SAARC: ITS POTENTIAL AND ROLE BEYOND 2015

(RA Muhammad Shabbir) *

Abstract
In the three decades of its existence, SAARC has been unable to make the desired impact nor could achieve its underlying objectives. Its report card presents a contrast between rhetoric and action, and ambition and practicality. The region remains the least connected, under-developed and is unable to cash in on its geostrategic and geo-economic potential due to structural and functional issues that are causing inertia in the organization. Pakistan’s geopolitical disposition at the crossroads of regions can offer opportunities to promote intra-regional connectivity and thus leverage this factor for the region’s rapid transformation towards peace and progress. In this context, the study aims to analyze the SAARC potential and role beyond 2015 in light of its report card and current regional and global environment. The paper argues that to make SAARC vibrant, a qualitative change is required among SAARC members to improve the form and content of bilateral relations and to overcome long-standing political issues. Moreover, the expansion of SAARC to include China may benefit the organization.

Key Words: geo-economic, geopolitical, intra-regional, transformation, environment

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Introduction

Launched with much enthusiasm, South Asian Association for Regional Cooperation (SAARC) has failed to live up to its promise. During the three decades of its existence, the organization has been unable to make the desired impact nor could achieve its underlying objectives to promote the welfare of the people of South Asia, to accelerate economic growth, social progress and cultural development and to provide all individuals the opportunity to live with dignity and to realize their full potential. South Asia remains among one of the poorest and densely populated areas of the world. It is a poorly governed, hunger struck region where the gap between 'the haves and have-nots' is increasing day by day. The future of the organization hangs between its promise and reality. In order to reenergize the organization, an inclusive effort by all the member states would be required, and more so, in case of the bigger states. Pakistan carries the potential and remains ready to play a constructive role in the region.

In this context, the study aims to analyse the SAARC potential and role beyond 2015 in light of its role in current regional and global environment. The paper argues that in order to make SAARC vibrant, a qualitative change is required among SAARC members to improve the form and content of bilateral relations among member states to overcome long-standing political issues. Moreover, the expansion of SAARC to include China may benefit the organization.

The Paper provides a background of South Asia’s geographic disposition and its significance in a trans-regional setting. It analyzes the SAARC’s role and issues in its inertia and the
significance of the organization. The study also includes a discussion on Pakistan’s role in regional integration and offers some suggestions for a way forward.

**Background and Geographic Disposition**

To recall, SAARC region stands today at a critical juncture; poverty, disease and illiteracy, stalk our lives. Moreover, the region remains at the lower rungs of the Human Development Index with millions living below the poverty line, and many more deprived of the basic amenities of life. According to the report of HDI-UNDP, over 200 million people were affected by natural disasters and 45 million, the largest number in 18 years, were displaced by conflicts by the end of 2012. These factors contributed to denting improvement in human development. India rose to 135th out of 187 countries, Bangladesh by four steps to 142, Sri Lanka at 73, Maldives up to 103 and, at the end Pakistan retained the last year’s ranking at 146. Notwithstanding the above, the region is blessed with enormous human and natural resources and holds great promise in sustainable economic development if the regional actors are ready to re-prioritize their approaches.

This region is varyingly described in terms of the images that it has been transmitting.

“Once, it was called the ‘most dangerous region’ in the world due to fears associated with nuclearization of South Asia (ironically, this name-tag comes in spite of nuclear responsibility demonstrated by the two nuclear powers in the region). Concurrently, our
region is often seen as the ‘least integrated of all the regions’ in this era of economic advancement. The latter though a statement in comparative terms, provides sufficient food for thought.³  

Situated in the heart of Asia, the South Asian region stretches from the Hindu Kush to the Malay Peninsula and from the Indian Ocean to the Himalayas.⁴ It is bordered by the Middle East, Central Asia, China and South East Asia. Thus, it is located at the crossroads of regions on the globe. Resultantly, events and activities in South Asia directly affect contiguous regions and indirectly affect remaining parts of the world and vice versa.

In this context, Pakistan’s geopolitical disposition at the crossroads of regions can offer opportunities to promote intra-regional connectivity and thus leverage the region’s rapid transformation towards peace and progress.

**Report Card of SAARC**

The report card of SAARC is rather disappointing. It presents a contrast between rhetoric and action, and ambition and practicality. At the time of its establishment, great expectations were associated with the organization that aimed “to promote welfare economics, collective self-reliance among the countries of South Asia and to accelerate socio-cultural development in the region.” Former Bangladesh President, General Zia Ur Rahman, who was the motivating force behind the formation of SAARC, had dreams of making it an organisation (on lines which might have later helped in evolving the concept of the European Union) with free trade, visa free travel, common currency and, perhaps, even common defence as some of its features. The region, however, is mired with intra and inter-state conflicts, anti-business regulations, corruption, and a
lack of transparency. These factors not only impact the socio-economic situation of the region, but hamper SAARC processes.

SAARC member-states are home to one-fifth of the world population but generate only 6 percent of global income. In 2013, out of $46 trillion global two-way trade (exports plus imports) of goods and services, this region contributed only $1.25 trillion (three percent). With an average per capita income of only $1,400, this is one of the poorest regions in the world and 40% of the world’s one billion poorest people live in this region.\(^5\)

SAARC’s report card with regards to regional integration is dismal; it remains the least integrated regional bloc. Despite its adoption of a preferential trading agreement and subsequently, a free trade area agreement in 2006 for some items with planning to cover all goods by 2016, the product market integration is abysmally low. In 2013, only six percent of SAARC trade was intra-regional, compared to 50 percent in ASEAN. The intra-regional two-way trade of $45 billion was less than half of the SAARC region’s two-way trade with China (at $96 billion) and less than the $80 billion trade with the US.\(^6\) SAARC members are so asymmetric that the second largest country, Pakistan, contributes only 11 percent to regional income, and the combined income share of other six countries is smaller than that of Pakistan (five percent by Bangladesh, 2.3 percent by Sri Lanka, 0.8 percent from Nepal and Afghanistan each). Bhutan and the Maldives contribute only eight percent while Nepal contributes only three percent. While the rest (about 81%) is contributed by India.\(^7\)

Despite these limitations and poor performance, SAARC however, remains a useful tool for smaller countries to promote understanding and cooperation at bilateral level. Its performance
has not been entirely dismal. Despite failings, a number of significant achievements such as (i) The Regional Convention on Suppression of Terrorism (ii) SAARC Agriculture Information Centre at Dhaka (iii) SAARC audio visual exchange programme (SAVE) and (iv) Social Charter to set targets for eradication of poverty, population stabilisation and human resource development fall to its credit. After having discussed the gaps between the SAARC promise and reality, it is pertinent now to discuss the issues that cause inertia for the organization.

Issues Resulting in SAARC Inertia

There are multiple issues that are responsible for barring the working of SAARC as an effective tool of increasing regional cooperation and improving its productivity. Broadly speaking, two-fold factors contribute towards SAARC’s inertia: structural and functional. The structural factors relate to: the SAARC charter; agreements and conventions; and SAARC Bodies. The functional issues which have, and still are, hampering the promotion of cooperation and trust among the members include: bilateral conflicts of the regional states and demographic structure of the region.

With SAARC’s inception, its charter established the organization’s objectives. These objectives include:

- Promoting welfare, enhancing quality of life and providing opportunities for dignified life to the people living in member countries.
- Working for social progress and cultural exchange among the member states.
- Promoting economic growth, cooperation and self-reliance among member states.
For collective good, cooperation with other countries and organizations.

A careful study of the aforementioned objectives reveals that almost all the objectives focused on advancing cooperation amongst member states but this cooperation was mainly concentrating on economic, social and cultural domains. Promotion of self-reliance was mentioned but not institutionalized. The objectives appear to be catchy but are, practically, hard to achieve and even harder to operationalize; particularly in the atmosphere of hostility, suspicion, conflict and mistrust among the regional states.

Another predicament of the SAARC is that Article X of its Charter prohibits the discussion of contentious bilateral issues in its meetings. Since the two giants of the region - India and Pakistan - make up around two-third of South Asia, it is argued that SAARC cannot render positive results unless both countries sort out their differences. To a large extent, New Delhi's approach vis-à-vis conflicts with its neighbors, particularly Pakistan, is based on a two-fold strategy. The first is to reject third-party mediation and stress on pursuing a bilateral approach to deal with contentious issues. Second, to discourage Pakistan's efforts to raise contentious issues on bilateral forums. India has consistently followed this approach during the composite dialogues between the two countries. When Pakistan raises the Kashmir dispute with India under the framework of composite dialogue, India refuses to give any serious consideration to the matter.

Therefore, instead of escaping from the reality of conflicts and prohibiting their discussion under its ambit, SAARC needs to delete Article X from its Charter. This requires to be done because after over 30 years of its formation, member states should now be
capable of discussing issues which are directly responsible for derailing the process of regional cooperation.

Concurrently, almost all agreements and conventions that are adopted and signed by SAARC members focus on promotion of social and economic linkages. Under the banner of SAARC there are hardly any significant efforts to promote mutual trust and resolve mutual disputes.\(^\text{10}\) Dispute resolution has been, unfortunately, left out of the scope of SAARC; since its inception. Even "SAARC Regional Convention on Suppression of Terrorism" was nothing but ratification and implementation of the UN resolutions and conventions.\(^\text{11}\) In addition to that, almost all SAARC bodies, its supplementary organizations and offices work in social domains. The enhancement of trust and promotion of cooperation amongst the regional states in political domain have unfortunately been left out of the focus.\(^\text{12}\)

Most of the members have several conflicts amongst themselves. Any act of cooperation and interaction is seen suspiciously by almost all members. In this scenario of trust deficit, one must not forget the geographically central position reposed in India.\(^\text{13}\) Interestingly, instead of becoming a bridge in SAARC, India has had so far conflicts with all of its neighbours. The map on next page indicates India’s conflicts with its neighbours.\(^\text{14}\)

India-China Aksai Chin dispute, India-China South Tibet/Arunachal Pradesh dispute,\(^\text{15}\) India-Pakistan Kashmir dispute, India-Pakistan Sir Creek dispute, India-Pakistan dispute over construction of dams by India in violation of the Indus Water Treaty, Pak-Afghan argument over cross border movement of militants, India-Bangladesh border dispute over 51 Bangladeshi enclaves and 111 Indian enclaves, India-Bangladesh sea boundary
dispute over New Moore/ South Talpatty/ Purbasha Island in the Bay of Bengal,\textsuperscript{16} India-Bangladesh Farraka Dam dispute, India-Nepal Boundary dispute including 400 squares kilometres on the source of Kalapani River, and India’s argument over militants’ crossing with Bangladesh, Nepal, Burma and Bhutan. Figure below illustrates all these conflicts.\textsuperscript{17}

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The demographic distinctiveness of SAARC region is considered to be one of the major reasons for the ineffectiveness of SAARC.\textsuperscript{18} Some consider “backwardness in education and economic system as major reasons for the failure of SAARC”.\textsuperscript{19} Some writers consider the size, influence and centralized position of India in the region, as responsible for SAARC’s jeopardized position and performance.\textsuperscript{20} In terms of territory, population, natural resources, military might and economic strength, India enjoys predominant position in the region. It owns more than 70\% area of the total region, consists of around 77\% of total South Asian population and its GDP is over 60\% of the total GDP of SAARC countries. It shares borders with all the
member countries of SAARC except Afghanistan. Moreover, except for Pakistan and Afghanistan, all SAARC countries are geographically linked through India (shown in the map above). This peculiar geographic factor coupled with the assertive and domineering Indian policy often generates fear and tension among other regional countries.

In a nutshell, there are substantive trade barriers in the form of tariffs, non-tariffs, transportation bottlenecks, red-tapeism, transit difficulties, absence of land connectivity, complicated visa systems etc. Moreover, the asymmetric size, conflicts and the geographic location of member countries also contribute to sluggishness of the organization. This brings us to the question as to how significant is SAARC for South Asia?

**Significance of SAARC**

SAARC, despite all its setbacks has survived for three decades. The importance of this organization is, and has always been, undeniable. Three decades back regional countries were aware of the significance of such regional organizations when they had established it. Even today, regular participation of member states in SAARC meetings and reiteration of pledges to make it a successful and productive organization indicates its importance. Following points highlight the significance of the organization:

Firstly, South Asia is homeland to one-fifth of the global population and yet least connected region. Most of its population is illiterate, living in extreme poverty and suffering from poor health conditions. All these problems require a regional platform to discuss regional problems.

Secondly, South Asia has been suffering from constant threats to security both from internal conflicts between the regional powers
and external states trying to establish their hegemonic superiority over this region. Despite all its weaknesses, it is the only platform where South Asian countries can sit together and discuss their problems.

Thirdly, SAARC did not come into being after any role played by super powers of the world. It was not even an idea given by strong nations of the area. Rather it was an initiative taken by the smaller states of the region. Gen. Zia-ur-Rehman of Bangladesh was the first person who thought about it and persuaded other rulers in the region to unite under a regional organization. Thus, it was established by the efforts of local people to fulfil their requirements.

Fourthly, SAARC mainly emphasizes on socio-economic development. Despite all rivalries between India and Pakistan and differences between India and most of the other regional countries, SAARC was established by regional countries by themselves and was not imposed like SEATO and CENTO by any foreign power. Therefore, these countries have kept this organization alive despite all their rivalries and conflicts. The idea of keeping it related to socioeconomic aspect only was adopted so that political differences might not cause a breakdown in the working of SAARC.

Finally, SAARC was established to increase diplomatic, social and economic relations among member countries. Though practically it could not achieve its objectives yet it has survived even during the most serious political crises between India and Pakistan and between India and Sri Lanka.

**Pakistan’s Potential and Interests in Regional Integration**

Before discussing Pakistan’s interests in regional integration, it is important to recall the significance of Pakistan’s geopolitical and geo-economic disposition, its historic contribution in GWOT and
the fallout on its social and economic fabric. The economic development of South Asia is closely linked to the availability of energy at an affordable price. When abundant alternate energy sources are available in the region, there is a need to collectively focus on harnessing indigenous energy production potential, such as solar, wind, bio and hydro. It should also be considered to make arrangements for trans-regional oil and gas pipelines, in which Pakistan remains a critical factor. Additionally, Pakistan’s geostrategic and geo-economic disposition at the crossroads of regions makes it a natural bridge between the three regions and a way for north south and east west economic corridors.

In SAARC, Pakistan has played a proactive role to make it a model of regional cooperation, based on the principles of sovereign equality. Pakistan hosted the 4th and 12th SAARC Summits in 1988 and 2004 respectively. It will also be the host for 19th SAARC Summit in 2016. It believes that SAARC can provide a conducive atmosphere to build economic synergies and transform the quality of life in South Asia. Over the years, Pakistan has taken substantial measures to advance SAARC ideals and objectives. Pakistan places poverty alleviation on top of SAARC agenda. In this context, the aspirations of the people of SAARC region should be at the centre of the Organization’s processes. Due to unresolved bilateral disputes amongst the SAARC member countries, SAARC could not achieve the desired socio-economic cooperation and prosperity in the region. SAARC needs to collaborate with other major international organizations to exploit its unutilized immense potential for the benefit of the people of South Asia.

Pakistan remains ready to play its role in the peace and progress of the South Asian region along with regional actors. However,
further advance in the process will be contingent upon contribution of all the regional states and to activate the SAARC framework in this regard. Considering the socio-economic cost of Afghan wars for it, Pakistan, more than any other country of the region, wants peace and stability in the region.

**What Next?**

It was the vision of our political leadership to develop SAARC into the economic driving force that it was envisaged to be. This can only be possible in an atmosphere of mutual trust, understanding and appreciation of each other’s problems and challenges. The way forward can be viewed with a six-fold focus:

- First, the gap between the promises and reality of accomplishments of SAARC needs to be bridged. We should build on convergences to minimize divergences for the greater good of the people of this region. SAARC, therefore, must be seen as a vibrant organization, responsive to the aspirations of its people. By synergizing capabilities and creating partnerships, we can effectively address the common challenges that we all face today.

- Second, the betterment of regional cooperation under the SAARC umbrella seems a challenging task in view of unresolved political issues and absence of sufficient political will to advance the process. The states need to overcome the trust deficit and to bring about a change in their respective mindsets, from security centric approaches to an economic drive that assures a win-win situation for all stakeholders. The onus to break the inertia is on all stakeholders but more pronounced in the case of bigger partners.
• Third, member countries ought to deal with the constitutional impediments that come in the way of regional integration. In this context, the SAARC charter specially its article X needs to be amended. This is also necessary because economic growth and regional integration cannot be promoted in the environment of conflict and hostility.

• Fourth, SAARC should also think of going beyond observer status and include those observers who wish to actively associate with SAARC programmes, activities, and projects in the organization. This will enhance the resource availability of SAARC. In this regard, SAARC should welcome China as an interactive partner of SAARC.

• Fifth, the efficacy of SAARC as a forum and as a process remains in the evolutionary mode. It has yet to go a long way to learn from the lessons of ASEAN and EU to serve as the engine of South Asian advancement into the Asian dawn. To make SAARC vibrant, a qualitative change is required among SAARC members to improve the form and content of bilateral relations among member states and to do their part to overcome the hotbed of conflicts that come in the way.

• Sixth, Pakistan's vibrant existence and its resilience at the trans-regional junction are crucial for trans-regional economic and energy linkages. Pakistan enjoys best geographical disposition which works as a bridge because Pakistan is the only country which helps in connectivity of South Asia to West Asia. So the South Asian development depends upon sustainable stability of Pakistan. It is, therefore, very much central to SAARC interests to
strengthen Pakistan’s economy as it is a vanguard to South Asia’s sustainable progress.

To sum-up, SAARC even after thirty years of its existence, remains far from achieving the objectives for which it was established. It could not lift off as a successful association mainly because of the authoritative role and attitude of India and apprehensive behaviour of small states. The member countries are not ready to accept the superiority of India and India, on the other hand, never agreed on negotiating at equal basis with its neighbours. In a nutshell, the choices before us are clear, either we can stay mired in a situation of mutual mistrust and hostility or make serious efforts to resolve disputes and differences through sustained dialogue. Regional connectivity in trade and energy can prove to be a good game changer for the economy of South Asia. But this vision of regional cooperation and regional integration requires a more positive political and security relationship among the countries of South Asia.

End Notes

2 Ibid.
3 Arif Kamal, "The current security and political situation in South Asia: A Pakistani perspective", Conference proceedings, Deeper Integration for Peace and Prosperity in South Asia, COSATS 2015.
7 Ibid.
9 Ibid
10 SAARC Agreements and Conventions. available online at: http://saarcsec.org/Agreements/69/
12 SAARC Recognized Bodies. available online at: http://saarcsec.org/Apex-andRecognised-Bodies/14/
15 Ibid. "The disputed territory is located south of the famous McMahon Line agreed to between the Britain and Tibet as part of the Simla Accord signed in 1914, which China has never endorsed as the Tibetan government was not sovereign and thus did not have the power to conclude treaties with other countries. Indo-China War of 1962 took place over the same dispute."
16 Ibid. “Interestingly, some common Indians claim the Indian Ocean to be belonging to India. Likewise, common Bangladeshis too lay a complete claim on the Bay of Bengal.”
17 Illustration by Ehsan Mehmood Khan.
19 Ibid.
21 Arif Kamal, "The current security and political situation in South Asia:", 2015.