The South Asian Association for Regional Cooperation (SAARC) exhibits contradictory impulses of cooperation and conflict. As noted in chapter 2, SAARC has been successful in bringing countries of the region closer and promoting cooperation among them in certain areas; at the same time, lack of congenial political atmosphere has tended to restrict the pace and progress of SAARC.

This slow pace of SAARC has not proved beneficial to the countries of the region. In the emerging international order where most countries and regions of the world have sought to protect their interests in a regional cooperative endeavour, the internal bickering in South Asia have cost the region most. The excessive stress on security interpreted in military terms has increased not only military expenditure but also tension in the region, and underplaying of non-military threats emanating from economic insecurity, social unrest or cultural dominance etc. is proving detrimental to the interests of member states as well as the region. Beside, lack of unified response to the dominant countries' attempt to shape the global economic and political configuration coupled with South Asia's minimal presence in global trade and internal conflicts have caused a real danger of South Asia being marginalised in the community of nations.

Therefore, to promote peace, progress and prosperity of the region as well as to improve the standard and quality of the life of people of South Asia - the objectives of SAARC - promoting regional cooperation and increasing the scope
and pace of SAARC activities have become important. Though regionalism could be argued as not an effective substitute for bilateralism, in South Asia SAARC activities can help member states to realise their common purpose better by providing larger economic space and a leverage to deal effectively with emerging global market forces as well as issues of peace, development and human security. It is through regional cooperation member states would be better equipped to deal with domestic inadequacies and international pressures. Hence strengthening of the SAARC could benefit the member states most.

Nevertheless, promoting regional cooperation in South Asia is an arduous task given the political conditions of the region. The cool, at times negative response of the political elites to the issues frustrates the drive towards further improving the effectiveness of the SAARC. Although the lip-sympathy is constantly provided to the SAARC, the concrete moves are not sufficiently forthcoming because of the divergent foreign policy perceptions and bilateral differences amongst the member states. Lack of common perception regarding the role of SAARC adds to the problem with countries like India stressing on economic, cultural and technological aspects, and Pakistan, desiring the expansion of the scope of SAARC to include political and even bilateral aspects.

Hence, the search for additional or alternative strategies to strengthen the SAARC has become inevitable without which the interests of the region as well as of the member states are likely to be jeopardised. Apart from others, looking-up at other regional organisations and learning from the developmental experiences of other organisations and applying such knowledge relevantly to the progress of the
SAARC could be one useful and effective way of promoting the SAARC. Although there exist many regional organisations to look towards, it is the European Community/European Union (EC/EU), a pioneer in regional integration, that is worth observing closely because of its remarkable and successful growth in a continent otherwise known for conflicts and competition and its role in promotion of economic progress, political stability and development of the region ensuring peace, prosperity and progress. Certainly, SAARC could reflect on the developmental pattern and experience of the EC/EU and derive certain ideas for its progress. This calls for an understanding of the distinct aspects of the developmental strategy of the EC.

**EC/EU: Distinctive contributions**

The EC/EU has restructured inter-European relations; it has given a distinct identity to Western Europe and has become a major force in international relations. Since its inception EU has sufficiently 'widened' to include most parts of Western Europe by successive enlargements and 'deepened' the relations among member states coupling their interests within the framework of regional organisation.

However, the evolution of EC/EU was not a smooth, unilinear progress. It reflects the amalgam of ideas, situations, responses and even experimentation that has made the EU to be what it is today. The shaping of the EU was riddled with idealism, pragmatism, contestation, compromises, compulsions etc. Nevertheless, as discussed in Chapter 1 the EC/EU has distinct contribution to the regional integration process, some of which are also its unique features. Discerning such
unique contribution/bequest is important to understand its relevance to the promotion of SAARC.

i. **Rapprochement**: EC and its forerunner, European Coal and Steel Community (ECSC), are known for effecting conciliation between the age-old enemies, France and (West) Germany. The interests of these former enemies were innovatively coupled by placing coal and steel industry in a supranational (regional) framework under a common authority by the ECSC, which foresaw the complementarities between French iron ore and German steel thus ensuring economic progress in Europe, and making war not only "unthinkable but materially impossible". In other words, regional framework was seen as an effective conflict preventive mechanism and possibly to end mutual conflicts by working together to realise common objectives of peace and progress.

The EC, emerging from Franco-German rapprochement in the context of East-West conflict, has subsequently progressed horizontally (by successive enlargements) and vertically (by deepening relations) facing new challenges of the time for the overall progress of the member states and the region. But the France-German solidarity still remains central to the European integration process though other countries including smaller ones had their share of influence in the European dynamics. Integration in EU has hence become an ongoing process to safeguard their interests against re-nationalisation or emergent nationalism-biggest fear in Europe.  

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The EC/EU thus demonstrates a case where initial rapprochement could develop into a closer net of cooperation and transformation of the political map of the region into a zone of peace and stability. The EC/EU though has not replaced nation states as centre of citizen’s loyalty at least is seen as a catalyst of European peace and progress and as a medium of lessening the rigidity of national boundaries and narrow national assertions.

ii) **Primacy of ideas**: The success of the ECSC, and subsequently the EC project, is a testimony to the visions of European statesmen like Monnet, Schuman, Adenauer, de Gasperi etc. Their ideas may not have been elaborate or even original but the contextual advocacy and the appropriateness of the ideas to the situation is noteworthy. It is true that there were many congenial factors for the success of EC like the cold war situation, American support etc., but without clear ideas supplemented by concrete work EC would not have had take-off or progressed.

In this endeavour significantly, the historical European identity with roots in the Greco-Roman and Judeo-Christian civilization, its humanists tradition, its faith in progress and its technical and industrial development, was sought to be developed into ‘European consciousness’ without affecting the national sentiment. The ‘European’, for whom the idea of Europe was hitherto predominantly cultural with no motivation to turn it into political Europe since Europe took itself for the world, was shocked by the two world wars, decolonisation and cold war which eroded his ‘superiority complex’ and hegemony. Now there was a realization that further decline could be prevented and European interests could be safeguarded.
only by agreeing to unite among themselves. It was here that the supranational regional framework was thought to be effective and a suitable framework was adopted.

The EC was a demonstration of the inevitability of ideas i.e. articulation of interests relevant in the changed context for initiative as well as for success of regional organisation. This is not to imply that the movement of any regional organisation would be unilinear or teleological. As EC/EU process highlight, different situations and contexts would have there share in shaping the regional integration/cooperation process; yet, without vision construction of regional framework for cooperation could be defective or the motivation for further cooperation could be minimal with no commonly felt tangible or intangible benefits and articulation of group identity or purpose.

iii) Functional strategy: A significant aspect of the EC is the strategy that was adopted to realize the objectives of peace and prosperity. Convinced by the failure of the European Defence Community (EDC) in 1955 that the states would not forsake areas central to sovereignty, the makers of Rome Treaty found that ECSC strategy was most suitable and adopted less controversial economic route to peace and progress although it had implicit political consequences. The strategy of

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2 Delanty argue that idea of Europe (cultural) existed long before people identified themselves as Europeans. But the idea of Europe failed to become a cohesive collective identity, for, instead of European unity configurations of national identities were formed. Strategically this was developed into European identity ('Self conscious political identity') as a form of consciousness. See, Gerard Delanty, *Inventing Europe: India, Identity and Reality* (New York: St. Martins Press, 1995). The development of European consciousness now came to be based on what Robert Frank identities as four rejections - the rejection of war in 1920, reactivated in 1945; fascism; Russian imperialism during the cold war; and non-acceptance of the relative decline of the European nation-states. See, Robert Frank, "European Identities, Consciousness and Construction: Harmony and Disharmony between Politics, Economics and Imagination", In H. S. Chopra, Robert Frank and Jurgen Schroder, eds., *National Identity and Regional Cooperation: Experiences of European Integration and South Asian Perceptions* (New Delhi: Manohar, 1999) pp. 44-48.

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incrementalism, which was in tune with neofunctionalist assumptions largely proved to be a success although at times the nature and reach of EC into national sovereign arena was contested. Even the sceptics like Britain became part of the EC and in the process a complete interdependency in the EC/EU has emerged along with the number of areas dealt by EC/EU and its influence in the national sphere gradually increasing.

The success of EC/EU thus reflects the rationale that once integration process in initiated, may be for self interest of the participants, it would develop its own processes, logic and incentives for further integration. The final form may not be clear, but integration is bound to proceed by leaps and bounds depending upon the political climate and regional organisation would be recognised as inevitable in the national developmental process.

iv) **Institutional Structure and processes**: The EC, despite supranational objectives, could foresee the adverse effect of thrusting supranational institutions on member states; hence, it settled for a balance between supranational institutions (Commission, European Parliament, European Court of Justice etc.) and intergovernmental Council of Ministers. Though the creation of Council of Ministers was a result of the demand of smaller Benelux (Belgium, Luxembourg, and Netherlands) countries, it did prevent a sense of ‘domination’ and ‘dominated’ arising without missing the supranational thrust.

Hence institutional design of the EC/EU could be argued as a major factor in promoting and sustaining integration, for, trade off between them could result in higher phase of integration. The intergovernmental cooperation provided healthy
environment for commonly accepted move towards next stage of supranationalism and process has resulted in increasing communitarisation of policies on agreed areas without creating ill will.

While the increasing legitimacy of the community institutions and communitarisation of policies is evident in the Single European Act (SEA), Maastricht Treaty on European Union (TEU) and Treaty of Amsterdam (TA), significantly the Community also accepted the principle that member states would not block others from going ahead on an issue to which they would not consent. The subsidiarity principle in the EU again confirm the idea that regional organisation can better deal with those issues which individual nations states are unable to deal effectively. In other words, EC/EU institutions are shaped not only to have flexibility - a great strength of institutions - but also autonomy of its own as well as recognition of its importance in national agenda.

Such flexibility and autonomy of EU institutions removed ill will and facilitated unwilling ones to join the stream for common benefit. This internal adjustments and compromises could reduce over a period of time due to increased interdependency, communitarization of policies and impact of one states’ policy on others; nevertheless, it highlights the strength of such an approach in the consolidation of the organisation as well as capacity to adjust to the changing situation by deepening relations at supranational level but facilitated by intergovernmental cooperation.

Such orientation was supplemented by the lack of intrusiveness on the part of EC and sufficient space for member states to pursue domestic agenda, which
allowed for contestation, as well as compromise and new experiments in forms of cooperation. At the same time new tasks aimed to be completed in a time framework did compel countries to be materially and psychologically ready to accept changes according to the timetable. That is, while gradual convergence of ideas for common good was allowed the objective was not compromised and it was sought to be achieved in time frame once goal was set. Consequently the competence of the EC/EU is growing significantly but without affecting the national peculiarities. National and coordinated policy instruments continue despite thrust towards communitarian dimensions.

Thus it is clear that EC/EU in its developmental process has been able to converge not merely the economic policies but also political perspectives to a large extent, though not without stress and debate. Partly this is because EC has been instrumental in evolving a complex interdependency both among its member states and also between itself and member states. Its activities today cover practically every area of governance. ‘Regional’ co-exist, compete and at times share responsibility with ‘national’.

It is through EC/EU the European member states have irrevocably coupled their interests and prosperity strengthening not only their position but also image of Europe. By gradually increasing its economic and political weight EC/EU has largely emancipated Europe from internal feuds, economic weakness, and pressure from the Soviet Union during cold war and domineering role of the US and has increased its bargaining power against major powers and trading blocs.
EC Progress; the context

It is important to note that, in spite of appealing and interesting aspects, the growth of EC/EU has not been unilinear or smooth. Its progress was often conditioned by the domestic, European and international situations. But the EC/EU is often presented as a success story of an organisation, as a lesson and a model for emulation by others for peace and progress. The universal applicability of its model as implied in EC’s own advocacy of regional organisation, as seen in chapter 3, is mostly shaped by its preference and advocacy of compatibility between regionalism and multilateralism, a scenario which appear to suit EC’s interest most. The ground realities in different regions are different and the context, pressures and the support, which the EC had in its development, do not exist in other regions. Hence, the success of EC need not get reproduced in other organisations that emulate the EC.

Therefore, before applying the EC/EU developmental experience to SAARC it is pertinent to know the concrete situation that shaped the EC integration so as to better understand the suitability of EC model to the SAARC condition. In its eagerness and tremendous capacity to advocate viability of regional organisation EU itself do not sufficiently highlight the systemic factors that proved conducive for the success of integration and these are also not adequately focussed by other narratives of EC/EU. ³

The context of cold war- fear of Soviet expansion and American support to EC project – and the French concern regarding the US suggestion for rearming

(West) Germany as a check against potential Soviet eastward expansion, for instance, do not get sufficient attention. More than Soviet aggression it was the fear of resurgent Germany that made French leaders to align with Germany as an insurance against latter's revival. Therefore, it is necessary to note that French national interests were paramount in the French suggestion for supranational sectoral integration rather than idealism of supranational Europe and European identity which were only the means for serving national interests, a fact which is often underplayed. EDC failed not because it was not supranational but it failed to address the French national apprehensions.

Further, the proposed customs union was to accrue benefit to the French steel industry by expanding production and shedding protectionist tendency as well as help in containing the re-emergence of German industry. Aware of British non-participation in customs union project, for French aligning with still a weak Germany was also a means of asserting dominant role of France in Europe whereas for Germany it was desperate attempt to establish equality with others and remove wartime restrictions. So supranationalism served immediate national interests of key countries rather than European interests. Even Benelux countries were guided primarily by the national considerations. Hence regional/European interests were seen as a means of protecting national interests or reviving the faith in nation state that had been badly damaged by the second world war especially by its advocates.⁴

Martin Holland, *European Community Integration* (London: Pinter, 1993)
Subsequent to the formation, as observed in chapter 1, EC's progress varied in different contexts and political configurations. While personalities like de Gaulle and Margaret Thatcher were not happy with the increasing independence and power of "Brussels" institutions and sought to assert national control, it was economic and political conditions of 1980's and 1990's that helped the EC in strengthening its institutional mechanism. Therefore, the idea that the creation of institutions in itself could promote and sustain progress of regional organisation does not hold good.

As EC/EU trajectory itself suggest on closer examination that integration and progress of regional organisation depends on situations and political perspectives and there can be no unilinear movement. Since the present situation in South Asia is very different from that of EC in its formative stage or later, duplication of EU model in South Asia is difficult and any attempt towards emulation is unlikely to yield expected dividends.

**EC relevance to SAARC: Some reflections**

Though the EC/EU model does not appear to suit South Asia because of different contexts and conditions, the EC integration process could certainly be a source of inspiration and a reference point to SAARC. Moreover, the EU trajectory does provide certain insights that are useful in the South Asian Context. The SAARC process perhaps needs to consider these in its developmental pattern with relevant adjustments. Hence, identifying relevant aspects and learning from the EC's developmental experience could be beneficial to the SAARC's progress. Some of these are-
i) Motivation: Generally strong and self-confident states as well as weak or small countries would be reluctant to irreversibly transfer sovereignty to such an organisation which would be self-regulating. In the EC’s case, Britain that was less affected by war, for instance, was not willing to join an emerging supranational organisation like the ECSC or the EC in the beginning. The Benelux countries’ insistence on creation of intergovernmental council of ministers for EC spoke of the apprehension of smaller countries of domination of the organisation by the bigger countries. So in the normal situation there may not be motivation for states to opt for regional integration or enhance cooperation within regional framework unless certain advantages are foreseen. Bilateralism may still be preferred to regionalism.

In South Asia too similar situation could be found. India and Pakistan, relatively stronger countries in South Asia, appear to have no motivation for strengthening regional organisation and do not think SAARC as inevitable for their progress. In the initial stage, India did not liked to be tied up with an organisation in which it would not have complete freedom of action and its interests would be adversely affected in case neighbours use the regional platform to ‘gang up’ against India. Hence was India’s insistence on non-inclusion of bilateral and contentious issues in the SAARC framework. Pakistan too, apprehensive of India’s domination in the organisation, was unenthusiastic about the proposal for regional organisation although other countries thought it to be an effective instrument against big power domination and mechanism to ensure equality in the region.

But as the experiences of EC or SAARC suggest countries of the region would not like to bear the cost of non-inclusion and they would become the part of
the stream however grudgingly it is. This is because of the realisation that (a) others’ move could affect its interest significantly or (b) later they can not join the organisation in their terms or (c) inability to face emerging domestic or external challenge/crisis individually.

Therefore, countries would not pursue regional cooperative endeavour intensely unless there is a expectation of benefits or compulsion of the situation. In the case of EC the crisis situation of the post Second World War period created a conductive environment. The cold war pressures, American support, fear of resurgent Germany, advantages of economic cooperation – all proved compelling factors for creation of an integrated regional framework, the ECSC and the EC.

Subsequent to the formation of the EC the realisation of the inability of the states to meet certain contingencies gave a forward push to the ‘deepening’ as well as ‘widening’ of the EC. For example, the stagflation of the European economies resulted in adoption of SEA in 1980’s. Similarly the post cold war developments prompted adoption of Maastricht TEU and TA in 1990’s. Therefore the crisis situation and realisation of internal inadequacy to meet the emerging challenge could enable common action and strengthening of regional framework.

In South Asia too crisis situation although of a different nature exist. The socio-economic backwardness of the region in the context of globalisation process which is capable of homogenising cultural patterns along with its thrust on western capitalist orientations is affecting the collective interests of SAARC member states in the absence of an effective regional strategy to the issue. The militaristic approach to the security with nuclear explosions in the region in May 1998 by India
and Pakistan and the stalemate in their present relations have only pushed up the insecurity as well as defence and unproductive expenditure on infiltration, counter propaganda etc.

The threats emanating from non-militarist sources like poverty, unemployment, ethnic problems etc have increased manifold and states are unable to curb them individually. The domestic and bilateral disputes have not only affected peace and stability of the region but also global investments. When other regions are protecting/advancing their interests through regional organisations, failure to do so by further strengthening of SAARC by member states despite the realisation of the futility of individualist approach has put them in real danger of being sidelined by the global community.

Therefore, conducive (crisis) atmosphere as well as benefit by cooperation does exist in South Asia for ‘deepening’ of relations but SAARC member states are yet to make up their mind for realizing the benefits of collective action. The non-cooperation in South Asia has already resulted in duplication of efforts and higher cost of providing public goods and services, increasing dependence on extra-regional markets, higher costs and lower efficiencies of national infra-structural and developmental projects, inward political orientations resulting in domestic unrest, political chaos, strained bilateral relations, slow down in regional economic development and development in social sectors etc. Therefore it is necessary to move toward finding regional solutions to common problems.

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However, as EU experience suggest it is not mere conductive atmosphere that is required for ‘deepening’ relations but also the willingness on the part of political elites to go beyond the present stalemate. The mutual conflictual situation need not necessarily be a hindrance to regional cooperation as it is sometime believed. Bilateral relations could strengthen along with or as a consequence of strengthening regional organisation if there is a political will.

ii) Core group initiative: In regional organisation though all member states are equal participants thrust to internal dynamics is often provided by few major states who could have greater stakes in integration. In EC’s case, the EC was not only created by the Franco-German rapprochement but also had impetus to integration by it. But in inter-governmental SAARC, unlike the EU, despite instances of joint communiqué of ministerial meetings on environment, WTO related issues etc. member states pursue opposite or contradictory policies that prevent SAARC from realising its best.

This is because the two major countries of the region-India and Pakistan-who ideally should have taken lead in promoting SAARC are, in fact, not very enthusiastic or involved in SAARC progress. Their bilateral adversarial relations often take precedence over regional cooperative endeavour. Unless these two countries agree to cooperate and promote SAARC, the SAARC and region’s progress is bound to be tardy because as former Secretary-General of SAARC, K.K. Bhargava argues, “Even though the (SAARC) charter specifically states that

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Moonis Ahmar, for instance, points out the problems in South Asia such as suspicion and mistrust while contrasting the EC without considering the fact that EC emerged among the former adversarial states. Moonis Ahmar, “European Union as a model for SAARC”, in K. B. Lall, H. S. Chopra, Thomas Meyer. eds., The European Community and SAARC (New Delhi: Radiant, 1993) p. 44-45, 53-54.
bilateral and contentious issues are to be excluded from the deliberations, we have to reckon with the fact that a symbiotic relationship exist between tension-free ties among member states and healthy regional cooperation".  

It is here again the actions and attitudes of France and Germany becomes important as a guiding force. France and Germany in spite of their centuries of conflict decided to bury hatchet in the post second world war period and couple their interests in a regional framework for peace and progress. The same drive on the part of India and Pakistan could help South Asia to overcome much of its problem. As Rummel puts it, “it can be an asset rather than a hindrance if regional organisation has one or two leading countries to drive the cooperative process. It requires, however, that they refrain from power demonstrations and accept compromises. It also requires that they have more advanced mechanisms and higher degree of cooperation than the rest of the group, see Franco-German Elysee Treaty. If not they risk to block the cooperative process and the whole enterprise is doomed to fail”.

But how to bring these two adversaries together for regional well being with India not in favour of third-party mediation? Prof. Chopra, apparently taking a clue from Franco-German rapprochement, here makes an interesting proposal for coupling Indian security interests with that of Pakistan. He opines that India need to rush to the help of Pakistan in case mishap occurs on Pakistan’s Western frontier beside suggesting other peace initiatives such as reciprocal reduction in defence

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7 K. K. Bhargava, “The SAARC: Challenges and opportunities”, In K.B. Lall, et al eds., The European Community and SAARC, ibid., p. 25
8 Rummel, n. 1, p. 294
expenditure with India taking the lead, package deal on territorial issues, verifiability of weapon systems etc.  

However, these measures appear difficult to be realized if analysed in the context of present developments in South Asia. Obstacles to regional cooperation in South Asia are basically political and psychological and the state driven SAARC process is affected because of this. The regional bilateral differences, especially between India and Pakistan at times touch the core areas of nation state. Pakistan’s insistence on the centrality of Kashmir issue in Indo-Pakistan relations and India stressing on the end of ‘cross-border terrorism’ before progress in bilateral relations is made and non-acceptance/denial of each others demand have proved relations intractable. Ignoring such issues central to the perception/ideological basis of state has not been easy to both the countries.

In addition, after the nuclear explosions by both countries in 1998 and differing interpretations on ‘terrorism’ and related issues, particularly after the Kargil incident (1999), lack of progress in ‘Agra’ talks (July 2001) and ‘December 13’ (2001) attack on Indian parliament, the security environment has changed with rigid positions, particularly by India by refusing to talk to Pakistan; heavy deployment of troops in the border and insisting on handing over India’s twenty “most wanted” persons by Pakistan. In this context coupling security interests, verification of weapon systems, mutual reductions in defence expenditure etc. as suggested by Prof. Chopra prove quite difficult.

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Nevertheless, the central theme of Prof. Chopra's arguments that India and Pakistan need to reconcile for region's progress in noteworthy. India and Pakistan's attitudinal change and decision to 'bury the hatchet' as in the case of Franco-German conciliation shaped by historical lessons is inevitable for regions and their own progress. If immediate goodwill is not possible at least they need to cooperate in strengthening the SAARC process and their bilateral disputes need to be put in the backburner as in the case of EC's founder members. Given the political will narrow national considerations could be prevented from affecting the broader regional interests and, similar to France and Germany in the EC, India and Pakistan could effectively propel SAARC progress.

iii) Strategy for cooperation: Since its inception the EC aimed to achieve a customs union first and an abstract "ever closer union of the people" with political connotations which necessitated the states to come together for realising the common objectives. But with stress on economic integration and bilateral conflicts on the backburner political issues tactically were avoided explicit mention. In this strategy of achieving higher forms of integration, starting from the least controversial sectoral ('low political') integration, as observed in chapter 1, step-by-step approach was adopted in which present stage of integration was hoped to create condition for next stage of integration. In this strategy, which is in tune with neofunctionalist assumptions, sovereignty instead of being surrendered is only asked to be pooled up to the extent required for joint performance of functions.

In South Asian context the neo functional strategy is difficult to be replicated since every area including water, health, population, technology etc. are
related to the national development and are nationally sensitive. Therefore 'high' and 'low' sectors are difficult to be distinguished. But, at the same time, it is necessary to look beyond the mere intergovernmental, state-driven process of regional cooperation and the essence of neo functionalism here could be relevantly applied.

In South Asia it is important to facilitate the cooperation beyond the official national confines especially in those areas beneficial to all or many if regional cooperation has to be meaningful. The present cooperation in SAARC under the Integrated Programme of Action (IPA) is mostly confined to the official interactions and other programmes are affected by lack of political support. Therefore it is necessary to go beyond official confines in IPA as well as promote cooperation in other areas having regional implications. This could be in the area of river water harnessing, industrial and technological up-gradation in a regional framework similar to EC's EUREKA project, strengthening cooperation in national planning process and poverty alleviation etc.\(^\text{10}\)

Once cooperation is effected keeping in mind the regional rather than narrow national interests, such cooperation over a period of time tend to develop its own logic, pressure and incentives for further progress despite possible official sanctions. But bilateral conflicts need not preclude the negotiation on such areas if

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\(^{10}\) Lama and Lavakare opine that EUREKA programme has achieved certain amount of unity within EC and suggest that South Asia too could benefit from such ventures based on the collaborative spirit of EUREKA with a willingness of member states to look at long term gains rather than short term inconveniences and SAARC Technology Missions (SARTEMs) could be attempted in certain developmental areas like agriculture and Dairy Development, and Natural resource management and communications using developments in high tech sectors like Bio technology and space technology. See, Mahenda P. Lama and Prabhakara J. Lavakare, "Technology Missions for South Asia: Cooperation in the high tech domain", In Mehrotra, et al, eds., SAARC 2000 and beyond, n. 1, pp. 167-99
regional cooperation is perceived as a positive development.\textsuperscript{11} Hence the ‘deepening’ of regional cooperation process can help member states to understand each other better and prepare ground for reconciliation gradually but willingness to cooperate in the mutually beneficial areas is essential.

In this context recommendations of the Group of Eminent Persons (GEP) are important. In economic area, for instance, GEP suggest that SAARC need to realise not only South Asian Free Trade Area (SAFTA) but also move beyond it towards customs union and South Asian Economic Union.\textsuperscript{12} Such concrete moves not only benefit people but also create interest in regional integration by their tangible and intangible benefits resulting in reduction of bilateral conflicts and transformation of attitudes.

Further, the SAARC has to move not only towards higher forms of cooperation/integration but also, like EC, move in time framework. This enables states to be ready for the changes and to effect suitable policy measures at the domestic level. The deadlines have to be realistic but once decided should not be extended. Therefore, it is imperative that SAARC need to take up only that area which is feasible and workable. Its success could result in conducive atmosphere for increased cooperation in other areas.

\textsuperscript{11} Iqbal Cheema, for instance, argues that bilateral disputes need to be subjected to collective discussion and the exclusion of bilateral and contentions issues by SAARC charter is a ‘problem’. Pervaiz Iqbal cheema, “SAARC needs Revamping”, In Eric Gonsalves and Nancy Jetly, eds., The Dynamics of South Asian Regional Cooperation and SAARC (New Delhi: Sage, 1999), pp. 97-93, 103. But resolution of bilateral conflicts though could be conducive need not be a precondition for increased regional cooperation.

\textsuperscript{12} SAARC vision beyond the year 2000: Report of the SAARC Group of Eminent Persons Established by the Ninth SAARC Summit (Delhi: Shipra, 1999) p. 53-57
iv) ‘Deepening’ relations: In EC while official interactions continued integration process has slowly percolated into civil society. Over the years number of interest groups have emerged showing interest and seeking to influence the integration process. The networks that begun to develop across the member states were enduring and it could sustain itself even when official interactions were at the ebb, often influencing policy process in favour of closer cooperation. Though EC/EU is not seen as panacea for all problems, its role has come to be increasingly recognised and EU is mostly seen as inevitable.

On the other hand, EC is also eager to take the EC/EU closer to the people and increase legitimacy of its actions by encouraging them to internalise the EC through sustained campaigns, media programmes and other socialisation techniques impressing people of its desirability. The EC institutions are also increasing transparency in their proceedings and EC holds open and structured dialogues with interest groups. The EC Commission has also made available a list of non-profit interest groups to both officials and general public and the access to internal documents of the European Commission are regulated by a set procedure.

Contra-distinguished, South Asian cooperation has not gone beyond state-managed process and interactions at non-official levels remain minimum. Civil society is yet to internalise SAARC or develop an idea that SAARC is instrumental to progress or at least see its presence as an inevitable. SAARC Documentation Centre is setup in Delhi to make science and technology information available to

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interested parties. But, unlike EC, there is no code of conduct with regard to access to SAARC documents for scholars and Non-Governmental Organisations (NGOs). The impact of SAARC Audio-Video Exchange (SAVE) programme is insignificant and the SAARC’s drive to reach people has been poor. Consequently, the SAARC process has failed to get the recognition and the importance it deserves.

Hence, SAARC like EC need to adopt measures to make cooperation process in South Asia not only durable but also effective. Such measures could supplement official process of cooperation and primarily aim at reaching and involving people in cooperation process. This includes, among others, active involvement of NGOs and interest groups, easing of travel restrictions, as in EC orienting educational systems and media programmes to foster regional cooperation in South Asia. This would enable SAARC to be turned in to “Peoples Movement.”

Significant undercurrent of mutual understanding facilitated by unnatural boundaries, shared social and cultural characteristics, broadly similar levels of economic deprivations, concerns for stability and prosperity and deeply entrenched historical linkages etc. which Prof. Muni terms as “Pull factor” could supplement the process.

v) Institutions and institutionalisation: The framers of the EC deemed it necessary to create separate institutions for the management of the EC affairs that would be independent of member states. What finally emerged was a balance between supranational (Commission, European Court of Justice, European

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14 Bhargava, n. 7, p. 28
15 S. D. Muni, “Regional Conflicts in South Asia and role of SAARC in their management.” In Lall, et al. eds. The European Community, n. 6, p. 61; SAARC vision, n. 12, pp. 48-51
Parliament etc.) and intergovernmental (Council of Ministers) institutions. However, the hopes were pinned on the Commission, which was regarded as the motor of European integration. But as events in EC showed, the Council did not lag behind in involving and directing the integration process with the creation of its own bureaucracy- COREPER (Council of Permanent Representatives) and suitably modifying its decision making structure, say from unanimity to Qualified Majority Voting (QMV) as situation demanded.

What ensued was a competition between the Commission and the Council to direct and shape the integration process which increased not only the authority of both but also held them together in a closer net of competing as well as converging interests. Convergence led higher phases of integration. Here intergovernmental Council did not prove antithesis to supranational Commission; rather complementary, since many of the programmatic actions were debated and approved in the Council, sorting out the differences among member states and proving conducive to advance towards next stage of integration.

Along with these the assertive Court of Justice and the influential European Parliament sustained those vested interests which advanced economic and political integration and generating community bureaucratic ambitions. In other words, EC institutions and institutionalisation process established bureaucratic specialists who had interests and knowledge to further shape the integration and legislation. The elite socialisation in the EC and the internal dynamics of EC often influenced the political perception of member states and manipulated their choices. The credit of promoting, sustaining and advancing integration process can not be given solely to
EU institutions, for, contexts and circumstances were equally important. Nevertheless, there is no gainsaying that the proactive EC institutions and institutionalisation of integration process did make the integration process not only irreversible but also forward-looking.

While the EC institutions have given rise to mutually reinforcing process of institutionalisation and bureaucratisation of integration process, at the non-official and civil society level there have emerged many interest groups with a stake in integration process. The interaction and networking among them have proved conducive to integration and the institutionalisation of interaction and cooperation has made the integration process stable, dynamic and irreversible.

It is clear that the EC institutions and institutionalisation process although devoid of power have begun to control their own resources, accumulate knowledge and exert authority. The whole process, although at times assumed diverse forms and appear to take the EC process in different directions, impress upon the public mind EC and integration as inevitable, if not legitimate. This has helped in further advancing the integration process. But what is important is that the whole process has acquired a distinct identity and autonomy of its own independent of national official process.

The institutionalisation and bureaucratisation of integration process have led to the accusation of rigidity in integration process and 'integration from above'. Nevertheless, integration momentum is sustained and the people's perceptions in favour of integration have emerged as a consequence of such institutionalisation. People and interest groups have foreseen advantages in such a process.
Institutionalisation, hence, could help the integration process and SAARC needs to intensity such process.

However, in SAARC member states are still the driving force behind the cooperation process and their mood and political climate to a large extent shape the nature and pace of cooperation in South Asia. Moreover, the SAARC, unlike the EC, emphasises on intergovernmental 'cooperation' rather than supranational 'integration'. Hence, it is not a surprise that the SAARC institutions, unlike most EC institutions, are not endowed with the authority of their own with the power to initiate, direct or enforce the integration process.

Even in formal cooperation process not much consistency could be found. Complete and sustained support to SAARC activities especially by the bigger countries hardly exists. The Summit meetings - important platform for formal and informal interaction among leaders and forward push to the cooperation - themselves are becoming irregular and when held are devoid of cooperative spirit. At Summits, sometimes substantive issues are discussed but initiative and implementation largely lies with national bureaucracies rather than the SAARC secretariat. Consequently the regional institutions including Secretary-General are constrained by the considerations of 'national interests' and are unable to shape or influence the member states' policy perspectives towards regional concerns.

The secretariat remains to be the only institution of SAARC and SAARC institutions such as Council of Ministers, Standing Committee etc. work more as coordinating agencies of national perspectives. There have been no moves made to introduce other regional institutions like SAARC Parliament despite the
suggestions by academia etc. which actually could have increased the legitimacy and initiatives of SAARC. Agencies outside SAARC have their own limitations - financial, legitimacy and reach - in furthering the SAARC process and thus not very effective.

Hence it is necessary to strengthen the existing SAARC institutions as well as support regional endeavours which could develop interest in sustained regional cooperation. Learning from the experience of the EC/EU, it is necessary to endow regional institutions with certain autonomy to perform regionally oriented activities, encourage non-governmental initiative on regional activities and attempt to bring the SAARC process closer to people so as to make it effective and durable. These might require, among others;

(a). Endowing SAARC particularly the Secretary-General and his team with certain freedom and powers at least to suggest measures for enhanced regional cooperation and implementation similar to, if not exactly like, the European Commission. Role of Secretary-General and staffing of the SAARC Secretariat need to be reviewed as an essential element of capacity building;\(^\text{16}\)

(b). Strengthen the SAARC regional institutions to truly make them nodal points of SAARC activities in concerned areas rather than duplicate national institutions and evolve an acceptable procedure for official and public access to the information; (c). Actively involve and give more role to NGOs and Professional bodies like SAARC Chamber of Commerce and Industry (SCCI), Association of SAARC Speakers and Parliamentarians, SAARCLAW (Association of

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persons of the legal communities) etc. in SAARC activities. Networking should be encouraged in these bodies so that a institutionalised process could become supplementary to SAARC activities and at times could exert pressure for increased cooperation. Beside, the institutionalised interactions among media professionals, business class as well as police, customs officials etc. could be encouraged to facilitate the SAARC;

(d). The existing procedure of consultation and discussion among the Commerce ministers to evolve a regional viewpoint before WTO meetings, SAARC’s informal discussion with the EC, ASEAN etc. and the coordination among SAARC planning ministers, finance ministers etc. should be regularised and allowed to take a institutionalised form. This not only presents SAARC as a visible entity inside and outside South Asia but also help SAARC member states to evolve common viewpoints and approaches towards the issues which will help in sustaining and encouraging momentum in SAARC cooperation.

(e). Set up a representative (parliamentary) body for SAARC with possible extension of present Association of SAARC Speakers and Parliamentarians.

Once these programmes, some of which are already through, are initiated, intensified and encouraged, as EU experience suggest regional institutions and institutionalisation would over a period of time de-couple itself from national official points of view and begin to develop their own rationale and processes for integration/cooperation often influencing political perceptions of member states and manipulating their choices.
Regular, institutionalised interaction, in particular, not only facilitates exchange of ideas and promote efficiency but also could help in conflict prevention exercise. Moreover, the elite socialisation thus promoted could, as in EU, become a major force in sustaining and promoting further advances in regional co-operation/integration.

At the same time SAARC would be able to construct an increasingly dense net work of interdependent bargains making it difficult for member states to pursue exclusionary politics. SAARC could also gradually move and share responsibility with member states by enabling them to find regional solutions to their common problems and become active facilitator. Eventually all these might lead to ‘domestication of SAARC’ as in EU the ‘domestication of Europe’ and, if not subsidiarity, at least perception of inevitability of increased presence of SAARC in certain areas. The increased institutionalisation process, therefore, not only makes integration/cooperation process irreversible but also furthers it.

Facilitating the SAARC

The SAARC has moved beyond the first stage of institution building and conception of programmes followed by a period of action and implementation in which it is clear that the progress of SAARC has not been smooth. Therefore, today, SAARC requires not only stocktaking exercise but also concrete measures to overcome obstacles to its progress. An analysis of EC/EU’s development provides certain insights to the integration process and relevant clues for the success of regional organisation in South Asia. Along with its consideration for appropriate
action certain concrete measures are required to proceed towards increased and closer cooperation in SAARC in the light of contemporary developments.

With considerable progress made in certain areas and issues now touching key areas of cooperation future direction and time bound programmes are necessary in the backdrop of western countries' attempt to shape the global economic and political relations according to their preferences and benefits. In this setting SAARC needs to come closer and apart from social agenda focus more on critical areas such as accelerated economic progress and bringing certain important economic areas like energy, manufacturing, services, money which are still outside the framework of SAARC into SAARC. These needs to be supplemented with adequate resource flow, conducive infrastructure and promotional policies anchoring it in a stable political relations. Such efforts complement national developmental programmes as well as accrue benefits to the region as a whole.

In the post cold war period the economic issues are brought to the centre stage and South Asian states can not be oblivious of the global developments. However, given the experience of state directed economy in South Asia, the role of state in developmental process is unlikely to be minimised in the foreseeable future. Therefore, the states themselves need to play an important role in promoting economic cooperation gradually considering the economic, political and societal heterogeneity. Without affecting the bilateral or multilateral economic transactions states could focus more intensely on one or combination of following strategies to enhance cooperation in South Asia some of which are already underway but need
greater thrust. All of these however require back-up of suitable macro-economic and trade policies and political commitment.

First, complete liberalisation and free trade between countries of South Asia in selected actively trading items of about 50-100, which could be gradually extended to other items with benefits of increased trade. SAFTA could be a right step in this direction. However all Non Tariff Barriers (NTBs) and trade distorting para-tariffs needs to be eliminated in the process in a time bound framework. In this regard India’s offer of tariff concessions to large number of products, much of them in favour of LDCs is a promising step. If necessary this could be complemented by a regional Generalised Scheme of Preferences.

Second, as in Common Effective Preferential Tariff (CEPT) of ASEAN Free Trade Area (AFTA), there could be a reduced (differential) regional tariff rates for primary commodities, manufacturing etc. with the aim of eliminating it completely (zero tariff) or keeping it at bare minimum realised over a period. This needs to be followed up by harmonisation of foreign investment policies to prevent foreign firms flexibly interpreting rules of origin and harming the interest of any one country.

Third, though not exactly mean ‘sub-regional approach’ there could be an emphasis on growth triangles or quadrangles or alternatively sectoral integration among three or four countries which could focus on locally available resources like water, hydropower, iron and steel etc. These measures could effectively harness local resources, for example, water in Himalayan region, and benefit the South Asian region. Such increased collaboration could take place even among the areas
of cooperation covered under IPA and efforts could be boosted by mutually eliminating/reducing tariff and NTBs and agreed investment incentive measures.

Fourth, as in the case of Franco-German relations or Benelux within EU, the closer bilateral relations in SAARC could prove beneficial to the organisation. On one hand such closer relations could help in experiment of certain aspect of integration on a smaller scale, and on the other, it could act as a pressure for extending such cooperation on the larger scale in the organisation. Further, as EU experience show disparity within the region need not be a hindrance to closer cooperation and member states within SAARC like EU could go at different speeds to integration and help others to raise the level of participation. Therefore, bilateral/trilateral cooperation within the region like Indo-Sri Lankan Free Trade Arrangements need not be seen as antithesis of regional cooperation and SAARC emphasis on consensus should not be an impediment to such moves.

Fifth, to avoid existing discrepancies widening and disturbing the regional cooperation process and to help relatively backward countries to effectively participate in SAARC process, a SAARC Fund in the lines of EU structural and cohesion fund need to be setup. This fund could be used for different purposes such as developing certain regions and sectors. The existing South Asian Development Fund (SADF) for instance, could be broad based in the lines of European structural fund to assist vocational training, to undertake new forms of agriculture, fishing etc. beside regional and joint venture projects. In the given structure although states might be the ultimate beneficiaries of the assistance, the fund could increase SAARC's legitimacy by acting as a developmental and re-distributive agency that
promotes its visibility in the process of states donating, appealing and bargaining for funds, drawing attention of even public towards SAARC. The resources of the fund could be raised by the contributions of member states, but external funding need not be rejected if given for developmental purposes, a proposal that is also made by the GEP with regard to SADF. This SAARC Fund could help in building the organisation as well as nation-building by overcoming uneven and imbalance in development.

Sixth, while continuing to intensify the IPA activities into more action oriented programmes to yield tangible benefits to South Asia, it is necessary to evolve institutional framework for networking arrangements. Various professional bodies, NGOs etc. could be encouraged to have greater interaction at the regional level and they could have greater role in the SAARC activities. At the same time, these need to be supplemented by media and educational programmes to educate the people of the benefits of regional cooperation and also to provide more information about each other. The SAVE programme needs to be invigorated. All these might require cooperation to be taken away from the exclusive domain of the bureaucrats and to be placed in a regional structure in which broader and meaningful participation of interested parties could take place, creating conditions for increased cooperation.

One such area that called for regional networking and regional cooperation for success was the EU proposal for South Asian Rinderpest Eradication – Support Programme (SAREC-SP). As discussed in Chapter 3, the proposal involved private sector participation and closer cooperation between veterinary agencies of member

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17 SAARC Vision, n. 12, pp.70-71
states. This externally sponsored project did not elicit positive response. But such endeavors initiated by member states on areas of mutual benefit, may be river water harnessing, energy, environment etc., could be a step forward in the direction of strengthening the framework of SAARC. Some of these could be also proper areas for experimentation of what the EU terms as ‘subsidiarity principle’ at SAARC level.

In this regard, implementation of the suggestion of GEP, especially relating to infrastructural development and vertical integration within specific sectors of economies of South Asia such as textiles, leather goods, light engineering products, software development, rubber products, automobile and exploitation of bio-resources to fully exploit their competitive cost advantage, diversify their production structure and improve their competitive position with the rest of the world could go a long way in strengthening SAARC\textsuperscript{18}.

All these measures simultaneously need to be supplemented by other policies, some of which are already through but require again impetus:

(a). coordination and institutional relationship with others regional organisations;

(b). attempt to harmonise external trade policies to promote trade complementarities in the region and to off-set adverse effect of intra-region competition abroad and arrive at common positions vis-à-vis WTO and other global and regional organisation and issues;

(c). expansion of economic cooperation to include investment and technological cooperation, extra-regional trade, infrastructural development, joint ventures,

\textsuperscript{18} SAARC Vision, n.12, pp. 73-80
gains from intra-industry, trade complementarities apart from inter-industry trade information exchange base;

(d). more attention to people-to-people contacts by way of support to organised tourism, youth programmes, NGOs, SAVE, fellowships and chairs, media cooperation, training facilities to civil servants, increased academic interaction and joint research projects and other programmes that create awareness of benefits of South Asian common action;

(e). strengthening the institutional structure of SAARC at least to identify or pursue area of cooperation with member states’ consent instead of depending on the latter for every small action.

In this regional endeavour India which has stronger presence in South Asia by virtue of its size, economic and military power with stable democracy and political system and experiences in pluralism could help in fostering relations by opening up sufficiently to South Asia even if it means unilateral or without stress on reciprocity as has been done during I.K. Gujral’s tenure first as Foreign Minister and then as Prime Minister which helped in improving India’s image in South Asia.  

India’s initiatives would be crucial for instance, in economic integration in South Asia. Therefore, India need to take interest and initiative in furthering economic integration in South Asia and such a measure would certainly be supported by others, especially by small countries of South Asia. India that has

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already granted tariff concession to large number of items for trade in South Asia could extend it to many more items or abolish tariffs. India’s large market and its trade with the region makes difference to overall intra-regional trade in South Asia since in its absence South Asian market becomes limited coupled with foreign account restraints or low market demands of other importing countries of South Asia. Already the geographical position and bilateral trade agreements of Nepal and Bhutan with India have aligned their trade with India. Bangladesh and Sri Lanka too are willing to increase their trade with India.

Hence, it would not be fair on the part of India to insist on reciprocity and trade advantages and to look from purely commercial point of view, because many of its neighbours being LDCs have supply side constraints and also India is self sufficient in most items. India is in a position to supply industrial inputs and capital goods at competitive prices which has close correlation with fixed capital formation in these countries and India needs to increase its trade with South Asia from its present level of mere US $2331 million (in 1999) as against its global trade of US $84079 million that represent just 2.7 percent. More than trade benefits, such measures have intangible benefit of stability and goodwill in the region.

Therefore, such postures supplemented by exploratory/interactive dialogues could help in overcoming most of the existing problems and every initiatives/proposals from neighbours for regional cooperation need not be suspiciously be seen. India perhaps has nothing to fear or loose by such gestures and reluctance would only help anti-Indian hawks particularly in Pakistan.

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Increased relations based on goodwill would not only help in strengthening regional cooperation and SAARC but also tend to benefit by a global politics and world market that put a premium on inter-regional and intra-regional cooperation.

India’s initiatives might be viewed as hegemonistic; but, lack of initiative would also be blamed as lack of sincerity. Therefore, it can be hoped that such gestures gradually tend to make neighbours reciprocate and realise the futility of harping on asymmetry and perception of dominance; instead, may prompt to realise the value of collective solidarity in the face of global changes and challenges as well as national inadequacies. Here the experiences of ASEAN or EU may be considered. Initially in ASEAN, as Sabur and Kabir notes,

"Indonesia’s policy towards its neighbours was more abrasive than India in SAARC. Nonetheless, particularly, in dealing with intra-group conflicts, Indonesia played a high degree of restraint and caution so as to remove the deep seated suspicion in the minds of its ASEAN partners with regards to Jakarta’s hegemonic ambitions in the region. Political self-denial on the part of Indonesia gave ASEAN a remarkable political ballast from the very on set and contributed significantly to the normalisation of politico-security environment in the region. A similar role played by India is likely to produce the results in the context of SAARC."

Similarly, Rummel states that,

"A single country i.e. India in SAARC or Germany in the EU, is a major challenge to the other members of the regional group. Germany which in several respects a dominant country, hardly launches unilateral initiative but looks for a partner, big or small, to join. Bonn is also prepared to go along with other member state’s initiatives. Certainly, the asymmetry and the

dominance of India in SAARC are much more visible and can not be altered, but the success of SAARC will be decisively dependent on the way the New Delhi handles this fact. It is also a question of other members and their perception or instrumentalization of India’s dominance.\footnote{22}

Therefore, India needs to initiate measures that promote South Asia’s progress and improve its overall relations with South Asian neighbours. Since economic progress is likely to benefit all India’s initiatives in economic sphere is likely to be supported by others. Pakistan by harping on Kashmir issue may refuse initially to join the stream but conciliatory stance of India could make Pakistan to put bilateral conflicts into backburner to reap the benefits of co-operation. And it is in the interest of all that countries of the region set aside their conflictual issues and concentrate on issues of common concern and benefit.

All these efforts could make SAARC a composite bloc and a visible entity enhancing its legitimacy in international relations. As could be seen in the EC/EU, the strengthening of regional organisation need not be a zero sum transfer of power and weakening or restriction of the autonomy of the states or denial of sovereignty since it could accrue benefits to the states in multiple ways- both tangible and intangible. Consequently the region and member states could witness the economic progress backed by the regional space, peace and stability and collective strength to bargain and to interact with rest of the world which in turn could strengthen the capacity of the states to act in diverse areas with greater vigour. This, in fact, adds to the essence of the concept of sovereignty. Thus the regional cooperation can lead to mutual and balanced gains, if not equitable benefits and the returns from the investment in regional cooperation could be in diverse forms – peace, stability,

\footnote{Rummel., n.1, p.294}
market space and other varying economic dividends because of trade-offs etc. So strengthening of regional organisation and region would in a way mean strengthening of constituent member states and what is transferred is returned by way of increased capacity of the states to act backed by the strength of regional space, resources and good will.

The realisation of the benefits of SAARC and the cost of ‘non-SAARC’ should enable member states to strengthen SAARC as a investment in mutually profitable process. In this process there could be debates and contestations but there can be no denying of the fact that facilitating SAARC is the facilitation of the members’ own good. Hence, SAARC member states, particularly India and Pakistan --two important countries in the region whose support is absolutely essential for the success of SAARC -- need to shed the perception as evident in their action that SAARC is peripheral institution not important in national developmental process and strengthening of SAARC accrue no obvious advantage or they would not be better than what they would be by strengthening SAARC in an irrevocable way.

Success of SAARC therefore mainly depends on these and their willingness to promote increased interaction in South Asia at different levels – government, private sector, civil society – for mutual benefit and for strengthening of SAARC to realise the objectives for which it was created. Insights from EC/EU’s development process could certainly motivate them if their own and regions progress is considered as important by them.