



---

## REGIONALISM IN SOUTH ASIA: THE EMERGENCE AND GROWTH OF SAARC AS A FORUM OF ECONOMIC INTEGRATION

Bunti Devi\*

---

**Abstract:** *The fact is that the idea of regionalism in South Asia is not new one. But as a regional forum, it emerged in 1985 as well as the idea of regional cooperation was mooted by Bangladesh. After that such cooperation is taking place both bilaterally and multilaterally among the member states of SAARC as a regional organization. However, some of the scholars assume the fact that South Asia is a turbulent region. Today India and Pakistan are known as the states to disturb peace and tranquility of this region. But in spite of this, SAARC is making progress in the economic perspectives, and transport connectivity among South Asian Countries may be observed. Thus, the present paper highlights some basic aspects of regional cooperation in South Asia through the emergence of SAARC as a forum of economic integration.*

**Keywords:** *South Asia, Economic Co-operation, RTA, FTA, SAPTA, SAFTA.*

---

\*Research Scholar, Deptt. of Political Science, MDU, Rohtak, Haryana



## INTRODUCTION:

We know that the regional cooperation in South Asia was formed both bilaterally as well as multilaterally under the umbrella of such forums as Non-aligned Movement and the Commonwealth. These were however, broad regional groupings, designed to articulate the needs and aspirations of third world countries. Today these are not addressed specifically to the needs of South Asian countries and hence cannot fully exploit the vast potential of regional cooperation that exists in the region. Only a regional forum as SAARC comprising the eight member countries of the region can be expected to meet this objective. That is why this initiative of organizing a regional forum for South Asian Countries goes to the late President Ziaur Rahman of Bangladesh who explained the possibility of organizing regional cooperation for the common good of the people of this region in the course of his visits to Nepal, India, Pakistan and Sri Lanka during the period 1977-1980. The initial responses were encouraging and praiseworthy.

Therefore, in the light of his consultations, he addressed letters to the Heads of Government of the countries of South Asia which were carried by Special Envoys. In his letter he proposed: "The countries of the region should explore the possibility of establishing some institutional arrangements for regional cooperation and to this end, a meeting at the summit level to be held."<sup>1</sup> Further, it was at the invitation of the Government of the Democratic Socialist Republic of Sri Lanka that the Foreign Secretaries of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka met in Colombo from 21<sup>st</sup> to 23<sup>rd</sup> April, 1981 to consider the Bangladeshi proposal. Therefore, a joint communiqué issued at the end of the meeting acknowledged that the Bangladesh '*Working Paper*' provided a basis for their discussions. It expressed the view that regional cooperation in South Asia was beneficial, desirable and necessary. But the need to proceed step-by-step, on the basis of careful and adequate preparation was recognized.<sup>2</sup> A significant decision bearing on the ground rules for negotiations was that decisions should be taken on the basis of unanimity and that bilateral and contentious issues were to be excluded from their deliberations for the better future of regional cooperation.

Furthermore, the Foreign Secretaries of the SAARC countries gathered many times and agreed that the major task of each deliberation would be to draw up a comprehensive



program of action for cooperation in both the immediate and long term phases. Then the immediate action program included such components as:<sup>3</sup>

- Exchange of Data and Information.
- Exchange of Experts, Training Facilities, Scholarships etc.
- Organization of Seminars, Workshops on Regional Basis.
- Assessment of Needs and Resources.
- Preparation of Specific Projects of a Regional Nature.
- Modalities for Financing of the Projects.

Further, the Foreign Secretaries received the conclusions of the various committees and endorsed their reports. They agreed to institute studies in the following additional areas of cooperation: Transport, Postal Services and Scientific and Technological Cooperation. The Coordinator countries in these areas were Maldives, Bhutan and Pakistan respectively. They recognized that it would be beneficial to promote cooperation among the official national planning organizations of the countries of South Asia and agreed to initiate action with a view to discussing this matter in greater depth at their next meeting. They also agreed to hold their next meeting within six to eight months to consider the implementation of their agreed decisions on regional cooperation. They also agreed to remain in consultation during this period with a view to recommending at the next meeting to their respective Ministers the convening of a meeting at their level in 1982 focusing on some important areas of cooperation.

Consequently, in August 1983, the SAARC leaders adopted the Declaration on South Asian Regional Cooperation during a summit which was held in New Delhi. The seven South Asian Countries, which also includes Nepal, Maldives and Bhutan, agreed on five areas of cooperation:<sup>4</sup>

- Agriculture and Rural Development.
- Telecommunications, Science, Technology and Meteorology.
- Health and Population Activities.
- Transport.
- Human Resource Development (HRD).

Thus, the first significant step in the evolution of regional cooperation in South Asia was the meeting of the Foreign Secretaries of the Seven Countries in Colombo in early 1981, which



was followed subsequently by the Foreign Ministers meeting in New Delhi in 1983, where the Integrated Program of Action (IPA) was formally launched, through the adoption of the Declaration on South Asian Regional Cooperation (SARC). Two years later, on 8 December 1985, SAARC was born in Dhaka, with the signing of the Charter of the Association by the Heads of States or Governments of member states during their first summit. This was seen as a clear manifestation of the peoples of South Asia to cooperate with each other in the search for solution in their common problem.<sup>5</sup>

In this way, the proposal by Bangladesh listed several possible areas of cooperation in the fields of agriculture, science and technology, transport, market promotion, education and culture. A draft declaration proposed to be adopted by the countries to launch the regional forum appended with this proposal mentioned promotion of peace and stability in the region through adherence to the principles of United Nations Charter and Non-Alignment as one of the objectives of regional cooperation in South Asia. It also expressed determination to uphold respect for the principles of sovereignty, national independence, territorial integrity, non-interference in one another's internal affairs, non use of force and peaceful settlement of disputes among the member states.

Subsequently, during the period 1985-1990 SAARC process moved slowly through five Summit meetings with expansion of activities including those incorporated in the Integrated Program of Action (IPA), and institutionalization of SAARC. Apart from the IPA, this period witnessed promotion of people-to-people contact, setting up of SAARC regional institutions like Agricultural Information Centre, Meteorological Research Centre and Institute of Rural Technical and Regional Software Centre, a Centre for Human Resource Development etc. A SAARC Food Security Reserve of 221480 metric tons meant for emergency situations like draughts and floods was established and a Regional Convention on Suppression of Terrorism was ratified.<sup>6</sup>

But after the 1990s, the process of economic cooperation in South Asia has accelerated on the agenda of SAARC. Virtually all South Asian states have responded to globalization by liberalizing their economies, opening up their market. Number of declarations has also been made in SAARC summits to make SAARC as trade grouping. In December 1995, SAARC Preferential Trading Agreement (SAPTA) was operationalised to promote and sustain mutual trade and economic cooperation within SAARC region through the exchange of trade



concession. This was the effort to establish itself as a budding trading block in the changing global order. In fact, SAPTA was prelude and a tool of realizing the final goal of South Asia Free Trade Area (SAFTA). 'Notwithstanding some achievements that have taken place with reference to SAPTA, it has failed to prove itself as a strong, unified economic block.'<sup>7</sup> Further, due to the lack of restraint of some countries from bringing in their mutual political conflicts the process of economic cooperation could not take effective momentum.

Nevertheless, SAARC countries moved further towards South Asia Free Trade Area (SAFTA). In the 12<sup>th</sup> SAARC summit of 2004 held at Islamabad, SAARC countries implemented SAFTA in order to make South Asia as a free trade region. After the signing of an agreement on SAFTA, the earlier agreement of SAPTA has been replaced by this new agreement. Under SAFTA, the member countries will reduce their custom duties to 0-5 percent by the year 2016. However, in case of Sri Lanka, India and Pakistan this time limit was the year of 2012. Beyond these time limits, the region will go for zero custom duty. Under this agreement, each member country is permitted to declare a list of sensitive goods in which no duty concession shall be made.<sup>8</sup>

But, despite all the efforts, regional cooperation in South Asia has remained non-starter even after 29 years of SAARC. The nation of South Asian solidarity or South Asian identity is yet to take shape. In fact, the leaders of the SAARC have always raised their voice on the burning issues of the region but it has hardly done anything to solve the core problems of the region like poverty, food security, preventing terrorism or drug smuggling etc. Though the studies suggest that RTAs (Regional Trade Agreements) have brought significant improvement in the economics condition of different nations and India is not an exception. The utility of RTA can be understood in this perspective as : "A picture has been painted as if FTAs (Free Trade Agreements) are nothing but evil. But we have to recognize that this is not the fact. The important thing is that we have to see how we are utilizing these FTAs, some FTAs have caused a certain amount of problem like duty inversion. In a time where globalization, rationalization and integration is inherently important for enlarging the market possibilities, it is important that FTAs will have to be done but with whom, such agreements are not a zero sum game. We give some and we get some".<sup>9</sup>



## CONCLUSION:

To conclude, we can say that SAARC has completed its journey of 29 years and SAFTA has made its journey of 9 years. There have been breakthroughs in the form of agreements for establishing SAPTA and SAFTA, but their success at operational level is yet to be seen. The greatest impediment in the path of achieving success is the political differences between the member states, especially between India and Pakistan, which get reflected during the SAARC sessions. Another inherent weakness of SAARC is that, it totally excludes political issues from its ambit. The operating principle of SAARC is that bilateral and contentious issues must be excluded from the deliberations of the Association. Besides, there is an immense disparity in the developmental pattern within South Asian Region. India, by the size and economic growth, is often considered as a “Big Brother” of South Asian Region which makes the member states always uncomfortable. Therefore, the process of economic cooperation should be continued and free from all political issues. Then, it would surely accelerate the pace of economic integration in South Asia like other regional forums like ASEAN. Some of the scholars suggest that India should play a vital role for the success of SAARC as a regional forum of Economic Integration in South Asia.

## REFERENCES:

1. Sheshadri. K., *Studies in the Problems of the Third World*, Uppal Publishing House, New Delhi, 1985, p.178.
2. *Ibid*, p.179.
3. Sharma, Suman, “India and the Origin of SAARC”, *World Focus*, Vol. XXI, No. 7, July 2010, p.254.
4. Singh, S.K., *Handbook of SAARC*, Pentagon Press, New Delhi, 2012, p.1.
5. Madaan, D.K., *SAARC: Origin, Development and Programmes*, Deep and Deep Publications, New Delhi, 1997, p.2.
6. Yadav, R.S. *India's Foreign Policy: Contemporary Trends*, Shipra Publications, Delhi, 2009, p.147.
7. Kumar, Rajiv and Singh, Surender, “New Regionalism: A Way Out for SAARC”, *Third Concept*, Vol. 25, No. 291, May 2011, p. 21.
8. *Ibid*, p.21.
9. <http://articles.economicstimes.indiatimes.com>.