A Rationalist Perspective on Regional Cooperation in South Asia

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IAL 598: South Asian Affairs

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August 14, 2025

There is no way to characterize contemporary South Asian geopolitics without the adjective “complex”. The Indian subcontinent is enigmatic, as it shares a broad overlap in ethnic, cultural, and economic interests – but experiences vast divergence in national and political identities. For the diverse nations that make up South Asia, geopolitics are a carefully calibrated balancing act – one between domestic political goals and the pressures of global forces i.e., The United States or China. These goals rarely align, and thus cooperation is at best limited between nations. However, the subcontinent was not always defined by such uncompromising and divergent foreign policy rhetoric.

British colonialism – which began in earnest during the 1700s – widened the existing fissures between the ethnic and religious groups of the subcontinent. As imperial rule weakened throughout the 20th century, the political movements that culminated in Partition emerged, namely the Muslim League and the Congress Party. When Britain rapidly withdrew and announced the establishment of Muslim Pakistan and Hindu India on August 15, 1947, chaos unfolded. Over 15 million people were displaced, and estimates of the death toll range from hundreds of thousands to over one million. The impact of a tragedy such as Partition does not simply disappear, and its traumatic legacy is evident today in many critical aspects of the subcontinent, especially in the realm of international cooperation.

Despite a shared interest in many sectors from education to technology, security and climate, cooperation between South Asian nations has been limited since 1947. Attempts have been made to institutionalize cooperative structures with the establishment of the South Asian Association for Regional Cooperation (SAARC), but India-Pakistan tensions have effectively sidelined the organization, as will be examined in detail later.

Turbulent political atmospheres (as in Bangladesh or Afghanistan) and the rise of emerging nationalism (as in India) have recently empowered hardline rhetoric and isolationist policies, further reducing the effectiveness of existing institutions. However, the entire region now faces new and evolving challenges in climate change and terrorism. These challenges require a re-examination of international institutions through a rationalistic lens. As elucidated by Robert Keohane (1988), even in the absence of hierarchical authority, institutions provide information, stabilize expectations, and make decentralized enforcement feasible. These tenets are required for continued development in South Asia, especially in the face of climate change and emerging threats of terrorism.

The Failures of SAARC as a Regional Institution

A detailed examination of Partition and its roots imparts a nuanced understanding of contemporary India–Pakistan relations. Furthermore, reviewing the failures of SAARC indicates the centrality of this relationship to the health of any future regional institutions.

To begin unravelling Partition we must go back to the arrival of Muslim rule in the 11th century. Historical Sanskrit records from this period refer to the outsiders not by religious distinction, but by ethnic or linguistic differentiations (Dalrymple, 2015). This indicates that novel religious affiliation meant little to the Hindu practitioners, and thus their definition of an “outsider” was measured in other ways. A tradition of religious coexistence largely chronicled the relationship between Indian Sikhs, Hindus, and Muslims over the following centuries. Kingdoms rose and fell, wars were waged, but religion never defined the social construct of society. When, where, and how Indians began to place themselves into a box based on religious beliefs still baffles.

Yasmin Khan (2007) argues that religious self-identification by Indian Muslims and Hindus began to gain momentum in the decades prior to Partition, especially in the educated, upper middle class. Indicators such as violence between worshippers saw an uptick over this time period, hinting at what was to come. Instances of riots unfolded with increasing frequency at Hindu festivals of colour, Holi, as well as between Hindu and Muslim worshippers (Khan, 2007).

The root of this newfound way Indians viewed themselves lay in law and policy dictated by the British. Most policies were in fact well meaning in their attempt to represent religious sects equally, often through redistricting measures. The most consequential of these measures came in 1909, when the British Raj enacted a policy granting religions their own political districts (Khan, 2007). What were once porous boundaries between communities became solidified, and religious organizations grew stronger—often led by fervent and dogmatic leaders. By the 1940s, segregation between Muslims and Hindus had reached such a level that train platforms offered separate refreshments for Hindu and Muslim travelers (Khan, 2007). With the hasty and ill-planned departure of British forces in 1947, the kindling had been laid for the explosion of chaos and violence that followed.

The legacy of Partition still manifests today in persistent military conflict between India and Pakistan. Central to the problem is the disputed Kashmir territory. Claimed in full by both nations, three full-scale wars and countless skirmishes have taken place across the Line of Control (LoC). India and Pakistan relations have largely been defined by this contentious issue

since 1947. Despite this, leaders of the region have been optimistic about regional development for South Asia, especially in the second half of the 20th century.

In 1980, Ziaur Rahman, the late Bangladeshi President, first proposed a regional organization to promote economic and social development for the region. General Rahman had come to power through a military coup 5 years earlier, and thus sought to legitimize his political regime by spearheading development of a regional institution (Dash, 2008). Over the next 5 years, the organization underwent several iterations, finally becoming SAARC at the 1985 Dhaka summit (Dash, 2008). Whatever grand views president Rahman had of SAARC quickly faded though. Deadlock and inactivity gripped the organization, and most of its achievements today exist only as declarations, without substantial funding or action plans behind them.

Underlying this inactivity is a flawed decision making structure, which requires unanimous approval. During the development of SAARC, India feared that Bangladesh, Pakistan, and other smaller states of SAARC could “gang up”, and thus insisted on a principle of unanimity (Dash, 2008). Practically, this measure has resulted in voting that is regularly deadlocked by the “reluctant partners” of India and Pakistan. Representatives from both sides have increasingly boycotted summit meetings too.

This political tension has dismantled SAARC as an effective institution in anything other than name. India for its part has looked Eastward, specifically to the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) alliance. However, looking East for India also means looking away from the underlying cause of SAARC’s failure, and ignoring a large part of the subcontinent.

SAARC was founded 40 years ago, and in the rapidly developing region of South Asia, much has changed since. SAARC’s failures don’t condemn all regional institutions to such a fate, but rather highlight the importance of careful and realistic planning in their construction. In reexamining through the lens of a rationalist, institutions “appear whenever the costs of communication, monitoring, and enforcement are relatively low compared to the benefits to be derived from political exchange” (pg. 385). Although our analysis has highlighted the traumatic history of India and Pakistan, we see that there exists potential on these grounds. Geographic proximity and continued advances in technology mean both countries share a low cost of communication. Despite the deadlock of the Kashmir issue, the shared problems of climate change and terrorism necessitate political exchange. This presents an optimistic outlook for future institutionalism and for long-term Pakistan India reconciliation.

Despite a difficult road ahead for South Asian regionalism, the opportunity continues to exist in the form of a low cost relative to high benefit ratio for cooperation. In the next section this relationship will be examined with regard to climate change.

Adapting to Climate Change in South Asia

In the rationalist view of international institutions, effective institutions reduce certain forms of uncertainty and alter transaction costs between states (Keohane, 2005). Addressing the uncertainty posed by climate migration and resource competition, along with the shifting transaction costs created by humanitarian, economic, and environmental shocks, will thus require strong regional institutions

The Indian subcontinent will be exposed to grand challenges from climate change-induced migration and environmental stressors in the years to come. These issues don't respect political boundaries, and will affect inter-state dynamics in a multilevel way–from locally increased urban population centers, to intra-state disputes of resources and cross-border migration.

Populations in India and Bangladesh have already felt pressure from the economic and environmental impacts of climate change. Bangladeshi immigration to India has ramped up, especially in the Indian region of Assam. The Indian government has responded forcefully, with hundreds of ethnic Bengali Muslims expelled to Bangladesh in 2025, without due process (Human Rights Watch, 2025). These tensions will likely increase as rising sea levels threaten to submerge the fertile river deltas in Bangladesh, further driving emigration inwards towards India. Duque (2024) points out that although economic factors drive Bangladeshi immigration, "environmental degradation and climate change, which increase the likelihood and impact of natural disasters and resource scarcity, are other factors driving or accelerating emigration" (p. 2). A regional institution is beneficial for developing coordinated policies to mitigate the underlying causes of mass migration i.e. loss of economic opportunity or rising sea levels. These same institutions also reduce the uncertainty around these challenges through organizational structure and communication channels.

Climate change is an existential threat, and its impacts won't be contained to a single region. The entire subcontinent will see inconsistent summer monsoons and heat waves that disrupt agricultural production, forcing rural farming communities migration to urban areas. The

World Bank (2018) projects that the South Asian region could see 40 million internal climate refugees by 2050. This is a massive movement of people by any measure, and for a region where families often live in the same village for generations, the impacts will be profound.

Many of these impacts will be measured in significant humanitarian and security costs for the region. Research by the Stockholm International Peace Research Institute (SIPRI, 2016) indicates that rural-to-urban migration creates resource competition and tension between different socio-economic groups, leading to an increase of riots or violence. Furthermore, many of these migrants will be among the most vulnerable, requiring substantial investment to meet their humanitarian needs. For those rural families without the means or will to migrate, the loss of primary income sources will pose a severe challenge. SIPRI (2016) has also shown that income losses related to environmental shocks significantly reduce the opportunity cost of engaging in illegal activity or joining armed groups. Handling the security challenges of new or increased armed groups presents a dynamic problem for the entire region. Again, certainty through institutionalism can help mitigate these challenges.

Regionally, inter-state resource agreements will be put to the test. Chief among them is the Indus-Water treaty between India and Pakistan. Pakistan, a single-basin country, heavily relies on the Indus basin water to meet its domestic, agricultural and industrial needs (Akhtar, 2018). Water scarcity is already a serious concern in Pakistan, and decreasing glacial reserves will further reduce the basins' total output in years to come. The risk of conflict over water should not be underestimated.

Former UN secretary general Boutros Boutros-Ghali (1991) observed that the "next war will be fought over water, not politics". Furthermore, the population of South Asia is projected to increase by 25 percent to about 2.3 billion by 2050 (World Bank, 2018), placing increased pressure on an already strained system. The growing scarcity of vital resources such as water may compel states to consider military measures to safeguard their access, potentially igniting major regional conflict.

The challenges of climate change present a chance to re-evaluate current regional institutions. However, it is important to note the limitations of the rationalist institution. Keohane (1998) argues that the, "rules of any institution will reflect the relative power positions of its actual and potential members, which constrain the feasible bargaining space and affect transaction costs (pg. 387).

With this in mind, imbalances of power become more apparent in current regional agreements. For example, BIMSTEC identifies fourteen areas for cooperation, but in practice is heavily centered around growing trade between the seven member states. While not without merit– agricultural trade is a key driver of economic growth, and the region at large has over 712 million people who are identified as food insecure, economic centered regionalism can highlight power imbalances (De Silva & Chow, 2024).

When trade becomes the primary driver in regional cooperation, larger economies dominate policy in their favor, driving distrust between members. For example, De Silva and Chow (2024) analysis of BIMSTEC found that the Indian imposed ban on white rice exports, and implementation of a twenty percent duty on parboiled rice exports had lasting consequences. This disruption of the staple rice markets led to significant economic and social repercussions for BIMSTEC, especially affecting trust in India as a reliable economic partner, and also a legitimate political leader of the Global South.

In light of this, more can be done to allocate human and fiscal resources to the areas of poverty alleviation, counter-terrorism & transnational crime, environment & disaster management, and people-to-people contact within current frameworks like BIMSTEC. These sectors will build trust and low-level cooperation required for more stout regionalism, while also addressing some of the emerging challenges posed by climate change.

Regional Implications of a Second Taliban Governance in Afghanistan

Assessing the need for regional cooperation in South Asia would be incomplete without an analysis of the Talibans' return to power in Afghanistan. The collapse of the U.S. backed Afghan government in 2021 was chaotic, allowing the Taliban to quickly seize power. South Asia already had one of the highest concentrations of terror organizations in the world before 2021, and since then this has only increased (UNICRI, 2022). Combatting these groups' efforts to sow chaos and discord is paramount to regional security. Successfully handling a threat that oftentimes transcends national borders will require regional cooperation.

To better understand what many scholars have deemed a "ripple" effect in South Asian regional security, it is best to examine those states most immediately affected by Afghanistan's domestic woes, and then work outward. Pakistan shares a 2,640 kilometers (1,640 miles) long border with Afghanistan, known as the Durand Line. The challenging mountain terrain and isolated plateaus make the border particularly porous, allowing for fighters

to regularly surge across the border. According to the United Nations Interregional Crime and Justice Research Institute (UNICRI, 2022) Taliban ruled Afghanistan provides safe haven to between 10-14 active Pakistani terror groups, including Tehreek-e-Taliban Pakistan (TTP). The TTP has been responsible for increasing attacks in Pakistan since 2021 (UNICRI, 2022), and aims to establish an Islamic caliphate in Pakistan. Effectively at war with Pakistan's governement, they resort to indiscriminate terrorist activity including suicide bombings and shootings, which kill Pakistani civilians.

Other Pakistani militant groups such as Jaish-e-Mohammed (JeM) have found advantages of a Taliban ruled Afghanistan too. The Taliban is from the Deobandi branch of Islam, which has strong ties to Pakistan– in fact, many of the top Taliban leaders graduated from Deobandi schools located in Pakistan (Khan & Ahmed, 2025). Consequently, the JeM, also a Deobandi Islamist group, has found Afghanistan as a safe harbor for training and recruitment.

The strengthening of JeM is particularly dangerous to the region, in that their goal of a free and united Islamic Kashmir brings them into direct confrontation with a powerful and nuclear-armed India. Their most recent attack, the 2025 Pahalgam attack resulted in the death of 26 civilians in the Indian-administered region of Jammu and Kashmir. The following conflict brought India and Pakistan to the brink of full-scale war, raising serious concerns about potential nuclear confrontation. A U.S.-mediated ceasefire was announced on May 10, though New Delhi disputes Washington's role. Regardless, the threat that JeM poses has increased since 2021 and will continue to pose a problem for regional stability.

While it is difficult to imagine Pakistan and India cooperating bilaterally on counterterrorism in the near future, there are numerous examples of successful regional security institutions around the world—the most noteworthy being the North Atlantic Treaty Organization (NATO). NATO is undeniably one of the strongest institutions in the world today, more than 70 years after its founding. Originally intended to serve as a security institution to stabilize post-war Europe, and to counter expanding Soviet influence – it has become more than that. With the demise of the Soviet Union in 1992, the organization has continued to grow in membership, strength, and global influence. Membership in NATO not only offers strong security guarantees, it expands opportunities for economic growth and democratic reform too. It exemplifies how a security organization can be multi-dimensional and dynamic amidst changing global conditions.

A collective security institution in South Asia has the potential to build trust and foster intelligence-sharing among states in the region, much as NATO has done in Europe. The Taliban regime, along with the terrorist organizations it harbors, poses a threat to all who seek

peace and prosperity in the region. This reality creates a strong incentive for regional security collaboration, with the further possibility that such an institution could expand into a more comprehensive organization.

Conclusion

As we have explored, South Asia's traumatic past and complex geopolitical realities make the formation and effectiveness of regional institutions undeniably difficult. However, Keohane (1988) astutely notes that “it is the combination of the potential value of agreements and the difficulty of making them that renders international regimes significant” (pg. 383). In other words, when cooperation between nations is limited yet great potential exists for beneficial exchanges, institutionalism becomes most valuable.

Whether future regionalism is a revitalization of SAARC, an expansion of BIMSTEC into the greater Indian subcontinent, or the establishment of new institutions remains to be seen. Climate change offers an opportunity to create focused institutions, specifically built around solving the myriad of problems that climate-migration and resource scarcity may bring, while also building trust and people-to-people connections.

Terrorism presents an equally complex problem for the region, especially given the political and military tension that persists between India and Pakistan. However, institutions like NATO demonstrate the profound and stabilizing effects of a shared security coalition. Ultimately, there remain many areas of potential cooperation between the diverse nations of the region. If South Asia wants to grow stronger as a whole, it must face the fact that political cooperation is a necessity. Furthermore, as Keohane (1988) reminds us, if human beings wish to cooperate on more than a sporadic basis, they must make use of institutions.

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