

2016 SAARC Summit: *Future of Regional Cooperation in South Asia*

Mahwish Hafeez*

Abstract

The people of South Asia share historical, cultural, linguistic, ethnic and geographical linkages. Despite these commonalities, South Asia remains a region marred by disputes, hostilities and mistrust. Trauma of partition of India still haunts the region. This situation has held the region back in terms of development for decades while other regions in the world were able to leave their differences and bitter past behind and move towards common good. The South Asian Association for Regional Cooperation (SAARC), which was established with the aim of taking the region out of its miseries, has so far not been able to live up to the expectations. A number of factors are responsible for keeping SAARC from achieving its full potential. However, it is time that South Asian countries, too, show maturity of being able of resolving their disputes and problems, create an environment of trust and move together towards mutual development and prosperity of the region.

Keywords: SAARC, India, Pakistan, 19th SAARC Summit, South Asia.

Introduction

A region is defined as ‘a limited number of states linked by a geographical relationship and by a degree of mutual independence’¹ whereas regionalism is a “political concept of geographically proximate nation states coming together with the objective of forging cooperation in jointly identified areas for their mutual benefits”.²

* *The author is Research Fellow at the Institute of Strategic Studies Islamabad.*

¹ Muhammad Jamshed Iqbal, “SAARC: Origin, Growth, Potential and Achievements,” *Pakistan Journal of History & Culture*, vol, XXVII/2 (2006): 129.

² Mohammad Humayun Kabir, “Sub-Regional Cooperation in South Asia: Interfacing Regionalism and Globalization,” in *Regional Cooperation in South Asia:*

The concept of regionalism has been defined in a number of ways. Mansfield and Milner described regionalism as “the disproportionate concentration of economic flows or the coordination of foreign economic policies among a group of countries in close geographical proximity to one another.”³ Andrew Hurrell defined the concept of regionalism as “a set of policies by one or more states designed to promote the emergence of a cohesive regional unit which dominates the pattern of relations between and among the states of that region and the rest of the world, and which forms the organizing basis for policy within the region across a range of issues.”⁴

The idea of regionalism gained momentum following the end of the World War II as a number of regional blocks appeared on the world stage with the aim of liberalising trade among the member states. The end of the Cold War further strengthened these commitments towards greater economic cooperation via free trade agreements.⁵ The European Union (EU) and the Association of Southeast Asian Nations (ASEAN) are few of the examples of how regional blocs can bring development and prosperity and usher into a promising future for a region and even beyond. Such blocs not only provide regional countries an opportunity to enhance trade and attract investments amongst themselves but also give them the influence, which they can use in world politics. This paper, while tracing the origins of SAARC, tries to answer why it failed to achieve its full potential. The paper also forecasts the possible agenda and outcome of the 19th SAARC Summit to be held in Islamabad in November 2016.

New Dimensions and Perspectives, ed. Shaheen Afroz (Dhaka: Bangladesh Institute of International and Strategic Studies, 2002), 281.

³ Edward Mansfield & Helen V. Milner, *The Political Economy of Regionalism: an over view*, in *The Political Economy of Regionalism*, ed. Edward Mansfield & Helen V. Milner (New York: Columbia University Press, 1997), 3.

⁴ Tom Keating, “Thinking Globally, Acting Regionally: Assessing Canada’s Response to Regionalism,” in *Regionalism, Multilateralism and the politics of global trade*, ed. Donald Barry & Ronald C. Keith, (Toronto: University of British Columbia, 1999), 214.

⁵ Pramod Jaiswal, “The Future of SAARC is Now,” *Institute of Peace and Conflict Studies*, Article no. 4725, November 4, 2014, <http://www.ipcs.org/article/south-asia/the-future-of-saarc-is-now-4725.html>

Any review of the literature reveals the universally accepted fact that SAARC, as a regional organisation, has been a disappointment. The reasons for its failure, however, differ in a sense that most of the smaller South Asian countries see India as a hegemonic power and a threat to their sovereignty whereas Indian narrative blames the smaller countries for misunderstanding Indian intentions in the region. There is also criticism on India and Pakistan for their inability to resolve their bilateral differences which is considered to be one of the major reasons for SAARC's failure. The paper, therefore, tries to assess how far bilateral relations of South Asian countries are responsible for SAARC's failure and how these failures can be overcome to bring South Asia at par with the other developed regions of the world.

Theoretical Framework

This paper analyses SAARC in the light of the "New Regionalism Theory", presented by Hettne and Söderbaum, to assess how far South Asia has been integrated as a region. Hettne and Söderbaum argue that new regionalism began to emerge in the mid 1980s in the context of structural changes in the global system. The 'new regionalism' is a worldwide phenomenon. Regionalism refers to the "urge for a regionalist order either in a particular geographical area or as a type of world order." It, therefore, is associated with a "programme and strategy and may lead to formal institution-building."⁶ The process of regionalisation can be intentional or non-intentional. It may move unevenly along the different dimensions of the new regionalism like economics, politics and culture etc.

Hettne and Söderbaum further describe the concept of region which is fundamental to regional analysis. The authors argue, "to identify regions implies making judgments regarding the degree to which a particular area in various respect constitute a distinct entity, which can be distinguished as a relatively coherent territorial subsystem (in contrast with non-territorial sub-systems) from the rest of the international systems. When different processes of regionalisation in various fields and at various levels intensify and converge within the same geographical area, the cohesiveness and thereby the distinctiveness of the

⁶ Björn Hettne & Fredrik Söderbaum, *Theorising the Rise of Regionness*, *New Political Economy* (2000), 5:3, 457-472, DOI: 10.1080/713687778

region in the making increases.”⁷ In an effort to ascertain the level of ‘regionness,’ Hettne and Söderbaum present the new regionalism theory and discuss, in detail, five different levels that include:⁸

1. *Regional Space*: A region is rooted in a territorial space with a functioning society controlling certain natural resources and united through a certain set of historical or cultural values and common bonds of social order;

2. *Regional Complex*: This implies widening trans-local relations, either positive or negative, between human groups and influences between/among cultures. Regional identities may date back to pre-modern history. A history of interdependence may exist which can be regarded as a starting point of regionalism. However, keeping in view the postcolonial creation of states particularly after the Second World War in Africa and Asia, the state monopolies external relations that discourages regional consciousness. Social relations in a nation-state system may be hostile and lacking in cooperation. People of nation states are less likely to have mutual trust in each other;

3. *Regional Society*: It is a level where crucial regionalisation process develops and intensifies. Variety of processes of communication and interaction between a multitude of state and non-state actors emerge along several dimensions i.e., economic, political and cultural. This rise in the intensity and scope of regionalisation may come about through formalised regional cooperation or spontaneously;

4. *Regional Community*: A process where a region increasingly turns into an active subject with a distinct identity, institutionalised or informal actor capability, legitimacy and structure of decision making with a regional civil society. It is a level of convergence of ideas, organisations and processes within a particular region;

5. *Region State*: A voluntary evolution of a group of formerly sovereign national communities in a new form of political entity, which is more democratic than other international polities. Authority and decision

⁷Ibid.

⁸ Ibid.

making is not centralised but decentralised to the local, micro-regional, national and macro-regional level;

In view of the above mentioned levels, one can conclude that South Asia as a region has a long way to go. In fact, after three decades of its establishment, SAARC could not cross into the third level and South Asia remains a region marred by differences and mistrust.

Historical Background of SAARC

The idea of establishing a regional cooperative body in South Asia was not a new phenomenon. The idea was discussed at least on three occasions before President of Bangladesh, Zia-ur-Rahman started serious negotiation and discussions with his other South Asian counterparts. These earlier occasions included Asian Relations Conference in New Delhi in April 1947, the Baguio Conference in the Philippines in May 1950 and the Colombo Powers Conference in April 1954. However, it was due to President Zia-ur-Rahman's tireless efforts that SAARC appeared on the world stage in 1985 as an organisation of seven South Asian nations: India, Pakistan, Nepal, Bangladesh, Sri Lanka, Maldives and Bhutan. Afghanistan formally became its member during the 14th SAARC summit in 2007 whereas Iran, the European Union (EU), the United States, Myanmar and China have the Observer status of the organisation.

SAARC was established to promote regional cooperation for development and prosperity of the South Asian region. The charter of SAARC put forward the following objectives.

1. To promote and strengthen collective self-reliance among the countries of South Asia.
2. To contribute to develop mutual trust, understanding and appreciation of one another's problem.
3. To promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields.
4. To strengthen cooperation with other developing countries.
5. To strengthen cooperation among themselves in international forums on matters of common interests.

6. To cooperate with international and regional organisations with similar aims and purposes.⁹

Unfortunately, after 30 years of SAARC's establishment, the South Asian region still remains the least integrated region in the world.

Successes of SAARC

SAARC, while avoiding the contentious issues, focuses more on eradicating social evils like poverty, health and education, goods and human smuggling, particularly of women and children. However, it is unfortunate that even in these areas, SAARC has not been able to live up to the expectations. Since its inception, in its various summits, SAARC took numerous decisions but the implementation of those decisions remains ineffective. However, despite this, some important agreements and conventions are listed below:

1. Food Security Reserve: An agreement on establishing SAARC Food Security Reserve was reached during the third SAARC Summit 1987, which came into force on August 12, 1988. It was meant to provide reserve of food grains in emergencies;
2. SAARC Regional Convention on Suppression of Terrorism: It was signed in Kathmandu in November 1987 during the third SAARC Summit and came into force on August 22, 1988. As per this convention, member states are committed to extradite or prosecute alleged terrorists, thus, denying them the safe heavens;
3. SAARC Convention on Narcotic Drugs and Psychotropic Substances: This convention was signed during the fifth SAARC Summit in November 1990 and came into force on September 15, 1993. It seeks to reinforce and supplement at the regional level all the relevant international conventions and promote regional cooperation among member states in both law enforcement and demand reduction;
4. Agreement on SAARC Preferential Trading Arrangement (SAPTA): This agreement was signed by the Ministers of member states on April 11, 1993 during the seventh SAARC

⁹ Muhammad Jamshed Iqbal, "SAARC: Origin, Growth, Potential and Achievements."

Summit. It was aimed at providing gradual liberalisation of intra-regional trade.¹⁰

5. SAARC Convention on Regional Arrangements for the Promotion of Child Welfare in South Asia: As it is evident from the title of Convention, it was signed as a token of recognition of this fact that quarter of world's children live in South Asia and many of them need assistance and protection to secured life to fully enjoy their rights and to develop to their full potential and lead a responsible life in family and society. This Convention was signed on January 5, 2002.¹¹
6. SAARC Convention on Preventing and Combating Trafficking in Women and Children for Prostitution: This Convention was signed on January 5, 2002 in recognition that trafficking in women and children for the purpose of prostitution is incompatible with the dignity and honour of human beings and is a violation of basic human rights.¹²
7. SAARC Convention on Mutual Assistance in Criminal Matters: It was signed on August 3, 2008 in order to combat crime by strengthening cooperation in the prevention, investigation and prosecution of crime.¹³

Apart from these conventions and agreements, SAARC Summits have proved to be fruitful for sideline meetings among the heads of states. This has been especially true in case of India and Pakistan, where in the past on at least two occasions, the Colombo SAARC Summit of 1998 and the Kathmandu Summit in 2003, helped in breaking the ice between the two countries and paved the way for normalisation of relationship.

¹⁰ Amera Saeed, "Regional Cooperation at the Track II level:Cracking the 'Genome' of intergovernmental processes," in *Regional Cooperation in South Asia: New Dimensions and Perspectives*, ed. Shaheen Afroze, (Dhaka: Bangladesh Institute of International and Strategic Studies, 2002),407- 411.

¹¹ Text of the convention at <http://www.saarc-sec.org/userfiles/conv-children.pdf>

¹² See text of Convention at <http://www.saarc-sec.org/userfiles/conv-trafficking.pdf>

¹³ See text of Convention at <http://www.saarc-sec.org /userfiles/ Various%20Publications,%20Agreements,MOUs,%20%20Conventions.%20Charters/PUBLICATIONS/Pdf/Convention%20on%20MACM%2031%20July%202008.pdf>

Regional Cooperation – Reasons for Failure

Unfortunately, there is little that SAARC can claim to be its achievements. (Unlike other regional organisations like ASEAN, SAARC's performance and progress has been dismal. In fact, during 30 years of its existence, SAARC failed to hold 11 annual summits mostly due to political reasons both at bilateral and internal levels.¹⁴ The organisation has been a failure, which was also admitted by the Heads of the member states of SAARC during the last Summit held in 2014. Yashwant Sinha, India's Former External Affairs Minister went to the extent of calling SAARC "a complete failure."¹⁵ He went on to say that "I find SAARC's future is bleak" as the organisation cannot move beyond organising a cultural event or establishing an educational institution as part of its initiatives.¹⁶

South Asia has a huge potential as the combined economy of this region is the third largest in the world in terms of GDP following the United States and China and the eighth largest in terms of nominal GDP. The region comprises three per cent of the world's area and has 21 per cent of the world's total population.¹⁷ Yet, the regional countries have not been able to take advantage of what has been gifted to them by nature. SAARC's Global Foreign Direct Investment (FDI) is only three per cent and it contributes only two per cent of the world trade. Even worst enough, 24.5 per cent of its population lives in poverty.¹⁸

Trade among the regional countries remain dismal despite the conclusion of South Asia Free Trade Agreement (SAFTA) in 2006. Total trade of the region is less than five per cent of the region's total commerce and in services it is 0.2 per cent as compared to 26 per cent in

¹⁴ SD Muni, "A disappointing SAARC Summit," *Al Jazeera*, November 28, 2014, <http://www.aljazeera.com/indepth/opinion/2014/11/disappointing-saarc-summit-2014112885157300755.html>

¹⁵ Yashwant Sinha, "The SAARC experiment has failed," *Economic Times*, June 27, 2010, <http://economictimes.indiatimes.com/special-report/the-saarc-experiment-has-failed/articleshow/6096578.cms>

¹⁶ Ibid

¹⁷ Asiya Mahar, "SAARC, an incoherent organization after 30 years," IPRI Insight, vol.2, no.1&2 (July 2014-February 2015):63, <http://www.ipripak.org/wp-content/uploads/2014/01/insight-v2n12.pdf>

¹⁸ Ibid

ASEAN.¹⁹ This situation obviously does not present a very encouraging picture as far as regional cooperation is concerned. In fact, Lyon described South Asia, two decades ago, as a “region without regionalism.”²⁰ At the same time, growing economic as well as energy interdependency has been proving a major factor towards bringing the regional countries on some sort of understanding on regional cooperation. However, there are some hurdles in the path of attaining this regional cooperation such as political instability in the region, the preponderance of India and the lack of trust of one another’s intentions among the member states.

Major Impediments in SAARC’s Failure

Complex India-Pakistan Relations

The first and the foremost reason for SAARC’s failure is the complex nature of relations between India and Pakistan. Both the countries, even after lapse of almost seven decades, have not been able to resolve their differences on various issues. The mistrust that exists between the two countries has badly hampered the social development of the two countries. Both the countries spend major portion of their national resources on defence instead of social welfare projects. The two countries have fought wars and held a number of rounds of talks to seek amicable solution to their disputes but all such efforts for peace resulted in failure. Both the countries have not been able to resolve issues of even lesser importance, let alone resolving Kashmir dispute which is a core issue between them. Had it happened, it would have helped in restoring confidence in each other at least to some extent.

Political relationship between the two countries also had its toll on economic relations. The bilateral trade between India and Pakistan stands at a little over two billion US dollars whereas the actual potential is

¹⁹ K S Venkatachalam, “Is SAARC heading for failure?,” *Daily Times*, November 29, 2014.

²⁰ Aparajita Biswas, “SAARC: Security with a New Perspective,” *South – South Collaborative Programme*, Occasional Paper Series, the paper was presented to the CODESRIA/APISA/CLACSO South-South International Seminar on Regionalism in the South and the New Global Hegemony, in Accra, Ghana, for full text visit http://codesria.org/IMG/pdf/15_Aparajita_Biswas.pdf

estimated to be around 10 billion US dollars. The mistrust that exists between the two countries along with the reservations expressed by certain industries, Pakistan has also, so far, restrained from granting Most Favoured Nation (MFN) status to India despite approval by its Cabinet in November 2011. This mistrust had its fallout on SAARC and has rendered this regional organisation ineffective.

Terrorism

Terrorism is yet another problem which is responsible for regional instability. South Asian countries do not have a common definition of terrorism. Though the Additional Protocol was adopted in the 2004 SAARC summit but, later, the course of negotiations demonstrated the differences on the issue.²¹ Following the decade long Soviet invasion of Afghanistan Jihad was launched that brought with it violence and Kalashnikov culture in the region particularly in Pakistan. With Pakistan becoming a front line state twice, in this war and later after 9/11, the extra regional powers trained and equipped thousands of men to pursue their own interests. This situation has given rise to unprecedented radicalisation in Pakistan.

Pakistan has suffered immensely as it lost thousands of its soldiers and civilians at the hands of these extremists. This phenomenon has also bedevilled the bilateral relations between India and Pakistan in recent decades. Worst, the situation has allowed India to equate and propagate the indigenous struggle of the Kashmiri people as terrorism. Besides Pakistan, other countries in the region have also suffered from this menace, for example, three decades long ethnic conflict in Sri Lanka, the Maoist movement in Nepal and Naxalite Movement in India.

Geography

Geography is also one of the reasons for the disappointing performance of SAARC. India is the only country that shares boundaries, both land and maritime, with all the South Asian countries. This has been

²¹ Smruti S Pattanaik&NiharNayak, "Does South Asia Need a Regional Security Architecture?," in Cooperative Security Framework for South Asia, ed. NiharNayak (New Delhi: Pentagon Press, 2013), 65

disadvantageous since smaller South Asian countries become totally dependent on India.

Preponderance of India

Since India shares borders with almost all the South Asian countries, it has problems with other neighbours as well. Traditionally, the threat perception of smaller states from India and the fear of hegemony have dominated the bilateral relations with India. There is a general feeling that India perpetually interferes in their internal affairs. India has water sharing dispute with Nepal and Bangladesh. There is also the issue of open border between India and Nepal. The Indo-Nepal Friendship Treaty of 1950 which is seen to be heavily in favour of India, has also upset the equation of the bilateral relations. The smaller countries are cautious of India's role. However, after Hasina Wajid took charge of government in Bangladesh, the relations between India and Bangladesh have been on the upswing. There are perceptions that the nature of relationship would change drastically if Begum Khalida Zia led Bangladesh Nationalist Party (BNP) takes charge in Bangladesh. General Musharraf, while referring to the unimpressive progress of the organisation, in his speech at the opening session of 11th SAARC Summit in Kathmandu in 2002 said "The way forward is to make SAARC genuinely potent and through it sink differences, resolve disputes on the basis of sovereign equality. Let none amongst us consider more equal than others." Since SAARC charter does not include bilateral and contentious issues to be discussed; interstate conflicts are never discussed in this forum.

Generally, regional countries are more inclined towards forging relations on bilateral basis. Similarly, SAARC's inability to progress on a desired pace is partly because some countries, particularly India, have global ambitions. Indian government tends to look towards other regions particularly South East Asia. This approach has also left SAARC behind other regional organisations. Lack of political will on the part of regional countries is also cited as one of the reasons for SAARC's failure.

18th SAARC Summit

On November 26-27, 2014, the 18th SAARC Summit was held with the objective of developing "deeper integration for peace and prosperity."

2016 SAARC Summit

The Summit mainly focused on three connectivity agreements on road, rail and energy. Highlights of the declaration adopted towards the end of the summit are following:

- To deepen regional integration for peace, stability and prosperity by intensifying cooperation inter alia, in trade, investment, finance, energy, security, connectivity and culture and implement projects in a result-oriented and time-bound manner;
- To achieve South Asian Economic Union (SAEU) in a phased and planned manner through a Free Trade Area, a Customs Union, a Common Market and a Common Economic and Monetary Union;
- To enhance support to the least developed member states to ensure equitable benefits of free trade arrangements;
- To strengthen the Social Window of the SAARC Development Fund (SDF) and operationalise its Economic Window and Infrastructure Window for effective implementation of regional and sub-regional projects ;
- Directed SAFTA Ministerial Council and SAFTA Committee of Experts to accelerate free trade in goods and services in the region by putting into operation simplified and transparent rules of origin; implementation of trade facilitation measures; harmonisation of standards relating to Technical Barriers of Trade and sanitary and phyto-sanitary measures; harmonised, streamlined and simplified customs procedures; elimination of non-tariff and para-tariff barriers and smooth and efficient transit and transport facilities;
- Significant progress towards finalisation of the SAARC Motor Vehicles Agreement and SAARC Regional Railways Agreement was welcomed and it was agreed to hold a meeting of the Transport Ministers within three months in order to finalise the Agreements for approval. It was decided to substantially enhance regional connectivity in a seamless manner through building and upgrading roads, railways, waterways infrastructure, energy grids, communications and air links to ensure smooth cross-border flow of goods, services, capital, technology and people;
- Manifold contributions of Blue Economy in the SAARC Region and the need for collaboration and partnership in this area were also recognised;

- The need to enhance the visibility and stature of SAARC in international fora by forging common positions on issues of mutual interest and seeking group recognition in various multilateral institutions was also acknowledged.²²

The declaration also focused on issues like poverty alleviation, agriculture and food security, environment, health, education, youth, trafficking of women and children and their exploitation, social protection, migration, science and technology, telecommunication, tourism, culture, media, combating terrorism and trans-national crimes and governance. The member states also welcomed the offer made by Pakistan to host the 19th Summit of SAARC.²³

Though the declaration adopted towards the end termed the summit as a success, the fact remains that the outcome of the summit was far below the expectations. Out of the three agreements on road, rail and energy that were to be endorsed by the SAARC leaders, only one on energy could be signed. This agreement envisaged cooperation in the power sector among SAARC countries and facilitate integrated operation of the regional power grid. The other two agreements on connectivity could not be signed because Pakistan had some reservations on it. Through these connectivity agreements, India wanted land route for its goods to Afghanistan and Central Asia through Pakistan without any restrictions.²⁴ Further, no substantial progress was made on important issues like trade or flow of investments that would have ensured progress on regional integration. Similarly terrorism, which was, identified as top priority agenda by India, Afghanistan and Nepal did not get due attention as no significant agreement was signed by the member states.

On a positive side, Chinese Vice Foreign Minister, Liu Zhenmin announced that China would invest US\$30 billion for infrastructure development in South Asia in addition to the 10,000 scholarships for the South Asian students.²⁵ Indian Prime Minister Narendra Modi

²² Kathmandu Declaration November 26-27, 2014, <http://www.saarc-sec.org/userfiles/Summit%20Declarations/Kathmandu-18thSummit26-27Nov2013.pdf>

²³ Ibid.

²⁴ "Pakistan Scuttles Indian move at Saarc," *Nation*, November 27, 2014.

²⁵ SD Muni, "A disappointing SAARC summit."

announced to launch a communication satellite dedicated to SAARC countries by 2016 (though Pakistan has opted out of this project in March 2016 due to security concerns. This satellite will now be launched as South Asian Satellite instead of SAARC Satellite).²⁶

Expectations from the 19th SAARC Meeting in Islamabad

Unfortunately, despite its tremendous potential, South Asia is one of the most backward regions of the world. Home to 23.4 per cent of world's population, South Asia accounts for only 6.66 per cent of the world's gross domestic product using the purchasing power parity method of calculation. Similarly, 44 per cent poor people of the world who live on less than a US\$ 1.25 a day also belong to this part of the world.²⁷ This situation calls for SAARC countries to take full advantage of the SAARC platform and join hands in order to help the people this region. The menaces of illiteracy, poor health conditions, unemployment, bad governance, corruption and terrorism plague this region. Though the historical journey of SAARC is not very encouraging when it comes to addressing even the basic problems of the people, but one can only hope for a better outcome from the upcoming SAARC Summit. The leaders of the region shoulder the responsibility to take this region out of its backwardness and strive together for a respectable and rightful place on the world stage.

Issues like terrorism, trade and investment need urgent and serious attention of the leaders. There is a need that the SAARC leaders make sure that their deliberations on these sensitive issues go beyond mere lip service and concrete steps are not only taken but also implemented.

Since all the countries of South Asia mainly depend on agriculture, therefore, it would be prudent that South Asian countries share their experiences and latest researches in these fields. More importantly, understandings reached among the member states in earlier summits need to be implemented for the benefit of all.

²⁶“How SAARC Satellite project fell prey to India-Pakistan rivalry,” *Hindustan Times*, March 23, 2016, <http://www.hindustantimes.com/world/how-saarc-satellite-project-fell-prey-to-india-pak-rivalry/story-wCiUSzx41DDJgeeO4TZNjM.html>

²⁷ Jayshree Sengupta, “SAARC: The Way Ahead,” ORF Issue Brief, no.102, http://www.orfonline.org/wp-content/uploads/2015/08/IssueBrief_102.pdf

Again, it is lack of trust that is impeding trade and connectivity, the two essential components for regional integration. South Asian Free Trade Agreement (SAFTA), which came into force on January 6, 2004, aimed at reducing custom duties on all goods to zero by 2016. However, the sensitive lists on which there would be no tariff reduction off all the states remained long. Almost 53 per cent of the total intra-regional import trade was excluded from Tariff Liberalisation Programme under SAFTA.²⁸ In the area of connectivity, the agreements that were being negotiated during the 18th SAARC Summit are unlikely to be signed till the time a certain level of trust is developed between India and Pakistan. However, China is doing a great job by undertaking mega infrastructure projects like “One Belt one Road (OBOR)” the China-Pakistan Economic Corridor, a major project of OBOR, which will benefit not only China but also the entire region.

Energy is another area where serious efforts are required. Though India is working with Nepal on hydroelectric power projects, there is a need that this issue is addressed more holistically as all the South Asian countries are energy deficient.

Similarly, Climate Change is another area where many South Asian countries are facing existential threats. During the 18th Summit, SAARC member states called for the early implementation of the SAARC Convention on Cooperation on Environment and Thimphu Statement on Climate Change, the 19th SAARC Summit needs to take serious note of the progress made by the organisation in last two years. The leaders also need to take into account the gross gender inequality in the region and note the improved situation in the region due to SAARC Development Fund besides looking for further improvement to protect women from exploitation.

China as a Full Member of SAARC

One of the important impending issues that SAARC is facing and which is also expected to be a part of the agenda in the 19th SAARC Summit is giving full membership status to China. China became an observer member at SAARC in the Dhaka Summit in 2005 — an initiative taken

²⁸ Ibid.

by Pakistan, Nepal and Bangladesh. This initiative was strongly opposed by India, Bhutan, Afghanistan and Maldives.²⁹ Lately, China has been pushing for full membership in the organisation on account of its increasingly trade and economic linkages as well as its geographical proximity with the region.

India is not willing to agree to this arrangement due to certain reasons. For one, India sees South Asia, particularly the smaller countries of the region as its own sphere of influence and SAARC as an instrument to consolidate Indian hegemony in the region. Inclusion of China either as a full member or the dialogue partner would certainly undermine India's superior position in the region as well as SAARC's. It contends that China is not a South Asian country and this association was established exclusively for the South Asian countries.

Recently, China has been able to make inroads in the region and is working closely with Nepal, Sri Lanka and Bangladesh in various development projects. In trade too, China is the largest trading partner in the region with Pakistan, Bangladesh and India itself and second largest trading partner with Sri Lanka and Nepal.³⁰ On the whole, China's trade increased from US\$5.7 billion in 2000 to US\$93 billion in 2012 with China's imports from the region increasing from US\$ 1.9 billion in 2000 to US\$ 22.6 billion in 2012.³¹

The smaller countries of the region have also been looking towards China in an effort to reduce their dependence on India. Here it is interesting to note the case of Bhutan which has so far resisted forging closer relations with China. In fact, a few years back, Bhutan tried to set up an embassy in Beijing and allowed a Chinese Ambassador to take up residence in Thimphu. This was not viewed favourably in New Delhi and subsequently ruling party lost elections. The new government in Bhutan has refrained from any such move.³²

²⁹ Amrita Jash, "China's membership in SAARC: An anxiety for India," SADF comment, no.16, ISSN. 2406-5617 at <http://sadf.eu/new/blog/comment-nr-16-india-china-saarc-regional-cooperation/>

³⁰ Ibid.

³¹ Ibid.

³² John Cherian, "Behind the bonhomie," Frontline, December 26, 2014, <http://www.frontline.in/world-affairs/behind-the-bonhomie/article6672454.ece>

In this situation, it is understandable that India would not like to see China's status being elevated from an observer to full member despite the fact that all other SAARC countries are in favour of it. This issue was given special focus during the deliberations of the 2014 Kathmandu Summit where Nepal and Pakistan strongly favoured China. It is expected to be discussed in the 19th Summit also.

How to Make SAARC a Vibrant and an Effective Organisation

1. The First and the foremost requirement to make SAARC a vibrant organisation is the political will on the part of all South Asian leaders. Improvement of relations between India and Pakistan is yet another key factor. This can only be achieved through sustained, meaningful and result oriented dialogue. After a gap of seven years, Indian External Affairs Minister, Ms. Sushma Swaraj's announcement of commencement of dialogue process, during her visit to Islamabad, at the Heart of Asia Conference was a welcome development. However, this positive development could not bear fruit so far. One can only hope that both the countries will make sure that the mutual decision to resume dialogue process will not be allowed to vanish into thin air. Again, it is the political will that is a prerequisite for resumption of dialogue process as well as finding solutions to disputes.
2. There is a need to develop a common South Asian identity among the people of this region. Without developing this identity, any effort at forging a regional integration would be a fruitless exercise. This again can only happen if the South Asian countries are able to leave their differences behind and move together towards a prosperous future.
3. India also needs to resolve its disputes and remove the irritants with the other smaller neighbours. This will create an environment of mutual trust, which is essential for such associations and arrangements to realise their full potential for regional integration.
4. Respect for each other's territorial integrity and sovereignty is also important. Any incident like arrest of an Indian spy who was assigned to carry out subversive activities in Pakistan not only harm bilateral relations but also serves as an impediment to the development of SAARC as a regional organisation.

5. Terrorism is a menace that is afflicting half the world today. Almost all the South Asian countries have suffered from this phenomenon at one point of time or the other. At present, instead of blaming Pakistan alone, it would be prudent that this phenomenon should be seen in the regional context and all eight countries join hands to fight this problem. SAARC provides the best platform where regional countries can devise their course of action and implement the decisions taken to rid the region of all sorts of terrorism and extremism. Counter-terrorism mechanism should be strengthened so that pre-emptive measures can be taken to scuttle any nefarious designs of terror outfits.

6. People-to-people contacts can play a vital role in bringing about the required change in perceptions. At present, mutual suspicion of each other's intentions badly hampers friendly exchange among the people of South Asia. With the change of perception about each other and each other's intentions, political governments will have more space at their disposal to take bold steps for the betterment of the region.

7. Visa regimes in all South Asian countries need to be relaxed to facilitate people-to-people contacts. In addition to this, infrastructure and road connectivity also need to be improved to facilitate tourists and business among the people of the region.

8. Since South Asia suffers from all sorts of social evils particularly poverty, illiteracy and gender inequality etc., it is important that all the agreements, plans and programmemes that the member states decided together to uplift the social conditions of people are implemented expeditiously and with full vigour.

9. Since almost all the countries of South Asia are energy deficient, it is important that they work together and take advantage of resources bestowed by nature on this region. India is working with Nepal on various hydroelectric power projects. Such initiatives need to be taken not only on bilateral basis but on regional basis as well. Experiences and latest researches conducted by one country should be shared among all the countries to enable them to take advantage of latest studies.

10. Environment is also a challenging issue that all the South Asian countries should address collectively. Glaciers in Bhutan and Pakistan are melting at a fast rate. Similarly, Maldives is also projected to be

submerged in waters in times ahead. This situation will also generate refugee crisis in the region. It is, therefore, imperative that SAARC countries take serious note of the situation and take concrete steps before it is too late.

11. Sub-region cooperation is also advocated by many quarters as this would also ensure cooperation between and among the member states. South Asia Sub-regional Economic Cooperation (SASEC) programme established by Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka is an example where 30 regional projects worth more than \$5 billion in the energy trade and transport sectors have been initiated.³³ For Pakistan, to take advantage of such sub-grouping; it is important that there is peace and stability in Afghanistan. Once peace and stability is established in Afghanistan, trade with Central Asian States as well as the energy projects like TAPI would bring prosperity to both Pakistan and Afghanistan.

Conclusion

South Asia, one of the most important regions of the world, is also the least integrated region. The region lags behind in terms of development, education, health facilities, trade and investment etc. SAARC, which was established with the aim of bringing prosperity in the region, has also not lived up to the mark. Many factors are responsible for this state of affairs including preponderance of India and the mistrust that exists between the member states.

India is the biggest country of the region, comprising 70 per cent of land of the region. It shares borders with all the South Asian countries but it has disputes with almost all its neighbour. With Modi assuming power in New Delhi and his subsequent announcements of giving priority to neighbouring countries was very encouraging. His invitation to all the Heads of States to his oath taking ceremony was indeed very positive. Modi was also the first Prime Minister of India who visited Nepal in last 17 years³⁴ and Sri Lanka in 28 long years.³⁵ However, more

³³ Jayshree Sengupta, "SAARC: The Way Ahead."

³⁴ "Modi concludes historic visit to Nepal," *Times of India*, August 4, 2014, <http://timesofindia.indiatimes.com/india/Modi-concludes-historic-visit-to-Nepal/articleshow/39628843.cms>

concrete steps need to be taken. India must work to resolve its differences with all of its neighbours particularly Pakistan. Any delay in resuming the dialogue process would give space to the forces that do not wish to see normalisation of relations between the two countries, which would further complicate the situation.

Pakistan, for its part, wishes to establish good neighbourly relations with India. Unless India and Pakistan are able to resolve their issues amicably, the progress of the organisation and prosperity of the region would remain a far-fetched dream. In addition to it, India also needs to work constructively with its smaller neighbours and seek resolution of its differences with them. At the same time, it is also imperative that heads of the member states make sure that all the agreements and conventions that have been adopted are implemented in a result-oriented manner. Challenges like terrorism, climate change and drug and human trafficking need collaborative efforts on the part of all member states. It is the responsibility of all the member states to make sure that SAARC as an organisation does not end up as a failure but as a strong regional bloc where all eight countries move ahead towards a bright future together.

With growing realisation of importance of regionalism, it is the need of hour that South Asian countries leave behind the memories of their bitter past, resolve their differences and move together towards a brighter future.

Editor's Note: This article had been finalised for publication before the decision to postpone the 19th SAARC Summit. The main objective was to highlight the weaknesses and achievements of SAARC.

³⁵“Modi's visit a new bridge to Sri Lanka,” *Indian Express*, March 13, 2015, <http://indianexpress.com/article/opinion/columns/a-new-bridge-to-sri-lanka/>