SAARC: challenges and solutions to overcome

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Abstract: SAARC, The organization got its birth 30 years ago in 1985 and was designed to improve social, economic, cultural relations among its member countries. However, the organization has yet to fulfill its desired goals, it is only because the SAARC is facing a lot of challenges, which acts as a great barrier in taking its bold steps towards its destiny. This paper is an attempt to bring out the main challenges which act as a barrier in the progress of SAARC. This paper also offers some solutions in the form of recommendations so to speed up the progress of regionalism in South Asia.

Keywords: Big brother complex, Regional cooperation, illegal trade, South Asia, Interstate conflict, Tariffs, Mutual Suspicious. Co-operation

Introduction:

Regional cooperation has gained new significance in the context of the increased competition among the developed countries, rising protectionism and growing crisis in the international economic system. The dilution of the North South dialogue and the increasing emphasis on South-South cooperation also promoted the growth of regional cooperation in the recent time. One of the such Ventures of collective self-reliance and development is attempted by the states of South Asia which took to the form of SAARC (South Asian association for regional cooperation).

The process which culminated in the foundation in December 1985 of the South Asian association for regional cooperation popularly known by its abbreviation “SAARC” began in 1980 with the formal proposal to this effect made by then president of Bangladesh Zia-Ur Rahaman, in the communication to the heads of government of six other Asian countries: Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Although initially India and Pakistan had certain reservation the response from all concerned was, on the whole, positive. It was however wisely decided to move cautiously and lay down the foundation of the new era of the regional cooperation in a phased manner and with due deliberation and consultation. The foreign secretaries affirmed that regional cooperation in South Asia was beneficial, desirable and necessary. Such cooperation, they stressed should be based on and in turn contribute to mutual trust, understanding and sympathetic appreciation of the national aspirations of the countries of the region. It was also emphasized that such cooperation required respect for the principles of sovereign equality, territorial integrity, political independence, non interference in the internal affairs of the other states and mutual benefit.

Although the formation of SAARC is a land mark step taken by the leaders of member countries for sustainable peace and promote mutual economic well being by harnessing available resources in the region through peaceful process of economic integration. Nevertheless after more the 21 year of establishment, neither South Asian nations have been able to push the process of integration into full swing, nor the organization itself have become able to promote peace, harmony and economic integration or to prevent conflicts in the region, the main reason of its weakness or failur are the challenges which acts as barriers in its working, I will try to describe some of them in this paper.

Big Brother complex: The first and foremost reason for the failure of the SAARC to achieve the desired goals is the Indo-centric nature in terms of territory, population, natural resources, military might and economic strength. India is enjoying the most predominant position in the region 76% area of the total region of south asia belongs to India, its population is 77% of the total population of the South Asia and its GDP is 71% of the region, it shares the borders with all its member countries. A concern that has often come up at SAARC forums is the dominate position of bigger states, particularly India, in the regional set up. The discrepancy of size and power between India, a nation of over 1 Billion people and all its neighbours, leads to natural concerns among the letter about in dials dominance in the region and potential interference in their affairs. At different times this has been a significant stand in the policy thinking of states like Bangladesh, Nepal, Sri Lanka and has lead them to siecle security assistance first and foremost from outside South Asia when they need it.

Illegal trade: we now go on to the specifics of informal trade, by its very definition it implies bypassing the official channel and in that sense entrepreneurs/traders have to work out the modalities of carrying out such trade. (A) Modalities of illegal trade are taking place by two ways first physical transfer of goods through both authorized and unauthorized channels, relatively large traders who are also engaged in formal trade carry out illegal trade through authorized channels, they are educated and are trained to look suspicious and get things done quickly. (B) They then are able to sell the goods at higher prices and improve their profit margins.

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familiarly with policies regarding trade in the region. On the other hand relatively smaller traders are engaged solely in illegal trade through unauthorised channels, there are several participating agents involved who operate in a hierarchical constellation. These parties operate in market structures where information of the market is a decisive element. the main operators of the illegal trade network finance and operate from a distance, these dealers act as main suppliers by procuring goods from big cities. secondly financing illegal trade, what makes the illegal market prosper is the large amount of black money that is easily accessible to traders. Thus money can be transferred to any country of the world through the illegal money market. the existence of a massive black economy consisting of both domestic and foreign currency makes such trade possible. Tariffs, high tariffs within the SAARC region encourage illegal trade across borders. high tariff rates create a strong incentive to avoid the legal channel in order to evade tariff.7

South Asia presents a unique picture in terms of its intra-state and inter-state conflicts as compared to any other regional block in the world. the dispute between India and Nepal on the question of open borders and disputes between India and Bangladesh over migration from Chittagong hill tracks demarcation of boundary and sharing of the water of the Ganga, the dispute between India and Pakistan on the issues like J&K, Siachen etc and disputes between India and Sri Lanka over the nationality of Tamilians, all these bilateral or intra-state disputes hinder the way of effective cooperation in the region as almost all the domestic and foreign policies of the member countries particularly of India and Pakistan are being involved on the basis of these Intractable issues. Indo-Pak confrontation on the question of Jammu and Kashmir proved always harmful for SAARC and inflict this confrontation has high Jacked this regional grouping. Similarly the problem of inter-state conflicts is causing further harm to the SAARC as the member countries blame one another for avoiding and abetting separatist and secessionists forces. India faces a lot of trouble in J&K and North East states. All this presents a very grim picture of South Asia.8

The inter-regional investment and trade among the South Asian countries is quite modest and has remained stable over the years. Consequently, the interdependence among these countries is quite limited. Four factors can be mentioned here to explain the limited intraregional trade among the South Asian countries. Firstly most of the South Asian countries being primary producers, tend to export similar items and thus compete with each other. Secondly, the South Asian countries with the exception of Sri-lank have rate of tariff and non-tariff barriers, which is the most important constraining factor for expansion of intraregional trade. Third, lack of adequate transport and information links among the South Asian countries pose serious problems for expansion of intraregional trade. Finally, political differences and lack of willingness to create trade complementarities among the leaders of South Asian countries.9

The lack of trust among member states has often manifested itself in the ineffective administration of several of the initiatives taken by the SAARC. A prime example is that of the SAFTA, though the seven signatory nations of SAFTA implemented the first tariff reduction from 2006, Pakistan and India have not yet allowed each other to be facilitated under this agreement. In July 2006, India called for an urgent meeting of SAFTA ministerial council under the SAFTA agreement, the free trade area operates on the basis of the sensitive list in this emergency meeting. India accused Pakistan of backing away from its commitment under the multilateral SAFTA agreement. This is not only example of the two countries adopting confrontational positive towards each other at the SAARC plat form, there have been several such occasions with both countries debating contention issues and delaying the actual implementation of very important regional instruments for peace and economic integration.10

Another important factor regarding the failure of SAARC to yield better result is that ever since its formation in 1985 India and Pakistan, the two major players of the South Asia suspected the very nature of this organization and describes it to be the result of some hatched conspiracy. India viewed it a sort of joint conspiracy hatched by all other countries of South Asia to use SAARC as a joint platform in order to pressurize her in the question of various bilateral issues. Similarly Pakistan dubbed it as an initiative launched by India in Collaboration with Bangladesh to establish economic and political dominance in the region.11

Now I offer some solutions in the form of recommendations so to speed up the progress of regionalism in South Asia.

The Big Brother complex is the most serious challenge in the way of SAARC i.e. India is a gaint country among the SAARC countries. No country is able to compare herself in front of India in any respect. India should have to take step to ensure its neighboring countries that India will not harm them in any way. India should have to respect the nationality, security, territory, equality and political decisions of her neighboring countries, so that the fear which is easing by these countries due to India will decrease. India an important member of the group should initiate steps to sure that nations go beyond the rhetoric and make the summit meaningful in future.12

10 Zahid Shahab Ahmed, Research paper, Inter-state conflict and Regionalism in South Asia, P.hd student JNU 2008 Pg No 6
12 http://www.india and Saarc.com
SAARC is an origination of developing countries and they have a very weak and unstable economy and most of time they depend upon US and other developed countries to fulfill their basic needs, this is one of the basic factor of failure of SAARC, because member countries very much depends upon on US for their economy and cannot work independently. To strengthen their economy, SAARC should resolve their problems through negotiations and reduce conflict among them.  

There must a gradual introduction of political issues into the SAARC agenda, in order to develop consensus amongst the member states, the SAARC charter could be strengthened with an optional protocol, which would allow for the setting up of conflict conciliation groups (CCG) these CCG could be activated when all parties to a particular dispute agree to seek SAARC help, either to investigate to the particular problem or conduct a fact finding study. Such groups would initially be useful to settle problems.  

The steps would need to be taken to reduce the trade imbalance. One way to do so would be to relax the rules origin so that trade, that takes place through flouting of such rules shifts to official channels, while a customs union would be a preferred arrangement to take care of illegal trade of this kind, till such time as a common tariff wall is established, certain steps could be taken, this could be achieved by narrowing down the list of items that would have to meet the rules of origin.  

For solution of the inter-state conflicts, there should be an ongoing series of dialogues between India and Pakistan and other member states, SAARC arbitration council 2005 is a good move.  

Conclusion:  
To conclude we can say that the organization which had complete its 31 years on 08 December 2016 was made for developing mutual cooperation among its member countries in South Asia. Although the organization is working with its full energy and efforts to achieve its desired goals, but still SAARC is unable to do so for what it had been established by its founding father Rahman in 1985; the reason behind its handicapped or high jacking are the challenges within which the organization is trying to achieve its success; the main thing, what the member countries should do to resolve the big conflicts like J&K and should maintain peace and harmony and should show some trust upon each other and should develop trade relations among member countries rather than western countries.  

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