

RENEWING SAARC

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Twenty years have passed since SAARC was established, twelve Summits and any number of meetings have been held, but the concrete results achieved for the advancement and well-being of the people of the region have been rather modest. Future generations will probably find it difficult to understand why their South Asian forefathers, constituting more than one fifth of mankind and blessed with great cultural affinities and economic complementarities and facing the same problems, failed so comprehensively and for so long to unite in order to create a better quality of life for their peoples.

In most other parts of the world, regionalization has been accepted as the fastest route to prosperity, for promoting collective interests, ensuring protection against the negative fall-out of globalization, and enhancing security through intra-regional interdependent relationships. Within SAARC, there has been little progress even in respect of intra-regional trade, which accounts for barely 5% as compared to 62% for the EU and 55% for NAFTA. No wonder that as a region we count for so little in the world: less than 1% of the share of global trade, just 1.5% of the World Gross Product, even as we count 450 million among the world's poorest people and 50% of the world's illiterates within our seven nations.

Many reasons exist for the uneven progress of SAARC: most have to do with intra-regional political tensions, and most involve India. The chronic tension, occasional conflict, and perennial absence of trust between India and Pakistan; the periodic hiccups in relations between India and her other neighbours – Sri Lanka, Nepal and Bangladesh; and so on.

India as the largest country with boundaries with all the other member States without doubt bears a disproportionate responsibility for the success or failure of SAARC as compared with the others: it is condemned to be both the necessary engine as well as the likely obstacle in the fulfillment of SAARC's potential.

It must be said that except for occasional aberrations under particular Prime Ministers; India has been traditionally suspicious and/or lukewarm about SAARC. Quite apart from the environment of bilateral relations with Pakistan or one or other neighbour, there has been an underlying conviction within a substantial section of New Delhi's political and bureaucratic elite that SAARC bestows an undeserved sense of equality to its smaller neighbours, an opportunity for ganging up to the detriment of India's interests, that India can prosper more easily if it is not shackled to its immediate neighbourhood. It must be said that its neighbours for their part have often by their conduct only reinforced the logic of India's reservations; but at the end of the day it was India which could have demonstrated its self-confidence and commitment to the long term goals of SAARC

despite the passing distractions in its vicinity, and thereby sustained a certain positive momentum of cooperation through good times and bad, but this has rarely happened.

SAARC was established in 1985 with neither a sincere, collective and grand vision, nor a strong political will among its member states to subsume short term nationalist objectives for the long term national and regional good. “It was a top-down concept, foisted on us without any preparation” is the common sentiment certainly of former Indian diplomats. There was no South Asian Robert Schuman to boldly declare a major project which would bind the destinies of peoples across borders, taking advantage of economic complementarities and disciplining self-destructive nationalistic ambitions. Instead of building on interdependence as the solid basis for creating peace, security and prosperity, the emphasis for the first several years was on cooperation of a technical nature in a host of areas—agriculture, education, meteorology, communication. This may have been well-intentioned and useful, but hardly likely to inspire the political and civil society elite of the region or be the basis for the Association to take off. The emphasis on a social agenda, poverty alleviation, free trade area, etc. came much later: by then SAARC had acquired a reputation of being a non-performing entity even in the technical areas entrusted to it and lost much of its credibility.

There have been occasional Summits which have been declared successful and resulted in high sounding commitments; if no explanation is demanded from the governments as to why these commitments were not fulfilled, it is probably because they lacked credibility in the first place.

Thus, the fourth Summit at Islamabad in 1988 launched “SAARC 2000: A Basic Needs Perspective” and announced that specific targets in “core areas” such as food, shelter, clothing, education, primary health, population planning and environment protection would be met by the end of the century. The 1995 Delhi Summit solemnly resolved to declare that year as the “SAARC Year of Poverty Eradication”, and to eradicate poverty, preferably by the year 2002, AD. We are half-way through the decade 2001-2010, declared by SAARC to be the Decade of the Rights of the Child. It took ten years for SAARC to agree on a Preferential Trading Arrangement (SAPTA) and another ten for a Framework Agreement of Free Trade (SAFTA), although the ninth Male summit in 1997 had mandated that a SAARC free trade area should be *achieved* by 2001. People can be forgiven if they fail to be impressed by SAARC declarations and announcements.

The last Summit, at Islamabad in January 2004 was hailed for being “epochal, historic and path breaking”: apart from the agreement to operationalize SAFTA by January, 2006, it was undoubtedly noteworthy for its decisions on a variety of other socio-economic issues, indicating a new, more focussed *regional* rather than national approach to common challenges. The positive vibrations between the leadership of India and Pakistan significantly contributed to the optimism generated by the Summit. (On a less positive note, one recalls that the leaders at Islamabad promised to “relate regional cooperation to the actual needs of the people.” It is not clear as to how the actual needs of the people were served when India decided that the next summit, which should have taken place in Bangladesh in February 2005, should be deferred because of developments in Nepal and

Bangladesh. This was a repeat of the Indian pressure on Kathmandu and other capitals to postpone the eleventh Summit which should have taken place in 1999 but finally took place in January 2002: all because Musharraf's Pakistan should not be given legitimacy prematurely (by India's reckoning)).

The political leaders who attend or postpone summits year after year, and their diplomats and bureaucrats who toast each other after every "successful" meeting, have only to analyse the statistical data on South Asia's performance in human development as compared to the rest of the world, on the burgeoning pavement-dwelling populace of South Asian cities, or the unemployed rural youth joining the ranks of insurgency movements and terrorist outfits, to realize how little these pious declarations have impacted on the real problems faced by people in the region.

Nevertheless, the situation today is perhaps marginally more hopeful than it has been for some time. The Islamabad Summit declaration offers an opportunity to find and sustain a clear direction, beginning with achievement of a free trade area. Writers like Prof Muchkund Dubey have pointed out that while the Treaty on SAFTA does not commit the Seven to deeper integration measures of the kind which had been suggested by the Eminent Persons Group (GEP) set up by the Male Summit of 1997, movement towards an FTA is inevitably accompanied by measures which provide the opportunity for a deepening, expansion and diversification of economic cooperation leading towards economic integration. The thesis that you cannot stop your moving bicycle without falling off should encourage the Seven to demonstrate their political will towards economic integration and move steadfastly towards that objective. This will require comprehensive plans for trade facilitation, establishment of a Common Investment Area, integration of transport, infrastructure development, monetary and financial cooperation, coordination and development of science and technology, harmonization of macro-economic policies, studies on restructuring industrial production on a competitive basis with special emphasis on the LDC countries, etc. It would be a pity indeed if the traditional inhibitions we are famous for constrain us to aim at the Free Trade Area as the ultimate objective; that might even confirm the veracity of the warning of some experts that a free trade agreement between developing countries may only result in economic distortions by ignoring the laws of cost-effectiveness.

Since the subject of this conference is how to inject new life into SAARC, it would be good to remind ourselves of the GEP recommendations submitted to the Tenth Summit in Colombo. The report is a comprehensive appraisal of SAARC, examining ways to revitalize it and offering a long term vision and plan of action. These recommendations are clearly somewhat futuristic and not all appear to be feasible given the quality of trust, cooperation and relationships within the region; but they are worthy of study at the civil society level, for the impulse towards a paradigm shift is likely to come from there rather than governments or the inter-Ministerial bureaucracies that guide them.

An encouraging recent development in this regard is that people of South Asia are progressively learning the art of influencing government policy. The hopes for lasting peace between India and Pakistan lie as much with the present leadership of the two

countries—who do deserve credit for breaking with the past and opening the doors to the future---as with the people on both sides of the border, who might actually “make borders irrelevant” and thereby insulate the peace process from political vicissitudes. Similarly, the internal problems of Sri Lanka and Nepal will probably be resolved once the civil society consensus in each country on how to end them reaches a critical mass.

What is clear is that unless the pressing internal problems as well as key bilateral irritants which pollute the political environment are meaningfully addressed, SAARC will keep running into obstacles. An empowered and alert civil society alone can help the governments of the day on both counts. A key challenge for making SAARC achieve its potential is thus to move beyond governments and get civil society involved, enthused, motivated and focussed. If the EU is faltering after so many fantastic achievements after five decades, it is largely because the emerging architecture was increasingly in the hands of governments, politicians and bureaucrats who were telling the people of Europe what kind of EU was good for them—an arrogant exercise which has been roundly rejected in France and the Netherlands even before it could be tested in the UK. SAARC must not make the same mistake. Indeed, it is civil society alone which can objectively monitor the implementation of commitments made at SAARC meetings and hold governments accountable for failures to honour them.

The major goals which have been set at the last Summit held in Islamabad need to be thoroughly discussed and debated at the civil society level through selected institutions with the involvement of thought leaders who may or may not be “experts” on South Asia. Economic integration, SAFTA, cooperation on fighting terrorism and drug trafficking, the HIV AIDS challenge, empowerment of women, protection of children, etc are worthwhile objectives and interest in them should not be limited to governments alone. It is also essential to further ease restrictions on travel and import of books, newspapers and periodicals, and implement understandings on developing regional tourism---informed people-to- people contacts are easily the most potent weapon to demolish negative stereotypes which still seem to influence attitudes in the foreign offices at SAARC capitals.

A major effort needs to be made to promote projects which strengthen strategic interdependence. Infrastructure, harnessing water resources in an integrated and transparent manner, energy security are examples of sectors in this regard. It is heartening the Islamabad Summit has recognized the importance of cooperation on energy. This is one area where the logic of economic complementarity is truly compelling and the need to address it really urgent. The vision articulated by India’s Minister for Petroleum and Natural Gas, of an Asian Gas Grid with a network of gas pipelines criss-crossing SAARC countries and making them energy hubs for the whole of Asia, is surely worthy of study and implementation once the feasibility is established for specific projects.

It does not matter if these projects have a bilateral or sub-regional or extra-regional dimension; all will strengthen SAARC, as long as the blurring of SAARC identity leads to greater economy of scale and more intensive cooperation and interdependence between SAARC neighbours. Thus, the Mahakali Treaty signed by India and Nepal has

implications which go beyond purely bilateral benefits-this was the reason why it excited so much positive international comment when it was ratified by more than two-thirds majority in the Nepalese Parliament. The bilateral Free Trade agreement between India and Sri Lanka is a good model if it works well. The Iran-Pakistan-India gas pipeline may not be a SAARC project: but it could contribute to making war unthinkable between India and Pakistan, just as the European Coal and Steel Community fulfilled Schuman's dream of contributing to a Europe where war has become unthinkable (let it be noted in passing that such a project, supported by the people of SAARC, would also be a disincentive for US opposition to it merely because Iran also benefits from the project). BIMSTEC, SAGQ, etc also fall into this category. SAARC should find it possible to endorse any major project which strengthens mutual trust and interdependence among its members, for in the end it will help in the achievement of SAARC.

The business community must get into the driver's seat instead of following the lead of the government. For some reason, despite economic reforms everywhere which have led to loosening up the license *raj*, representatives of trade and industry act as if they are less than free to trade and invest where they please. This must end: politicians increasingly depend on businessmen for their survival, not the other way round. The de-politicization of economic activity is a *sine qua non* for economic growth, and indeed greater regional security, through cross-border projects.

India's neighbours must realize that India is their opportunity. It has one of the most dynamic and fastest growing economies in the world, is already an acknowledged leader in IT, pharmaceutical and knowledge-based industries, and sits at the same table as the major powers in forums such as G-8. Its developing strategic linkages with the US, China, Japan, EU in addition to the traditional ties with Russia are potential windows for SAARC as well. Passing irritants should not be allowed to come in the way of cooperation, taking advantage of the size of India's market and its rise as an economic power.

There are huge intra-SAARC trade and investment opportunities involving India which should ease the traditional over-dependence of the region on developed nations.

It would be fatal to ignore the tides of opportunity offered by simple proximity to India. SAARC will succeed if India's neighbours recognize that India will be its engine and economic driving force.

As has been noted earlier, India has the heavy responsibility of carrying along its neighbours in an environment of trust and confidence, even if it means occasionally having to "stoop to conquer". This means being generous to smaller neighbours, being helpful without being intrusive, going the extra mile in accommodating others' sensitivities, and avoiding double standards on issues like democracy and insurgencies. A de-emphasis on bilateralism as the route to resolve all issues might also help. Greater transparency when it offers aid might help allay cross-border fears that it has a self-serving agenda even when it is being generous. Finally, a more credible long-term commitment to SAARC and sub-regional cooperation is called for.

Thus, a change of mindsets both on the part of India as well as its smaller neighbours is a must if SAARC is to have a new life.

The role of the media either in the making or unmaking of SAARC must be recognized, especially if we are agreed that SAARC will be successful only if it is underpinned by public awareness and support. The contribution made by SAFMA in this regard deserves to be appreciated and supplemented at the institutional as well as individual level through structured understandings within the SAARC media.

The Islamabad Summit was notable for its declaration on uniting to combat terrorism in all its forms. Terrorism or extremist violence has been a divisive issue in South Asia and for SAARC. While there are variations in the nature of terrorist activity in individual countries, there is no doubt that the region as a whole suffers from shortcomings in the quality of democracy and/or governance which greatly complicate the problem, at a national as well as sub-regional or regional level. Terrorism and insurgencies depend for their oxygen on failures of government in being inclusive enough, delivering adequately and fast enough in respect of socio-economic empowerment and development, and in handling the consequential discontent in time and with the sensitivity required. Each country will have to find its own solutions, allowed to learn from its own mistakes, contain extremist violence within its territory and ensure that it does not pose a threat across its borders. Countries in its neighbourhood cannot do better than try to understand and empathize, and cooperate where such cooperation is required. Terrorism is increasingly a common threat which should stimulate cooperation and coordination rather than tension and misunderstanding within SAARC. Regional security will ultimately flow not from treaties or military pacts or the ideological complexion of governments, but improvement in governance standards and collective responses to the common social and economic challenges confronting the people. This rather than a purely compartmentalized or technical approach should guide the SAARC approach to ending insurgency and terrorism.