

Political Economy of Reforms, Redistribution and Change in South Asia: Role of Regional Cooperation

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South Asian region stands at a rather paradoxical location in terms of its economic evolution seen from a regional perspective. On one hand, the region is identified as a test case for enormous human development challenges that the region faces, being home to nearly half of the world's poor and having nearly one fifth of the world's total population. Most of the South Asian countries have human development indices which typically characterize a region which has failed to ensure basic standards of health, education and employment to its teeming millions. Yet, it is also regarded as a region of potential and opportunity having witnessed nearly two decades of steady economic reforms and fairly decent pace of economic growth at the macro level, leading to emergence of a vibrant middle class constituting an attractive market opportunity for domestic and foreign investors alike. South Asia's failure therefore has been clearly in terms of its inability to translate its reform-led growth into an appropriate redistributive framework which would enable horizontal spread of the benefits and mitigation of the inherent inequalities that exist.

The present paper tries to analyze this dichotomy by looking at the regional situation and explores whether regional cooperation offers an instrument for the countries to share each other's experiences and implement programmes which could lead to collective well being and human development in South Asia. It looks at the frameworks which have been attempted under the auspices of the South Asian Association for regional Cooperation (SAARC), which have not really led to meaningful interventions so far and suggests alternative regional strategies to address the issues of poverty, inequity and redistribution in South Asia. It argues that there may not be a singular framework which could be adopted for South Asia as a whole, but a more specific approach factoring in the local scenarios which could be a building block for a regional effort to address the challenges of human development in South Asia.

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