents a seminal turning point in history. Indeed, the next age of globalization could ultimately belong to Asia, reflected by a significant transfer of economic power. As a consequence of Asia's rise on the global economic map, it has necessitated greater interconnection within, and with, the outside world. This development of interconnection is taking place between nations as well as across regions and sub-regions in Asia. We are witnessing emerging corridors and several regional integration initiatives aimed at linking economic agents within a country or across regions by providing connection between economic nodes or hubs where economic resources and actors are concentrated. The objectives of such proposals are to strengthen regional integration and inclusive growth by bringing in lagging regions into the growth process. The book under review is a wonderful tribute to Dr M Rahmatullah who relentlessly championed the cause of multimodal connectivity in South Asia, and also seamless movement of goods across all of Asia. His seminal

contributions had put connectivity as central to economic prosperity and regional economic integration in the region. The editors De and Rahman have done a remarkable job by bringing together eminent experts contributing a wide range of issues relating to regional integration.

In the foreword, Dr. Rehman Sobhan emphasizes on the lifelong commitment of Dr. M. Rahmatullah for regional integration in South Asia. He writes that few individuals within the South Asia region did more to promote the process of regional integration than Rahmatullah who invested the final part of his life and professional work in committing himself to this agenda. Throughout his career Rahmatullah demonstrated professionalism, commitment to his work, and exceptional integrity in expressing his views and beliefs. For all his region-wide recognition as one of the main drivers of the vision to reconnect South Asia and integrate it into the wider Asian landmass he remained a person of great humility and exceptional decency in his dealings with all those around him.

This collection of essays in honour of Dr. Rahmatullah deals with a diverse range of issues concerning trade and integration in South Asia, and assesses policy priorities, implementation imperatives and emerging challenges. This book also discusses the trade facilitation measures, challenges and reforms agenda in order to establish a larger market in the region.

The volume reviews the progress made in terms of trade and connectivity in South Asia, and suggests ways towards further strengthening of regional integration in the region.

Kathuria and Shahid, in chapter-2, discuss ideas to boost trade and to bring prosperity in South Asia. They underline that artificial trade barriers have kept the countries distant and the resultant trade relations have not helped to ease the political tension and differences within the region. The authors propose numerous steps to galvanise trade and investment linkage within South Asia, for example, harmonisation of standards, moving towards a common external tariff, intra-regional investment promotion, formation of value chain, more liberal visa regime for specific visa categories, among others. While reasons like non-transparent regulatory restrictions on FDI and weak institutions are general constraints to investments in South Asia, the authors emphasise that intra-regional investments are constrained by South Asian politics.

Regmi, in chapter-3, reviews the development of regional transport networks in Asia and underlines the significance of the Asian Highway and Trans-Asian Railway in fostering the coordinated development of regional road and rail network. The chapter provides in-depth analysis of intermodal facilities and facilitation of land transport operations which are core building blocks of regional transport network in Asia. The author spells out the complexity of transport networks and infrastructure development projects and very rightly highlights requirement of active involvement of all the stakeholders, development partners and most importantly political commitment. The author

suggests some policy options to improve regional transport connectivity, for example, utilising of existing infrastructure and facilitation of cross-border connectivity and investments in railways and intermodal infrastructure.

Moazeem, in chapter-4, examines relative merit of diverse strategies from the perspective of building cross-border connectivity across South Asia. The author underlines that the progress of implementation of bilateral projects is much higher compared to that of the regional ones and suggests to review the progress of various cross-border projects under broader regional connectivity framework.

Chapter-5 focuses on trade facilitation in South Asia through transport connectivity. Rahman, Sadique and Saha analyse the significance of efficient transport connectivity as an important driver of trade competitiveness. The authors examine the current state of cross-border transport movement analysing regional motor vehicle agreements in South Asia, identify major barriers to vehicular movement and provide a number of policy recommendations to address present challenges.

Chapter-6 presents a comprehensive analysis of the Bangladesh, Bhutan, India and Nepal (BBIN) initiative. In this chapter, De discusses the challenges and opportunities in BBIN initiative and offers pragmatic suggestions to fasten the pace of integration. Unlike other regional initiatives, BBIN's focus is in non-trade issues such as connectivity and energy. The chapter underlines the imperative of improving trade facilitation measures. More importantly, it proposes greater involvement of states or sub-national entities to make BBIN MVA more in-

clusive, which could be a role model for others.

Ahmed and Shabbir, in chapter-7, examine Afghanistan's trade and transit cooperation with Pakistan and discuss ways and means to increase trade between these two countries and to make trade and investment more cost-effective. The authors underline that despite immense potential for trade with Afghanistan, Pakistan lacks a coherent diplomatic and economic foreign policy approach. Indeed, they also underline the requirement of negotiation between trade officials of two countries on several issues such as customs clearance process, safety of containers and consignments, credit facility for traders, etc. and suggest to strengthen the institutional framework of trade diplomacy. More importantly, this chapter also proposes some future research agenda.

Rajkarnikar, in chapter-8, examines recent developments in Nepal's trade logistics and the implications for South Asia regional cooperation. The chapter underlines institutional weaknesses and implementation delays, which require extensive financial and technical support.

Due to its unique geographical location, Bangladesh has immense potential to become a transit hub of the region. Yunus, in chapter-9, discusses transit issues through Bangladesh and underlines major predicaments along the possible transit corridors. The author offers detail analysis on what Bangladesh needs to spend on infrastructure and facilities, suggestions on various charges and fees collection and also viability of each of the corridors. The author estimates that upon creation of identified infrastructure and facilities, Bangladesh could earn up to US\$ 5.9 billion per annum

and Bangladesh should negotiate regional and sub-regional agreements in order to take forward the regional connectivity agenda in South Asia.

Mukherji and Behera, in chapter-10, present the recent trend in India-Pakistan trade and examine the implications of trade normalisation by Pakistan on India's market access in the former's market. The delay in normalisation of trade between India and Pakistan is neither in the interest of Pakistan nor of India. The authors underline that accessing more competitive intermediate goods from the Indian market will only aid Pakistan's industrialisation, but in order to reap the benefits of bilateral and regional trade, Pakistan requires to provide WTO compatible MFN status to India.

The growth of border trade depends on political and security situation in the border area as well as the transport infrastructure and the institutional and regulatory arrangements that facilitate the movement of goods and services. Iyengar, in chapter-11, discusses the current border trade between India and Myanmar and Bangladesh and Myanmar and the tremendous potential the region has, which can be harnessed with enhanced connectivity.

Bhattacharya and Rezvana, in chapter-12 examine the Sustainable Development Goals (SDGs) and revisit the prospects of strengthening regional cooperation and integration for successful implementation of the 2030 Agenda, with special attention to governance, peace and security in South Asia. The authors discuss missed opportunities and outline the need to strengthen regional efforts for implementing the more ambitious SDGs.

There is no doubt that enhancing connectivity and regional integration will lead to greater economic activities and will improve industrial development in South Asia region where a huge potential exists but is underutilised. Certainly, multimodal transportation systems enable the processes of infrastructural development to key sectors such as trade, investments, and other economic agencies. While this is a positive result of regional integration, there are also some downsides that need to be factored in, which relate to issues of social displacement and social conflict. These need to be addressed primarily because regional connectivity projects often permeate peripheral areas of nation-state boundaries, which at times remain somewhat removed from mainstream processes. Another aspect that needs to be factored in is the question of large scale environmental impact by the expansion of industry. More importantly, the politics of routes has played an important role in the security and developmental agenda of the South Asian region and requires more attention from these experts. Perhaps, these aspects require another set of papers.

Reviewed by Rajeev Ranjan Chaturvedy, Research Associate at the Institute of South Asian Studies, National University of Singapore (NUS), Singapore

Overall, this book offers a lucid, comprehensive and judicious account of new paradigms of regional integration in South Asia. This collection of essays is an excellent contribution to understanding the process of regional integration and very well researched papers make it an essential read for scholars and policymakers striving to understand the complexity of regional cooperation and integration in Asia. The book will be welcomed by both policy makers and scholars alike.