South Asia Development and Cooperation Report 2008
Research and Information System for Developing Countries (RIS)

South Asia has emerged as one of the world's fastest growing regions with an average growth rate of 8 per cent sustained over the past five years. It has also strengthened its place in the international division of labour with a rising share in global trade and FDI flows besides other impressive achievements in economic and human development. Yet the region continues to be home for over 40 per cent of the world's poor and fares poorly in terms of different indicators of human development such as education, health, nutrition, and sanitation. Although the growth outlook is still robust, the downside risks posed by dramatic deterioration of external environment are serious. The region now faces a threat of slowdown in growth and a rise in inflation which may hamper progress in poverty alleviation and achieving development goals.

In this Report, RIS argues that South Asia can face these challenges much more effectively with deeper regional economic integration. It makes specific proposals for strengthening cooperation in trade and investment, transport infrastructure, trade facilitation, energy security, and social infrastructure within the region for mutual benefit.

By helping to create supply capacities in the poorer and lesser developed parts, regional economic integration can provide new opportunities for trade creation and fostering equitable development. The Report makes a strong case for expedient implementation of the South Asia Free Trade Agreement (SAFTA) besides extending its coverage and further deepening of cooperation in services, investments, industrial development, finance, and capital markets, while moving towards the cherished goal of a South Asian Economic Union.

An integrated South Asia, the Report argues, will be able to secure its due place in the emerging broader regional architecture in Asia and exercise its role in shaping the global governance.

For far too long, the economic logic of integration in South Asia has been overwhelmed by geopolitical considerations. Now with deteriorating global environment, renewed efforts must be made to give economic integration a chance in order to realize fully South Asia's potential for rapid and inclusive growth.

Readership
South Asia Development and Cooperation Report is an invaluable resource for policymakers, business leaders, development thinkers and practitioners in South Asia and beyond.