CHAPTER – 3

THE EMERGENCE
OF SAARC
A new international economic order based on firm foundations of mutual understanding and cooperation unfettered by narrow walls of prejudice and mistrust is the need of the hour. The aggravation of international tensions and constant fear of nuclear holocaust has drawn states and peoples much closer to new patterns of internationalism. The hitherto mutually antagonistic world systems are now seeking linkages of integration and cooperation. At the regional level, the stress has been on formation of new groupings based on the concept of mutuality and cooperation.¹

The inception of South Asian Association for Regional Cooperation (SAARC) may be viewed as a major experiment in the growing interdependence of nations². A detailed study of SAARC is possible only through an analysis of the impact of the global factor on SAARC.

SAARC is the first major step of a long journey towards the regional integration on the pattern of European Union. The increasing degree of regional cooperation among SAARC countries would prove to be of immense socio-economic and political importance to this region which is the ultimate aim and objective of SAARC.

The newly liberated third world countries turned increasingly towards democratization and decentralization of power within the world system and a joint call for a New International Economic Order contributed to the consolidation and concentration of

² *Loc. cit.*
economic power in a few nations and demanded equal opportunities in all spheres of international economic activities, viz. trade, commerce, industrialization, and benefits of modern science and technology.

**Regionalism in Asia: As an Effective Approach:**

The rapid emergence of regional organizations in different parts of the world amply indicates the growing awareness of regionalism as an effective approach. Thus some regional groupings have made laudable progress, while some others could not take –off. Regional cooperation in South Asia has not gained momentum until recently. Regionalism is much deliberated as one of the idealistic features of foreign policies of emerging south Asian nations. A broad understanding has emerged that regionalism is an institution for the pursuit of achieving, over a period of time, certain joint purposes and in a given geographic region. Regional consciousness is the edifice to act conscientiously for the individual and common development of the countries in the region.

The second stimulus came from the situation emerging after making regionalism paved the way for designing of “peace plans’ since World War II probably as a shift from distractive sense to cooperative attitude

**Moves towards SARC**

Since the 1970s, there has been a perceptible change in the need for greater regional cooperation among the regional countries in south Asia

**SAARC – A much delayed arrangement**

Despite geopolitical affinities and cultural and other infrastructural linkages, the SAARC is a late-comer on the scene of
regional cooperation. The major political factors for regional cooperation are:
(i) Common threat view (ii) similar ideological perception; (iii) similar foreign policy orientation; and (iv) Consensus regarding the role of a pivotal power. These factors have been at low ebb in South Asia; in fact, strategic discord and mutual security perception may also impede regional cooperation. The absence of these factors in South Asia has resulted in a rather late upcoming of regional arrangement among these countries.

A SAARC FROM SARC: There are various moves that led to the emergence of SAARC.

During late 1970s and early 80s, South Asian states made a concerted effort on to reduce tensions and infuse cordiality. It has been rightly observed that there have been significant changes in the attitudes of all the South Asian governments on their interrelationships. However, this change in attitude is still very weak with past hostilities and suspicions continue to exist.

An incremental approach to the growth regionalism among was adopted of south Asian. The President Zia-ur-Rehman of Bangladesh took first lead step towards this goal.

In 1979, the late President Zia-Ur-Rahman of Bangladesh mooted the idea of South Asian regional cooperation. And gave a shape, and A working paper was prepared try which was the Bangladesh Government circulated in November 1980 to the countries of the region. The working paper identified the areas if cooperation that could be worked out for mutual benefits of the countries of the region. This paper provided a forum for further discussions. Preliminary meetings were held in Colombo, (1981), Islamabad (1982) and Dhaka (1983). Later the South Asian
Association for Regional Cooperation (SAARC) was formally launched in August 1983. The meetings at Secretary and Foreign Minister level had prepared the ground for regional cooperation, defined its objectives, identified possible areas of cooperation and recommended an integrated programme of action in commonly agreed areas.

SAARC was institutionalized on 8 December, 1985. At Dhaka and all the seven countries realized that SAARC would play an important role in accelerating the pace of economic progress, stability and peace in South Asia.³

South Asia as a geographical region

South Asia has been looked upon as a single strategic whole. The region is bound by Himalayan mountains in the North, by the Indian ocean and its off-shoots the Bay of Bengal and the Arabian sea in the south and by mountains and jungles on the East. Its defence rests upon the same circle of mountains and difficult terrain which extend from where the mountains end up to where the waters of Indian Ocean. As a cornerstone of American nuclear deterrent, South Asia also provides a link in US global strategy.

Location also determines the contiguity of the region. In South Asia, Nepal, Bhutan, Bangladesh, and Pakistan have common borders with India, while India has a common border with five states. Sri Lanka is treated as a border state. This proximity as well as strategic location as a whole can have many political implications for regional cooperation as well as for conflict and interaction of infrastructural factors.

Geographical shape of the region

The shape of states or a region plays a significant role in determining the nature of political-administrative control. The ideal shape for a state would be that of a circle.

India, like Jordan and Colombia, has an irregular shape. As such, in each case regional interdependence and communication are hampered and rendered costly\(^4\). The indentation into national territory, as in the case of Pakistan before the emergence of Bangladesh, caused serious defence problems in the event of a war. Nepal’s rectangular shape due to the Himalayan ranges creates geopolitical imperatives with spheres of trade interaction and interaction with the other nations.

Size of the Region

The size of the region is another vital geopolitical factor determining its relative significance. However, the vastness of the area is not always a component shaping its hegemonic power. It has to be clubbed with essential resource potentials as well as non-competitive size.

India occupies 3,288,000 sq kms as compared to 144,000 sq kms of Bangladesh; 47,000 sq kms of Bhutan; 141,000 sq kms of Nepal; 796,000 sq kms of Pakistan; 66,000 sq kms of Sri Lanka and 298 sq kms of Maldives. Evidently, India accounts for 73 percent of the total of the region. South Asia, which occupies a total of 5 million sq kms, thus becomes an important area for regional study on the basis of size alone.

**Boundary Spread**

The relations between modern states also attain the most critical stage in boundary disputes. Hence the effect of boundary disputes in the sphere of regional cooperation as well as in bilateral relations has always been a focal point of study.

The two wars between India and Pakistan in 1948 and in 1965 occurred mainly due to the so-called boundary question in the northern front of Kashmir. The problem of Siachen arose because the glaciers were left un demarcated, the problem of boundary persisted as has been obvious from the issues of barbed fencing, Farakka Barrage, and the Tin Bigha dispute.

The geographical concept of boundary does play an important role in maintaining cooperation and avoiding conflict in the region. Reconciliation on boundary questions between these countries is far more compelling to foster regional cooperation.

**South Asia – A plateau and Plain**

The basic surface of South Asia falls into three separate zones: plateau, plains, and mountains. The best known geographical feature of the peninsula is the Deccan plateau which extends from the Vindhyas to the South of Karnataka. The geographical location of this plateau clearly reflects proximity of Sri Lanka with peninsular India. This proximity emphasizes the crystalline plateau of the Deccan and their outliers in Sri Lanka and Meghalaya having similar land.

In South Asia, the Indo-Gangestic plain comprising the Ganges, Indus, and the Brahmaputra—all from Himalayas—is one of the most thickly populated regions in the world. The population is entirely dependent on the rivers that flow down from the
Northwest across the plains and through their many deltas into the Bay of Bengal. These rivers bring great arc of alluvia all the way from Karachi to the Punjab and ancient Delhi.

The geographical realities clearly reflect interaction amongst the three sovereign countries—India, Pakistan, and Bangladesh. Therefore,^5

**Climate in the Region**

South Asia (as a case study) belongs to the category of underdeveloped countries because its unfavorable climate, oppressive heat, and moisture cause environmental limits on most of the South Asian countries. Because of the Himalayan mountain arc, the whole of South Asia is tropical. The Northern mountain arc, the whole of South Asia is tropical. The Northern blackouts and the cold winds of Central Asia keep South Asia all within the influence of the Indian Ocean. The monsoon governs life in temperate climate. There are climatic similarities amongst the countries like India, Pakistan, Bangladesh, and Sri Lanka. The North-west of Pakistan, the Eastern and South-west coast sector of India, and the South-west part of Sri Lanka remain under rain shower more than the only seasonal monsoon. The pattern of rainfall is uncertain. Therefore, famines and flood are the unavoidable factors mainly in South Asian countries like Bangladesh and India. These similar calamities in South Asian countries have been important issues in the agenda of the frequent meeting of SAARC.

**Soil and Vegetation**

---

^5 Clerence Maloney, *People of South Asia.* (New York: Hot Rineharb and Wenston Inc., 1974, p.3.)
Of great importance to South Asian countries are the commercial or plantation crops which are grown around Assam, northern Bangladesh, and the hills of South India and Sri Lanka. The collective exports of common products to outside the region and the import of products within the region, instead from outside world, can inculcate spirit of regionalism.

South Asia has a distinct geographical character; the people in the region, irrespective of their religion nationality and language, share common history, tradition and culture and possess considerable degree of homogeneity. Therefore, it is obvious that the regional cooperation for development in South Asia has great potentialities and that if pursued earnestly, it would prove to be mutually beneficial to all member countries.  

**Geo – political realities of the region**

And most of all Indian reconsiderations—resulted in the launching of the South Asian Association for regional Cooperation (SAARC). Become a reality with Persuasive patience of Ziaur Rahman of Bangladesh and some of Sri Lanka’s top officials in promoting regionalism its founding charter, however, expressly excluded contentious political bilateral disputes from SAARC’s formal consideration. Moreover, conflict and cooperation are also the outcome of the geo-political realities of the region. One of the most important geo-political realities of the region is, of course India’s population, resources, economic and military power, as compared to those of its South Asian neighbor. Equally important is the centrality of India’s position in south Asia. while most of the other south Asian counties are not associated with each other

---

through common borders, almost all of them have common borders with India, either by land or Sea.

Cultural Heritage

The peoples of South Asia share a common cultural heritage. Occupied these countries, their subject never considered themselves culturally or socially inferior. During the two hundred years the British rule, despite their political subjugation, south Asians, especially the intellectual, were never overly impressed by material goods and technology of the west, because they could always point to the evidence of the cultural achievement of their own rich past.

SAARC formation

India has a very important role to play in the SAARC, being the most resourceful member of the Association. Political hostilities of some of the neighbors, however, pose problems.  

The South Asian Association for Regional Cooperation (SAARC) comprising seven countries, namely, India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan and the Maldives, was formally launched in December 1985. Late Rajiv Gandhi, then the prime minister of India, described the opening day of the SAARC summit as an important day in the history of resurgent Asia when seven neighbors had come together in an act of faith. He called upon the developing countries to make a conscious effort to remain outside the vortex of tensions and conflicts which pose a serious threat to their progress and prosperity. The participants of the summit affirmed that the birth of SAARC was a logical response to

---

the problem facing the region. The secretariat of SAARC is at Kathmandu, Nepal.  

The seven countries committed themselves to sovereign equality, territorial integrity, national independence, non-use of force and non-interference in the internal affairs of other states and peaceful settlement of all disputes.

**The fundamental objectives of the SAARC Association are:**

(1) To promote the welfare of the people of South Asia and to improve their quality of life.

(2) To accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realize their full potentials;

(3) To promote and strengthen collective self-reliance among the countries of South Asia;

(4) To contribute to mutual trust, understanding and appreciation of one another’s problems;

(5) To promote active collaboration and mutual assistance in the economic, social, culture, technical and scientific fields;

(6) To strengthen cooperation with other developing countries;

(7) To strengthen cooperation with other developing countries;

(8) To cooperate with international and regional organizations with similar aims and purpose.

---

Article II of the charter lays down the following principles:  

(1) Cooperation within the framework of the Association shall be based on respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in the internal affairs of other states and mutual benefit.

(2) Such cooperation shall not be a substitute for bilateral and multilateral cooperation but shall complement them.

(3) Such cooperation shall not be inconsistent with bilateral and multilateral obligations.

The names of the organs of the SAARC are summit, Council of Ministers, standing committee and technical committee. ‘Summit’ the highest authority of the association to which SAARC organ, the council of minister of member states is responsible for policy formulations, viewing progress, deciding on new areas of cooperation, establishing additional mechanism as necessary and deciding on other matters of general interest to the association comprising the foreign secretaries of member states. The standing committee is vested with the responsibility of overall monitoring and coordination of programmes and modalities of financing, determining inter-sartorial priorities, mobilizing regional and external resources, and identifying new areas of cooperation. It may meet as often as deemed necessary. This committee is assisted by a programming committee, an adhoc body, comprising senior officials, to scrutinize the secretariat budget, finalize the calendar of activities and take up any other matter assigned to it by standing committee. Technical committee comprise representatives from the member states. These committees formulate programmes and prepare projects in their fields, which make up the integrated programme of the action under SAARC. They are entrusted, with

---

the task of monitoring the implementation of such activities and submitting their report to the standing committee through the programming committee.

**Role Of India**

India has a dominant position in SAARC –demographically, geographically and economically

Statistics show that India accounts for over 40 per cent of the exports and over 20% of the imports of the intra-regional trade. However, because of the very large volume of India’s world trade in comparison with the total intra regional trade, the share of India’s intra-regional trade in its total world trade has been very low about 2 per cent of the export and less than one per cent of the imports. Due to the commendable technological and other economics capabilities India has achieved and because of its gigantic size, she has a special role to play in the SAARC. India has a broad, diversified and relatively well developed industrial sector and has built up considerable scientific knowledge and expertise in several other areas like space science, agriculture, medical science, infrastructural development, electronic, telecommunication, etc. This strength of India could be of considerable help to the fellow members of the SAARC; this could be made use of for extending aid to other countries as well as for establishing joint ventures and supply of technology on commercial basis.

Although India too suffers from a number of economic problem, it is in a position to help other countries, particularly the least developed and tiny ones, of the association. It may be noted that the total population of Maldives (only three lakh) and of Bhutan (7 lakh) is not even half of the population of Bangalore where the second SAARC summit was held in 1986. This shows
that even an amount which is very negligible share of the Budget of the Government of India would be a considerable one for Maldives or Bhutan. India has been providing considerable assistance to some of the member countries.

It could perhaps step up its aid to the needy members, owning special moral responsibility because of its special position, even while it has its own problems. There is a lot of scope for cooperative venture in agricultural development, energy development, transport and tourism, communication, etc.

There is also need for cooperation in education, training and research, while India could offer a lot of assistance to others in these areas, India could also benefit by joint project in research and development and by mutual exchange of scientists and other experts.

Indigenous medicine and system of treatment is an area with considerable scope for cooperation in research and development, and also practical application. The stage of development India has reached in the pharmaceutical industry could also be made beneficial to other countries.

There is also scope for cooperation in the field of foreign trade. For example, unhealthy competition in trade can be avoided and collective measure to strengthen the market power could also be adopted. The expertise of trading houses, including that of the state trading organization like STC and MMTC could be of help to the other countries. These public sector organization have done offshore trading (i.e., sourcing supplies from foreign counties for third countries) for some of the members of SAARC. Indian firms may also establish joint ventures, or other forms of enterprises in
other countries in the export oriented sectors (for example, in the fisheries sector of Maldives).

Several hurdles, however, exist. An important one is the hurdle to the members becoming emotionally closer, which is must for the success of the Association. The dominant position of India, by the virtue of its resource endowments and impressive developments in many fields, should, however, be considered as an asset, but this is not always well taken by some members. Border disputes, ethnic issues, etc, often create problems. India has both the advantages and disadvantages of all other members being its neighbors.

It is also very much necessary that India, being in a dominant position to play a leading role, should consistently show the required political, emotional and diplomatic maturity and cooperative drive.\textsuperscript{10}

Empirical evidence show that there is an ample scope for extending trade and economic relation among the countries constituting SAARC region\textsuperscript{11}

The SAARC countries should assume foreign trade as priority sector under the rapid globalization of their economies. They must have co-ordinate of their technical knowhow and scientific research with mutual help for industrial growth and development. They have to redesign their tariff and non-tariff structure under a liberalized trade policy. They must build up a system for a common information pool to take advantage in global market. The member countries of the SAARC would benefit themselves through co-operation in supply of inputs for production and a market for

outputs. The countries should ignore their political differences for the sake of regional co-operation and common welfare 12

**SAARC and Economy**

India’s trade with SAARC countries was not substantial during the last decade and the position also did not have substantial change in the post-SAARC period. The exports to SAARC countries were never above 5 per cent of the total exports of India.

Before her political independence in 1947, Indian international economy was famous of export of raw material and import of finished goods. The British ruler had not spared any effort so that Indian economy can develop as independent economy. British were more interested in development of U.K. economy. Their intention was to keep continue Indian economy as dependent economy. In the aforesaid miserable situation it could not be possible for India to establish International economic relations with rest of the world. After political independence, the country marched in the direction of establishment independent economic relation with rest of the world.

**SAARC SUMMIT MEETINGS**

The SAARC summits intend to address some of the problems of the most troubled and non-stable neighborhoods. Article III of the SAARC Charter envisages that the Heads of State or Government shall meet once a year or more often as and when considered necessary by the member states.

The SAARC summits represent the culmination of the organization’s yearly activities and a clear reflection of the importance that the Heads of State or Government of the seven

---

12 Ibid. p.392
member-states (now eight) attach to their own involvement in SAARC affairs on a regular basis and are expected to promote full reciprocity from partner countries.

**FIRST SAARC SUMMIT: DHAKA**

The first ever SAARC Summit was held on 7th and 8th December 1985 at Dhaka to formalize the regional cooperation.

The leaders considered SAARC to be a tangible manifestation of their determination to cooperate regionally, to work together towards finding solutions towards their common problems in a spirit of friendship, trust and mutual understanding and to the creation of an order based on mutual respect, equality and shared benefits.\(^\text{13}\)

The Charter was also amended to provide for a meeting of the Foreign Ministers as and when necessary but in any case once in six months. The Standing Committee of Foreign Secretaries will also have two sessions in a year.

The leaders acknowledged that the countries of South Asia who constituted one-fifth of humanity, were faced with the formidable challenges posed by poverty, underdevelopment, low levels of production, unemployment and pressure of population compounded by exploitation of the past and other adverse legacies. It was also noted that these countries were bound by many common values rooted in their social, ethnic, cultural and historical traditions, and the regional cooperation provided a logical response to these problems. They were confident that with effective regional cooperation, they could make optimum use of their capacities for the benefit of their people, accelerate the pace of their

\(^{13}\) Dhaka Declaration of the Heads of the Member-States of SAARC, 8 December 1985.
economic development and enhance their national and collective self-reliance. They were convinced that their countries which had made important contributions to the enrichment of human civilization could together play their due role in international relations and influence decisions which affected them.\textsuperscript{14} The Summit further endorsed the decision of the Foreign Ministers to submit the question of regional cooperation in combating drug trafficking and terrorism to an Expert Committee.

The inaugural Dhaka Summit set the precedents for procedures and modalities to be followed in future. After the conclusion of each Summit a declaration expounding the Summit philosophy and thinking was issued along the Joint Communiqué which contained in summary form the substantive decisions of the Summit.\textsuperscript{15}

The declaration issued at the end of the Summit was a pious document of laudable objectives, principles and great platitudes.

However, it was not totally devoid of discordant notes. But on the face of it, it was claimed to be a great success opening new vistas of peace, security and progress in the region.\textsuperscript{16}

\textbf{India’s Stand at First Summit Meet:}

During First SAARC Summit late PM. Rajiv Gandhi expounded Indian policy towards regional cooperation in South Asia, and pleaded for an additional dimension to South Asian

\textsuperscript{14} See SAARC Declaration adopted at Dhaka, 8 December 1985.
\textsuperscript{15} Joint Press release issued at the conclusion of the first SAARC Summit in Dhaka on December 8, 1985; Declaration of SAARC Summits (1985-1995), p.7.
\textsuperscript{16} \textit{Ibid.}, p19
cooperation for which the SAARC would be a step in the direction.\textsuperscript{17}

**SECOND SAARC SUMMIT**

The second SAARC Summit was held at Bangalore (India) on 16\textsuperscript{th} and 17\textsuperscript{th} November 1986. The second Summit commenced with a reiteration of some of the noble assertion of the first summit and reaffirmed its apprehensions regarding the deteriorating international economic order and escalation of arms race. The Summit explored new avenues and possibilities for greater cooperation and conducive environment for peace, development and security. It was attended by two Kings (Bhutan and Nepal), three Presidents (Bangladesh, Maldives and Sri Lanka), two Prime Ministers (India and Pakistan).

The Heads of State or Government reiterated their desire of promoting peace, stability, amity and progress in the region through strict adherence to the principles of the UN Charter and Non-Alignment, particularly in respect of the principles of sovereign equality, territorial integrity, national independence, non-use of force and non-interference in the internal affairs of other States and peaceful settlement of disputes. They reaffirmed that the principal goal of SAARC was to promote the welfare of the peoples of South Asia, to improve their quality of life, to accelerate economic growth, social programmes and cultural development in the region. They felt the need to provide opportunities for the people of region to live in dignity and to realize their full potential.

A new topic viz., prevention of drug trafficking and drug abuse was added to the already agreed upon areas of Integrated Programme of Action (IPA). In addition, approval was given in

\textsuperscript{17} Loc.Cit
principle to such ideas as launching of a South Asian Broadcasting programme covering both Radio and Television, exchange of students, scholars and researchers steps to promote tourism in the region. Establishment of SAARC Documentation Centre for updating information on technical, scientific and developmental matters relating to South Asia, etc., This Summit made a substantial contribution to the strengthening and streamlining of the institutional basis for regional cooperation.  

**India’s Stand at Second Summit Meet:**

The Summit emphasized the role of sports and culture to raise the people consciousness of their identity as South Asian and to reinforce Indian objective of a non-controversial cooperative framework.

The unanimity on general formulation on terrorism in the Bangalore Summit was yet evidence that the SAARC agenda could not be confined to mere economic, technical and cultural issues as envisaged. This consensus committed the members to a strong denunciation of all forms of terrorist activities.

The Summit reviewed the international economic and political orders and its critical bearing on the development of the South Asian region, especially land locked countries. They reaffirmed the measures including the North-South dialogue, convening of an international conference of money and finance for development, coordination of global macro-economic policies, the necessity or preserving and liberalizing multilateral trading system

---


within and outside the GATT Uruguay and combating of economic regression in the region.\textsuperscript{20} 

Two important agreements viz., one on establishing the ‘SAARC Food Security Reserve and the second for a SAARC Regional Convention of Suppression of Terrorism, were signed at this attempt. The Summit also decided to set up a Commission to study on the protection and preservation of the environment and the causes and consequences of natural disaster in a well-planned comprehensive framework. The Summit leaders expressed their deep concern at the fast and continuing degradation of the environment including extensive destruction of forest in the South Asian region. They also noted that South Asia was afflicted with such natural disasters as floods, droughts, landslides, cyclones, tidal waves which have had a particularly severe impact causing immense human suffering. They reiterated their determination to pursue their individual and collective efforts for the optimal utilization of the vast human and untapped natural and other material resources.\textsuperscript{21} 

This Summit reiterated their commitment made in the Bangalore Declaration to accord highest priority to the needs of children in national development planning and emphasized that more intensified action should be taken for the welfare and well-being of children and called for an early conclusion and adoption of a United Nations Convention on the Rights of the child.

\textsuperscript{20} Sudhakar E, Op.Cit., p.160 
THIRD SAARC SUMMIT: INDIA’s STAND

India in the Third Summit wanted to expand the scope of cultural cooperation and bring on SAARC agenda on the issue of cooperation in trade. The Indian protestations and assertions of keeping bilateral political issues out of the SAARC agenda notwithstanding, the political dimension of inter-state relations among SAARC Member countries, determine to a great extent the behavior of these countries in SAARC deliberations.

FOURTH SAARC SUMMIT:

The demise of Pakistan’s the then President Gen. Zia-Ul-Haq in a plane crash, leading to the victory “Pakistan’s Peoples Party” (PPP) under the leadership of late Benazir Bhutto who became the Prime Minister of Pakistan paved the way for democratic process in Pakistan. This raised the hopes for genuine cooperation between Indian and Pakistan on one hand and South Asia on the other hand. The Indo-Sri Lanka Accord ceased the tensions between two countries. In this way the aura of mutual good-will and trust permeated the political atmosphere of South Asia on the eve of the Fourth Summit of SAARC held at Islamabad from 29th to 31st December 1988.

The Islamabad declaration intended to transform the SAARC from a forum of debate to a forum for action. The leaders were conscious of the fact that all South Asian countries faced problems in varying degrees in areas such as food, clothing, shelter, education, primary health care, population, planning environmental protection. Towards this end they were of the view that all Member States should identify areas of core interest in their national perspective plans or prepare such plans and consolidate them into a regional plan called as ‘SAARC 2000’. A
Basic Needs Perspective with specific targets to be met by the end of this period. The South Summit expanded the agreed areas of cooperation to twelve by including ‘education’ within SAARC sphere of activities.

The leaders expressed deep shock at the armed attack on the Republic of Maldives on 3rd November 1988 aimed at destabilizing the Government and taking over the country. They strongly condemned these acts of violence which disrupted the peace and security of a Member State. They expressed full solidarity with the Government of Maldives. The leaders welcomed the ideal of holding South Asian Festivals from time to time and accepted the offer of India to host the first such festival. They decided to declare 1990 as the ‘SAARC Year of the Girl Child’. They decided that any country in the region subscribing to the objectives and principles of the SAARC Charter may be admitted as a member of the Association by a unanimous decision of the Heads of State or Government.

They supported the call for an international development strategy for the fourth United National Development decade as well as the proposal of the Group of 77, for convening a special session of the General Assembly in 1990 to revive growth and development in the developing countries. They re-emphasized the need for increased resource flows and special measures in favour of the least developed countries within the framework of the Substantial New Programme of Action (SNPA) for these countries.

The Indian Prime Minister tried to measure and assuages the apprehensions of the smaller SAARC member countries, regarding India’s undue advantage on account of size and economic potential. He also said that India has no hesitation in declaring at
the outset that it was fully conscious of its special obligations and special responsibilities. He further clarified that India would not seek to secure unfair advantage at the expense of any of partner. Or by damaging the interests of anyone else.

**Fifth SAARC Summit-Male**

The Fifth SAARC Summit was convened at Male, Capital of Maldives during 21st to 23rd November 1990.

This Summit decided that the representatives of the national development banks of the SAARC Member Countries would get together to work out the precise modalities of setting up a Fund for regional projects and the manner in which these could be related to joint venture projects. India’s offer to host this meeting was accepted.\(^{22}\)

The need for providing a better habitat to the people of South Asia through indigenous technology was recognized during the Summit. They decided to observe 1993 as the ‘SAARC Year of Shelter’. It was decided to make frantic efforts to reduce the sufferings and improve quality of life of disabled persons and declared 9113 as the ‘SAARC Year of Disabled Persona’.

**India’s stand at Fifth Summit:**

The Male Summit carried on with its agenda of socio-cultural and international economic issues. The slow progress of SAARC process in core economic areas was highlighted by India.

The leaders of the Summit observed that the nature of cooperation among the SAARC countries that exists today was modest and limited. However, there seems to be direct impact of

\(^{22}\) Suman Sharma, *Op, cit*, p. 94.
SAARC activities on the lives of the peoples of the member countries. The low level of day to day interaction between our people persists. Indeed, in some areas we seem to be regressing. From 1980-1987 intra-SAARC exports and imports, as a percentage of SAARC global trade, fell from 4.94 percent to 2.98 per cent and from 2.29 percent to 1.39 percent respectively.23

Till the Male Summit (1990), SAARC was based largely on inter-governmental activities and the Integrated Programme of Action (IPA). The progress of SAARC during 1985-90 was very slow. Considering the SAARC and South Asian political strategic environment one cannot but observe that there was not congruence of ideological, political or security interests in the region. On the other hand, there were intra-regional tensions caused primarily by the position of the pivotal power, i.e., India.

**J.N. Dixit analyzing the years 1985-91 observes:**

The period roughly corresponding to the beginning of the last decade of the twentieth century marks the beginning of a new epoch in international political and economic landscape. India attained a new role and significance in the light of economic policy liberalization and the phenomenon of globalization and further played a greater role in promoting regionalism in South Asia. The post-cold war developments facilitated Indian push for greater economic cooperation in South Asia.

The beginning of 1990s is generally considered as the time of the end of the cold war between the East and the West. The events after the end of the cold war have been described by some as the transformation of the ‘geo-politics’ of forty years of cold war into

---

‘geo-economics’, i.e., into competitive areas of deregulation and free-trade. The world’s largest economic and military power, the United States of America, emerged as a clear hegemony in the global geo-politics. This hegemony reinforced the influence of the political-economic ideology of the countries of the North. With the collapse of the competitive power bloc of Soviet Union, the capitalist ideology became fiercely assertive. One can saw the ascendance of the neo-liberal, ‘Washington Consensus’ which changed the political and economic paradigm of international relations.

The regional political developments before the beginning of the Sixth Summit renewed hope for regional cooperation in the region. The victory of democratic movements in Nepal and Bangladesh paved the way for peace and development. In Nepal the multiparty democratic movement resulted in installation of K.P. Bhattarai and later J.P. Koirala as Prime Ministers. This change also significantly led to improvement in Indo-Nepal relations in 1991 with the signing of several agreements including on ‘trade’ and ‘transit’ between the two countries. In Bangladesh. Ms. Begum Khaleda Zia was voted to power in 1991 after a dark phase of political oppression and economic crisis in that country. In Pakistan democracy was already revived in 1988. Democratization of South Asia, therefore, triggered a debate on better prospects of regionalism in this part of the world.

SIXTH SAARC SUMMIT:

The summit was held on 21st December 1991 at Colombo. A few significant decisions were also taken during the summit. The leaders agreed to set up a South Asian Commission on Poverty Alleviation and a proposal for examining the plan to set up a
regional development fund was also agreed upon. The need to eliminate and stem the evil of terrorism from the region was once again reiterated. A new thrust was given to the environmental issues and the need to promote cooperation among themselves was emphasized.

For the first time in the history of SAARC summits a new thrust was laid on the economic cooperation, especially on the core area of trade and development. Though no break-through was achieved in identifying the exact areas of economic cooperation, the major achievement of the Colombo summit was the consensus on looking into the proposal made by Sri Lanka (supported by India) for forming the SAARC Preferential Trade Area (SAPTA) by 1997).

The summit welcomed the setting up of the SAARC Fund for Regional Projects (SFRP) and requested the Secretary General of SAARC to set up a panel of experts to examine the proposal of Bhutan to undertake a pre-feasibility study for the establishment of a South Asian Development Fund (SADF) taking into account the views of all member states. The Colombo Summit also touched upon many more issues of mutual concern of non-controversial nature.

**India’s stand at sixth summit:**

The fast changing international scenario after the end of the cold war enabled India to impress upon fellow members of SAARC to close rank, anticipate the dangers of a decisive shift of power of the west and embark upon economic cooperation without any further delay.

The then Indian PM late PV. Narisnimha Rao stressed that the long-term vision of SAARC must undoubtedly include the
removal of internal barriers and the free movement of goods, capital and peoples throughout SAARC. Sheer necessity dictates that the SAARC countries do more in the area on intra-regional commercial and economic exchange. Pooling of their resources can ensure their optimal utilization keeping in view of the advantages of geographical proximity. Upon the persistent pursuit by India, the Sixth Summit made a beginning by setting up a Committee for Economic Cooperation.

SEVENTH SAARC SUMMIT: DHAKA

The Seventh SAARC Summit which was held on 10th and 11th April 1993 at Dhaka was postponed twice. The two postponements raised a vital question regarding the very future of the organization. The intentions of Pakistan and Bangladesh to take up the Ayodhya issue during the Summit, unwillingness to subscribe to the SAARC Preferential Trade Agreement (SAPTA) and also the proposed Special Fund for South Asian Developments (SAFD) were the factors responsible for these postponements. All this happened despite the fact that raising of bilateral issue was against the Charter of SAARC. Thus as in the case of the sixth Summit, the Seventh summit was also delayed due to lack of unanimity of member-states and apprehension of bilateral issues being raised.

The SAARC Summit was first postponed in December 1992 in the light of killings in India as well as killings and other violent acts in Pakistan and Bangladesh. The second, indefinite postponement in January 1993 was done presumably due to inflamed passions in Bangladesh where some fundamentalist outfits declared that they would resort to a ‘Long March’ and vowed to transgress into the Indian territory to construct the demolished
Masjid at its original site. There was also an assessment that the security situation in Bangladesh was not safe for the Indian Minister to participate in the SAARC summit.

However, this summit marked the beginning of the economic cooperation by accepting the framework of agreement on preferential trade among the SAARC Member Countries. The need for undertaking more well defined, target oriented and time bound programmes to ensure tangible benefits of the peoples of South Asia was emphasized. The report of the Independent South Asian Commission on Poverty Alleviation (ISACPA) established at the Colombo Summit, was accepted. The finalized framework of Agreement on SAPTA was accepted by the Summit and it was stressed that all necessary steps should be taken to begin the first rounds of trade negotiations to exchange trade preferences among Member-States under the Agreement.

The Heads of respective SAARC countries having considered housing as a basic right for all people. Hence it was expected that the government should facilitate shelter programmes. They also urged the SAARC members to continue to work towards the global objective of shelter for all by the year 2000. Then leaders reaffirmed the protection of small and weaker states according to the rule of law and adherence to the norms relating to the sovereign rights and the territorial integrity of the member-states.

This Summit stressed that all the SAARC nations have to adjust to transformed equations in terms of economic influence, political and military power and strategic perceptions which have emerged with the disappearance of Super Power competition and monolithic ideological confrontations. Therefore, SAARC as a group evolve meaningful policy approaches to deal with the world wide
trends in regional cooperation, economic groupings and trading blocs as witnessed in Western Europe, North and South America, ASEAN and the Asia-Pacific region.

The Indian Prime Minister also noted the slow growth of SAARC process and explained reasons for such slow growth to emphasize Indian policy of keeping out bilateral disputes for the sake of purposeful compensation among member countries.

**Eighth SAARC Summit-New Delhi**

The Eighth SAARC Summit was held from May 2nd to 4th, 1995 in New Delhi after the successful conclusion of the Uruguay Round of multilateral trade negotiations and the creation of World Trade Organization (WTO). The eighth SAARC summit is a logical sequel to a positive step toward the success of SAARC. Evidently the trend of postponement of the summits still continued during this summit also. The postponement of the planned April 1995 summit of SAARC was of course an added proof of the fact that this seven- member body remains affected with the political virus that have made it a non-starter from the beginning. The reasons of the delay of the summit were quoted as Pakistan’s Prime Minster Ms. Benazir’s state visit to the United States during the period. The visit could have been deferred if she so desired. Probably this was a deliberate attempt to perpetuate its allergy to regional cooperation.

The Heads of State or Government noted with satisfaction that the first round of trade negotiations to exchange trade concessions among Member-States under SAPTA was complete. They decided that all necessary steps be taken to facilitate ratification by all Member-States and operationalize SAPTA by the end of 1995 as mandated. The Summiteers gave green signal for the establishment of South Asian Free Trade Area (SAFTA) as early
as possible. For this, government agencies and community organizations were called to work together.24

The Heads of State or Government committed themselves to addressing the fundamental causes of poverty and to provide for the basic needs of all. They reaffirmed their commitment to work for guaranteeing the realization of the rights of all in particular those of the poor to food, work, shelter, health education, resources and information.

The establishment of a three window South Asian Development Fund (SADF) with merger of the SAARC Fund for Regional Projects, the SAARC Regional Projects, the SAARC Regional Fund and a third fund for social and infrastructure development, was endorsed. The Member-States welcomed the establishment of World Trade Organization (WTO) and reaffirmed their commitment to implement fully the final act of the Uruguay Round of multilateral trade negotiations.

**Eighth SAARC Summit-India’s stand:**

At this summit India not only pointed out the challenges and opportunities inherent in the emerging global system but also found the SAARC environment conducive to drive home the inevitability and necessity of forging regional economic identity of SAARC. Indian policy and approach were echoed by her the then Prime Minster late P.V. Narasimha Rao at the Eighth Summit meeting.

The Prime Minister in his speech observed that the “collective self interest should be the fundamental basis of regional

---

cooperation all over the world. Those regional groupings that have succeeded have opened doors to free flow of goods, services, capital and people. This is also the route we have to adopt.\textsuperscript{25}

The external economic environment continues to be unfavorable for developing countries. The international trading system was turning into powerful regional trading and economic coalitions involving major economies. The successful conclusion of the Uruguay Round of multilateral trade regulations and establishment of WTO hold forth great challenges for the SAARC countries but some opportunities as well. SAARC nations can respond effectively to these global factors regionally, if they make preferential trading arrangements among themselves and enhance their collective strength internationally.

Given the unprecedented changes taking place of the global level, the imperative to bring SAPTA into operation assumes greater dimension, it is heartening that we have taken the first step in this direction by signing the SAARC Preferential Trading Arrangement (SAPTA) at the last summit in Dhaka. Member countries felt that it was essential for us to provide political impetus to effectively bring SAPTA into the operation as agreed to at the Dhaka Summit.

**Ninth SAARC Summit: Male**

The Ninth SAARC Summit was held at Male from 12\textsuperscript{th} to 14\textsuperscript{th} May, 1997 at Male. The Summit leaders significantly decided to make a comprehensive appraisal of SAARC to further enhance the effectiveness of the Association. This summit was considered a major milestone in evolution of regional cooperation in South Asia. Some important decisions on economic matters were taken and it

was decided to set up a ‘Group of Eminent Persons’ to make a comprehensive appraisal of SAARC.

The Summit decided to advance the date of realizing SAARC Free Trade Area (SAFTA) by four years to 2001. Further, cooperation was initiated in the area of trade facilitation and finalization of a Customs Action. Action Plan was sought proposals for a Regional Investment Treaty and a SAARC Arbitration Council were initiated, the economic agenda also included discussions for avoidance of double taxation.

The Summit welcomed the declaration issued by the SAARC Commerce Ministers on the eve of the second WTO Ministerial Meeting in Geneva setting out a SAARC approach on the issues. It was noted that emerging issues related to copyright, patents and marketing franchise, including on food grains, plants and herbs indigenous to South Asia, require firm collective responses to preserve these bio-resources from unregulated commercial exploitation by extra-regional interests. The leaders welcomed the holding of the First Meeting of the Commerce Ministers and the First SAARC Trade Fair in New Delhi in 1996 and noted the decision of the Commerce Ministers to meet annually.

The Heads of State of Government noted that Regional Centres have an important role to play in harnessing the resources and capabilities within the SAARC region in addressing specific and shared concerns of Member States. They welcomed the decision of the Council of Ministers of establish a Human Resource Development Centre in Pakistan. They stressed that Regional Centers should implement action and result-oriented programmes and highlighted the importance of rationalizing the functioning of these Centers.
The social agenda received considerable attention as usual and new areas were included. Poverty eradication remained a priority sector with a focused Agenda of Action. Noting that malnutrition, often severe, is a serious concern in South Asia, the Heads of State or Government agreed to launch an Initiative on Nutrition aimed at promotion of availability of food and essential nutritional value to individual household and evolving policies for supplementing and fortifying essential micro-nutrients, deficiencies of which have affected the well being of the most vulnerable sections of the population, particularly women and children.

**India’s stand at Ninth SAARC Summit**

The operationalization of preferential trade arrangement among SAARC Member countries and rapid progress in regional cooperation and economic integration world over, emboldened India to make an ambitious bid to push SAARC process further.

The then Indian Prime Minister late I.K. Gujral with his positive approach towards bilateral relations with India’s neighbors called for further accelerate in the pace of trade liberalization in the region with the launching of SAPTA. However, tariff concessions have to be deepened and extended to cover all product lines and accompanied by dismantling of non-tariff barriers, so that the objective of South Asian Free Trade Area (SAFTA) by the turn of the century 2000 is achieved.

**Tenth SAARC Summit-Colombo**

The Tenth SAARC Summit was held at Colombo on 29th to 31st July 1998 after India and Pakistan conducted nuclear tests and declared themselves as nuclear powers. This was a very significant development in South Asia which attracted global
attention and the major western powers imposed sanction on India and Pakistan. Serious doubts were expressed on the smooth continuation of the SAARC process in the wake of overt nuclearization of South Asia. The informal bilateral meeting between the Prime Ministers of India and Pakistan on the sidelines of SAARC Summit acquired a great deal of political significance. Notwithstanding these developments the SAARC Summit went ahead with its usual business.

The Tenth Summit, also known as the economic summit of SAARC discussed a wide-range of issues including the position of SAARC in the changing international economic environment.

The leaders recognized the importance of initiation of links between SAARC and other economic unions and trading groups that were emerging in the wake of globalization and liberalization and considered how best relationships of mutual benefit could be established. Significantly, the Heads of State or Government while reiterating their commitment to the promotion of mutual trust and understanding agreed that a process of informal political consultations would prove useful to promote peace stability, amity and accelerated socio-economic cooperation.

The Summit welcomed the declaration issued by the SAARC Commerce Ministers on the eve of the second WTO Ministerial Meeting in Geneva setting out a SAARC approach on the issues. It was noted that emerging issues related to copyright, patents and marketing franchise, including on food grains, plants and herbs indigenous to South Asia, require firm collective responses to preserve these bio-resources from unregulated commercial exploitation by extra-regional interests.
The importance of achieving South Asia Free Trade Area (SAFTA) as mandated by the ninth Summit was reiterated. The Summit directed that a comprehensive treaty regime for creating a free trade area be drafted. The Summit also welcomed the contribution made by the SAARC Chamber of Commerce and Industry in facilitating the engagement of the private sector in regional economic interaction. The Summit took note of this document. Recognizing that critical issues would be decided at the Third WTO Ministerial Conference in the USA in 1999, the Heads of State urged SAARC Commerce Ministers to work closely with a view to evolving better coordinated positions on all issues.

India reiterated her commitment to the ongoing efforts to economic cooperation in the form of SAPTA and to the goal of SAFTA and a South Asian Economic Community. The Indian Prime Minister alluded to the apprehensions expressed on account of Indo-Pak nuclear tests before the Summit Meeting and took this opportunity to assert once again the Indian policy to promote socio-economic cooperation with a view to ultimately smoothen bilateral political relations among the SAARC countries.

Recalling the glorious South Asian past of the struggle for independence, the Indian Prime Minister called for a break from the past fifty years after independence to declare our interdependence and our essential oneness even as there are diversities among South Asian nations.

**Eleventh SAARC Summit: Kathmandu**

The eleventh SAARC Summit was delayed for nearly four years. It was actually scheduled to be held at Kathmandu in the second half of the 1999. But the bilateral relations between India and Pakistan deteriorated from 1999 onwards especially due to the
Pakistan’s undeclared war of ‘Kargil’ in Jammu & Kashmir. At last the summit was held on January 4, 2002 at Khatmand.

India severed its diplomatic ties with Pakistan. Under these circumstances the future of South Asian cooperation raised doubts. Anyhow, on the repeated initiative taken by the United States of America, the tensions between two countries were eased. They reestablished the diplomatic ties; after smoothening of relations between two countries the Eleventh SAARC Summit was convened in Kathmandu on 4th to 6th January 2002.

In this summit the leaders discussed the importance of achieving a free trade area and reaffirmed that the treaty regime for creating a free trade area must incorporate, measures to facilitate trade and provisions to ensure an equitable distribution of benefits of trade to all States, especially for small and least developed countries, including mechanisms for compensation of revenue loss. Recognizing the need to move quickly towards a South Asian Free Trade Area, the Heads of State or Government directed the Council of Ministers to finalize the text of the Draft Treaty Framework by the end of 2002.

The leaders called for an early realization of a rule-based and non-discriminatory world trade regime. In this context, they appreciated the positive elements of the Fourth WTO Ministerial Conference held in Doha and called upon the developed countries to fulfill their commitments to address the particular concerns and needs of the developing and the least developed countries.

The leaders unanimously resolved that the Summit and all other meetings of SAARC needed to be made more business-like and result-oriented with a focus on programs and activities
supported by informed regional inputs form the cross-sections of the society.

**Twelfth SAARC Summit: Islamabad**

The fact that the Twelfth SAARC Summit in Islamabad was held a year later, as had also been the case with the Eleventh Summit in Kathmandu, exposes the fragile structural foundation of SAARC. The Twelfth SAARC Summit was finally held in Islamabad from 4th to 6th January 2004. People all over the region were happy and hoped that the summit would finally lay the path to real peace and economic cooperation by removing the atmosphere of mistrust that has prevailed for so long.

Thus, there has been a subtle shift in focus. Earlier Summits talked about cooperation, but most of the decisions taken were for national level implementation. It is important to note that the Twelfth Summit Declaration emphasized that it was imperative to relate regional cooperation to the people.

The Twelfth SAARC saw various momentous declarations, agreements, protocols and conventions being signed. The SAARC countries signed a Social Charter to affirm its principal goal of promoting the welfare of people of South Asia in all fields. The member countries agreed to establish a people-centric framework for the social development and to build a culture of cooperation and partnership and to respond to the immediate needs of those affected by human tragedy.

The one success that had been eluding the SAARC Summit for quite some time and keeping the member-states at loggerheads with each other was ultimately accomplished. The Islamabad Summit has produced a fine blueprint for the future economic development and integration of the region in the form of a
masterpiece known by the nomenclature of Agreement on South Asian Free Trade Area (SAFTA). The Agreement is a huge morale booster in the region.

In the declaration adopted at the Twelfth SAARC Summit it was stated that for accelerated and balanced economic growth, it is essential to strengthen transportation, transit and communication links across the region. The Summit called for a study on creating South Asian Energy Cooperation.

**Twelfth SAARC Summit: India’s stand:**

India through its Prime Minister Sri Atal Bihari Vajpayee gave a call to change South Asia’s image and standing in the world. He appealed to the member countries to make the bold transition from mistrust to trust, from discord to concord and from tension to peace. He further said that “the bond of religion, language, ethnicity and culture which hold as together as a South Asian family are for more enduring than the relatively recent barriers of political prejudice that have erected.26

India promised to make an initial contribution of $100 million for use in the region to Poverty Alleviation Fund Indian. It was also proposed that SAARC should set up a task force to commission techno-economic feasibility studies on establishing major transportation links and India would be ready to make substantial contribution to create viable projects recommended by the task force.

India also called for creating more opportunities to free commercial interaction. It requires joint taking of smuggling, drug

---

trafficking, money laundering and guys running which flourished across the borders due to mutual rivalries and inadequate cooperation.

The Thirteenth SAARC Summit: Dhaka

The thirteenth SAARC Summit has been held on 12th and 13th November 2005. The Summit provided a unique opportunity to consolidate the gains made in regional cooperation during its first two decades and to chart a forward-looking strategy to promote effective cooperation at all levels to realize the objectives and principles set out in the Charter of the Association. The leaders reiterated that the people of South Asia are the real source of strength and driving force for SAARC and resolved to make regional cooperation more responsive to the hopes and aspirations.27

The Summit decided to declare the decade of 2006-2016 as the “SAARC Decade of Poverty Alleviation”. During the decade, endeavour—both at the national and regional level—will continue to be made with a sense of commitment and urgency to the South Asia from poverty. Underlining the need from exclusive forum for focused and comprehensive examination of poverty related issues, the leaders decided to replace the three-tier mechanism on poverty alleviation by a two-tier one comprising the Ministers and the Secretaries dealing with poverty alleviation at the national level. The notable decision at the Summit is the establishment of a ‘SAARC Poverty Alleviation Fund’ (SPAF) with contributions both voluntary and/or, assessed, as may be agreed. They agreed that the SPAF shall function within the South Asian Development Fund (SADF) to be reconstituted, as SAARC Development Fund (SDF), to

serve as the umbrella financial institution for all SAARC Projects and Programmes and comprise three windows namely Social Window, Infrastructure Window and Economic Window with a Permanent Secretariat.

The Heads of State or Government stressed that accelerating cooperation in the core economic areas was of vital importance for the realization of Charter objectives and also for making South Asia truly vibrant, dynamic and secure in its robust progress. They reaffirmed their commitment to accelerate cooperation in the economic and commercial fields, especially in the energy sector. They also stressed the importance of the entry into force of the SAFTA Agreement on the scheduled date (1st January, 2006). They directed that the negotiations on the outstanding issues under the Agreement should be completed by the end of November 2005. They further directed that the necessary national procedures should be completed in time to facilitate the operationalization of the Agreement. The leaders recognized the need to take the process of regional economic integration further by expanding the scope of SAFTA to include trade in services, enhanced involvement and harmonized standards.

In this Summit the leaders stressed that to meet the challenges of the twenty-first century; Member States must make important strides in the areas of science, technology and higher education. They decided to give priority attention to encourage regional cooperation in these areas to derive benefits from the synergy of collective, well-planned and focused initiatives undertaken by Member States. The leaders have taken the note of India’s offer to establish a South Asian University and agreed to examine this matter further.
The leaders agreed that with the incremental broadening of the SAARC agenda and increased emphasis being placed on the implementation of plans and programmes, there was a need for a commensuration and strengthening of institutional capabilities of SAARC. The leaders reiterated their commitment to the realization of the vision of South Asian Economic Union in a phased and planned manner. They agreed that as SAARC completed its twenty years of existence, it was an opportune occasion to draw roadmap for regional cooperation in South Asia for next decade by directing all SAARC institutions and mechanism to work collectively towards a decade dedicated to implementation so that a visible and discernible impact can be felt across South Asia.

**Thirteenth SAARC Summit: India’s stand:**

India stressed at the Summit about the need for forging closer ties among SAARC countries to enable the collective resources and wisdom to deal with disasters like tsunami, earthquakes etc., India urged for effective regional mechanism for effective and timely cooperation in disaster relief as well as management. India also gladly said that India was ready to host the SAARC Centre for Disaster Preparedness. India further made it clear that “disaster management is an issue whose urgency compels us to address it with seriousness of purpose that it deserves. The possibilities for meaningful cooperation range from early warning systems to provision of relief and reconstruction.

If SAARC as a region has to recapture its role “it is much more necessary to remove the barriers to the free flow of goods, of peoples and ideas within the region. In order to link South Asia to the rest of Asia, India suggested that all South Asian countries would provide to each other reciprocally, transit facilities to third
countries, not only connecting one another but also connecting to the larger Asian neighborhood, in the Gulf, Central Asia and in the South-East Asia and with a self-regulation that no member country should allow its territory to be used against the interests of another member country.

Recognizing food security as the major challenge for all South Asian countries, India recommended for the establishment ‘Regional Food Bank’, to which all member countries would contribute. Losses caused by natural calamities in any member countries would be met out of this food bank.

At the concluding session of Thirteenth SAARC Summit India welcomed the Afghanistan into SAARC Organization at the Summit by viewing that it was an appropriate recognition of the long standing ties of culture and history that Afghanistan is having with South Asian countries.

**Fourteenth SAARC Summit**

The 14th Summit was held in New Delhi on 3rd and 4th April 2007, for the first time a new member, Afghanistan participated in the Summit represented by the President of Afghanistan Mr. Hamid Karzari. This was a historic movement as Afghanistan assumed its regional place as a valued member of the SAARC fraternity.

The leaders emphasized that in its third decade of existence, there was an urgent need to move SAARC from declaratory to implementation phase. They directed that the focus of SAARC should be on implementing collaborative projects that are concrete and effective. They recognized that the implementation of the ‘Social Charter’ needs focused attention and directed the National
Coordination Committees to formulate concrete programmes and projects to complement national implementation efforts.

The members stressed the need for ensuring effective market access through smooth implementation of trade liberalization programme and directed the SAFTA bodies to review the progress on a regular basis. They emphasized that SAFTA should be implemented in letter and spirit. Successful implementation of SAFTA would catalyze other areas of regional economic cooperation. They stressed that to realize its full potential, SAFTA should integrate trade in services. They called for a finalization of an Agreement in the services called at the earliest. They also directed that the Agreement on ‘Investment Promotion and Protecting’ be finalized. The leaders also emphasized the need to develop, at an early date, a roadmap for a ‘South Asian Customs Union’ and a ‘South Asian Economic Union’ in a planned and phased manner.

The leaders stressed the importance of people-to-people contact as a key constituent in regional connectivity. They acknowledged the importance of intra-regional tourism and increased exchanges, particularly among the youth, civil society and parliamentarians. They launched the SAARC Agenda for culture and directed that annual SAARC Member States fees for entry into archaeological and heritage sites as applicable to their own nationals. They also directed that an enlarged SAARC Scholarship Scheme in information and communication technology and related areas be instituted.

**Fourteenth SAARC Summit: India’s stand**

India as a hosting country welcomed the entry of Afghanistan into the SAARC fraternity. India expressed it was privileged with
the presence of Afghanistan’s of SAARC Summit, as its full member.

India hoped that SAFTA could play a major role in the emerging economic environment and India was ready to accept. The Declaration of Fourteenth Summit adopted at the Summit gives SAARC a wider mandate to promote, peace and development in the region, including greater connectivity—in trade, in the movement of people and the flow of ideas on the admission of new member i.e., Afghanistan in the presence of first ever observers i.e., China, Iran, Japan, South Korea, USA and European Union into the SAARC. India as in the past reaffirmed its stand to win a decisive war against poverty, ignorance and disease.

**15th SAARC Summit**

This Summit which was held on August 2-3, 2008 focused on taking collective action to confront food and energy hikes in the region. The Summit outlined the global ramifications of reduced food availability in turn leading to high prices and increasing energy costs. Sri Lanka stressed the importance of implementing the SAFTA.

**16th SAARC Summit**

The leaders of the 8 SAARC countries met on 28-29 April 2010 at the 16th SAARC Summit and expressed satisfaction that SAARC had achieved a number of important milestones with the completion of twenty five years of its establishment.

In the Silver Jubilee Year of SAARC, i.e. 2010 the leaders emphasized the need develop a ‘Vision Statement’. They agreed to form a ‘South Asia Forum’ for the generation of debate, discussion and the exchange of ideas on South Asia and its future
development. The Forum will consist of eminent personalities of diverse background including from all SAARC member countries. The Forum would provide inputs, based on a comprehensive understanding, for charting out the future course of SAARC in the medium and long run and recommend, if required, the necessary improvement required in the existing mechanisms. Such a forum could function on public-private partnership lines, and allow for multiple inputs beyond governments into the consideration of the future of SAARC.

The leaders agreed that the scope and substance of cooperation had expanded to diverse fields, providing in a firm basis for genuine partnership. However, a number of these had not translated into meaningful and tangible benefits to the people. They, therefore, highlighted the need for more efficient, focused, time-bound and people-centric activities and called for appropriate reflection of all the SAARC decisions into the national policies and programmes of Member States. They resolved that the Silver Jubilee Year should be commemorated by making SAARC truly action oriented by fulfilling commitments, implementing declarations and decisions and operationalising instruments and living up to the hopes and aspirations of one-fifth of humanity.

The leaders emphasized on a greater focus to pursue people-centric development with due emphasis on socio-cultural progress and upholding traditions and values and in that regard, noted the concept of Gross National Happiness (GNH) pursued by Bhutan, inter alia, in ensuring people-centric development, culture, preservation of environment, better governance. They further noted that other Member States might consider Bhutan’s experience with the concept and welcomed Bhutan’s offer to host a SAARC Workshop on GNH in 2010.
The leaders, deeply concerned by the extent of environmental degradation in the region, reiterated the importance of sustainably managing environment through adoption of eco-friendly approaches and technologies and that South Asia should become a world leader in low-carbon technology and renewable energies. They welcomed the signing of the SAARC Convention on Cooperation on Environment and called for its early ratifications and implementation.

The summit was also concerned by the increasing frequency and intensity of natural disasters, called for effective regional programmes in early warning, preparedness and management including response and rehabilitation while remaining within their respective national laws and procedures.

The summit underlined the important role of the SAARC Development Fund (SDF) for financing regional programmes and projects. The summit also welcomed the inauguration and operationalization of the Permanent Secretariat of the SDF including the appointment of its first Chief Executive Officer (CEO) and urged the importance of projects being funded through SDF were demand-driven, time-bound and aligned with the developmental priorities of the region.

The summit leaders reiterated their commitment to implement SAFTA in letter and spirit. They emphasized the need to realize the full potential, through reduction of the size of the sensitive lists, acceleration of trade facilitation measures, and removal of non-tariff, para-tariff other barriers. They directed the SAFTA Ministerial Council to work in earnest in these areas in a time-bound manner.
The leaders welcomed the signing of SAARC Agreement on Trade in Services and expressed that this would open up new vistas of trade cooperation and further deepen the integration of the regional economies. The Leaders also called for the early conclusion of negotiations on the specific schedule of commitments under the Agreement.

The need to strengthen the role of private sector in regional initiatives through appropriate mechanisms including through Public-Private Partnership as well as the need for greater intra-SAARC investment promotion efforts was emphasized.

The Leaders took note of the Reports of the steering Committee of the South Asian University, and appreciated the progress being made towards establishing the university. They also underscored the importance of establishing regional campuses of the South Asian University. They appreciated the announcement of the CEO of SAU project office to initialize the first academic session of the University with effect from August 2010. Further they asked the Steering Committee to work towards finalizing the modalities of the University.

The Leaders underscored the need for promotion of tourism to enhance greater people-to-people contacts in the region and called for the creation of tourism-friendly environment. They welcomed the offer of the Government of Nepal to host the Third SAARC Ministerial Meeting on Tourism in Kathmandu in 2011 which coincides with the Nepal Tourism Year 2011.

The Leaders recognized the need to enhance cooperation in the energy sector to facilitate energy trade, development of efficient conventional and renewable energy sources including hydropower. They emphasized the need to undertake studies to develop regional
energy projects, promote regional power trade, efficiency, conservation and development of labeling and standardization of appliances, and sharing of knowledge and technologies.

The leaders noted the proposal from India for preparing a roadmap for developing a SAARC Market for Electricity (SAME) on a regional basis, as SAARC was considering electricity trading, supported by enabling markets in the member States.

**The 17th SAARC Summit**

The 17th South Asian Association for Regional Cooperation (SAARC) Summit kicked off on 10th of November, 2011 in Addu city of Maldives with the theme of “Building Bridges—both in terms of physical connectivity and figurative political dialogue”.

The President of Summit Nasheed highlighted three areas of cooperation in which progress should be made namely trade, transport and economic integration; security issues such as piracy and climate change; and good governance. Economic stagnation in one member nation causes insecurity in another. The leaders were of the view that they must integrate economically and create a political environment that creates security.

It is expected that the Summit held under the theme of “Building Bridges” provides further impetus and bring in removing momentum from the gaps created by uneven economic development.

The Summit aimed at fostering better understanding and promoting friendliness and mutually beneficial cooperation for greater movement of people, enhanced investment and trade in the SAARC region;
The summit also aimed at enabling environment for women by prompting the fairer sex which is integral and indivisible part of universal human rights.

SAARC member countries have agreed to direct the SAFTA (South Asia Free Trade Agreement) Ministerial Council to intensify efforts to reduce the sensitive list as well as reduce non-tariff barriers to trade and expedite the process of harmonizing standards and customs procedures.

The Summit concluded on 11th November 2011 with the adoption of Addu Declaration. The declaration, jointly adopted by the eight SAARC member countries, reaffirms their commitment to peace, confidence building, liberty, human dignity, democracy, mutual respect, good governance and human rights.

The declaration reviews their commitment to alleviate poverty and reduce income inequalities within the societies and reaffirms their resolve to improve quality of life and well-being of their people through people-centered sustainable development.

**Formation of SAPTA**

SAPTA was inked in 1993 and ceased to exist on 31st December 2003. This agreement was mainly meant for trade in goods and was the first step in the establishment of an economic union. The member countries were free to liberalize trade and impose non-tariff measures. Under SAPTA, member countries extended concessions on tariff, par a-tariff measures in successive stages. They were free to liberalize trade at their own pace and select the items they offered to liberalize. The Agreement made provisions for establishing a Committee of Participants (COP), consisting of representatives of all contracting states as the monitoring body of SAPTA, to review the progress made by SAPTA,
and ensured that the gains from trade were shared by all contracting states. The Committee of participants (COP) also acted dispute resolution body for SAPTA.

The Agreement included several provisions giving special treatment to least backward countries (LDCs) in the form of support identification, setting up of industrial and agricultural projects in the territories of those countries which could provide the production base for exports to other states. SAPTA also contained anti-dumping clauses by way of which it dissuades the member countries from such dumping practices and withdraw certain concessions there to. The intent behind such SAPTA aims at fair trade for all member states, and eliminates potential conflicts/tensions between member states based on skewed economic power relations. SAPTA also allowed countries to withdraw from the agreement in case they faced balance of payments difficulties. SAPTA also does not interfere with other bilateral, multilateral and a plurilateral agreement of the member countries with other countries and thus it tries to harmonize itself.

However, SAPTA failed in providing its strength resolving trade-related disputes. The bigger members of Sapta often did not agree to embed rules-based institutional and legal mechanisms for dispute settlement. When the matter could not be resolved this was deferred to the COP. But the decisions of COP were neither time-bound nor legally binding.

SAFTA

SAFTA came into effect on 1\textsuperscript{st} January 2006 and it has a wider mechanism that strives towards intra-SAARC economic cooperation with a well-defined approach to trade liberalization when compared to Sapta. It specifies time-staggered tariff
reductions for each member country. Thus, Indian and Pakistan are mandated to reduce tariffs from the existing levels to 20 percent within two years effective January 2006 and to further come down to 0-5 per cent from 2008-2013. For LDC members, the tariff reduction schedule is more flexible. They are to reduce their tariffs to 30 percent in the first two years of the agreement. The time period for the second stage of reductions, at the end of which tariff levels are to be reduced to 0-5 percent, is eight years that is to be achieved by 2016. In the same vein, regarding trade-related dispute resolution, SAFTA goes a step further than SAPTA in stipulating that the anti-dumping and safeguard provision of SAFTA cannot be invoked against a product originating in a LDC, provided its share in exports to the contracting country does not exceed 5 per cent of its total imports. A more illustrative agreement than SAPTA, SAFTA deals with a broader range of trade related issues, such as the harmonization of standards and certification, customs clearance procedures and classification, transit and transport facilitation, rules for fair competition and foreign exchange liberalization. Both with respect to its fair trade provisions and the broadening of its economic agenda, SAFTA offers better prospects than SAPTA for improving relations between the SAARC member countries.

In the intrastate context, countries are allowed to maintain higher tariffs for sensitive lists of commodities (industry protection) and pull back from the agreement due to balance of payments difficulties. SAFTA’s dispute settlement mechanism is substantively similar to SAPTA with a Committee of Experts (COE) and the SAFTA Ministerial Council (SMC) to different tiers of consultations.
Conclusion:

It is clear from the forgone discussion that the South Asian countries have come together with an inclination for broader cooperation. The nations also aimed at maintaining stability and security besides enhancement of trade and economic cooperation. Hostilities and suspicions continue to perpetuate besides the efforts of the countries for building bridges. The various SAARC Summits that were held so far have an underlying current to promote a stable and sustained cooperation among the countries and by jointly attacking the common enemy i.e. ‘poverty’ in the region. Undoubtedly the SAARC concept has emerged as yet another facet of regional cooperation and bound to reap the results. The mission of the SAARC should continuously be to promote the platform looking into the road blocks impending growth of the region and assess the prospects and progress made so far, especially in sectors of cross border investment, informal or border trade.