CHAPTER – VI

SUMMARY

AND

CONCLUSION
Realising the importance of regionalism in international politics the third world countries developed a strong awareness among themselves to use regional cooperation as an instrument to deal with their common political, social and economic problems. Besides this the revolutionary changes in science and technology reduced the physical distance between the nations of the world. All these led to the formation of regional groups/blocks or supra national organization in every part of the world. The first regional organization started to grow in Europe and South-East Asia.

South Asia entered into world politics in the late 1940s just as the two power blocks were being formed. After the end of the second world war the nations of South Asia freed from the clutches of colonialism. After achieving independence the South Asian countries along with neighbouring countries started interaction among each other. The glance
at any standard map of the world reveals that South Asia does not appear anywhere as a geographical description. But it resembles at least three of her Asian regions – Asia Pacific, South-East Asia and the Middle East.

The geographical promotion as well as strategic location of South Asia has many political implications for regional cooperation as well as for conflict and intervention of infrastructural factors. Besides, the size of the countries of the region is also determines, the inception of the regional organization and its successful working. Among the countries of the region, India accounts for 73 percent of the total geographical area of the region. The South Asia belongs to the category of underdeveloped countries because its unfavourable climate, oppressive heat, and moisture causes environmental limits on most of the South Asian countries.

The concept of South Asia as a region is comparatively of recent origin and with regard to the South Asia there is a bit of uncertainty about the composition and geographical delimitation of the region. It is interesting to note that Michael Brecher's concept of 'Southern Asia' included China and South East Asia. According to him South Asia extends from Pakistan, India, Nepal, Ceylon, Burma, Thailand, Cambodia, Laos, North-South Vietnam, Malaya, the Philippines and Indonesia. Historically speaking Afghanistan was also a part of Indian sub-continent and the British have also regarded it as such. They have called it the gateway of
India. Keeping in view of the historical linkages Afghanistan was added to the SAARC as eighth member in April 2007.

The pre-historic age clearly reflects that most of the countries of South Asia – India, Pakistan, Bangladesh, Nepal and Afghanistan have been inter-linked with each other. A close observation of Harappan civilization reveals the homogeneity of the sub-continent. The Aryan period reflects similar culture from North West to some arms of South. The rudiments of regionalism are also traceable in the period from the eighth to the twelfth century through common binding forces viz., spread of Buddhism and also penetration of Islamic culture. The period from the twelfth to the eighteenth century further strengthened the regional bonds due to rapid spread of Islamic culture. But a close observation of the history of the region make it clear that in the almost five million since the down of civilization in South Asia, the region has never been a simple political limit. Geographical barriers as well as differences in race, language and religion have been major obstacles to periodic efforts at imposing political unity.

India has always been a dominant factor in South Asian politics. The central position became particularly important with the advent of British Colonialism, and with the consequent unification of the sub-continent. A power centre finally emerged to gain control of the Indian
ocean, the whole of the sub-continental land mass and the countries surrounding it. The disintegration of the vice-regal centre of power after World War II, and the final establishment of seven sovereign states in South Asia (India, Pakistan, Bangladesh, Nepal, Bhutan, Sri Lanka and Maldives) did not diminish the importance of India. India is a meeting point between the West and the North and the East and the South-East. The important fact which emerges from their geographical position in that India is physically close to the communist world more particularly Russia and China than she is to the western block.

India is in a position to meet many of the capital goods requirements of the member states. The capacity of its capital goods industry remains under utilized for lack of sufficient domestic demand. There is, nevertheless, a potential market for the Indian capital goods in other countries of the region. But the potential remains under utilized because of the fear among the countries of the region that trade with India would become heavily unbalanced, if they allow an unrestricted imports of these goods from India. This is because the Indian policy of self-reliance in consumer goods implies that India does not provide a market for the consumer goods which these industrially less developed states of the region could produce.
The land-locked countries of the region like Nepal and Bhutan, for example, can hardly survive economically without India's cooperation. Most of what they produce is marketed in India and most of what they consume comes from India. Nothing can ingress to or egress from these countries to other countries without India's approval. Bangladesh is heavily dependent for water supply on India's Gangetic plain, and Pakistan's main source of water supply for the agriculturally rich Punjab enamets from rivers that originate in or pass through India. Though the insular character of the two Island states — Sri Lanka and the Maldives— makes them less vulnerable to Indian pressures, their proximity to the vast Indian coast line and the strong ethnic Indian presence in these countries, nonetheless makes them heavily dependent on India.

In spite of its gigantic size, centrality and economic, technological development, India never thought of disturbing the peace and stability of other countries of the region. But some of the countries bordering India, rightly or wrongly harbour all sorts of misgivings about of and often accuse it of being bully. The foreign policy makers of India from time to time ruling out any such intentions. It is apt to quote the views of India towards her neighbours, as expressed by the then Indian Prime Minister Mrs. Indira Gandhi at her inaugural address of South Asian Regional Cooperation Meeting of Foreign Ministers at New Delhi on
August 1, 1983; "India is big in size and that means that the proportion of our problems and difficulties is also gigantic. We don't want to take on more problems. Our policy is not to interfere in the affairs of others. So it is up to the states of the region, to decide cooperation or contradiction towards their peace-loving neighbour.

In modern times, when the whole gamut of inter-relationships between states is viewed as international system at the global level, there are regional groups at the secondary level which are termed as international sub-systems. Scholars of international relations, as well as the actors in the international system perceive the global system as a cluster of various sub-systems mainly identified on the basis of geopolitical criteria. These sub-systems which are also called 'regions' are considered important not only in balancing the power equations at the global level but are considered important also in shaping the socio-economic and political destinies of the constituent nations.

The main flow in the criteria of forming regional groups and organisations developed by most western scholars in 1960s and 1970s, is that they are dominated by the mindset of the evolving post-war international political system. Essentially, all the regional organisations were conceived to be closely linked and affected by the international
system dominated by certain powers i.e., they are supposed to be subordinate to it.

The post-second World War era has been particularly marked by the formation of many organizations for military and other diverse purposes. The existing international economic order has been operating against the basic interests of the poor countries due to the growing protectionist tendencies among the rich countries. In the world market, the products of the poor countries are facing tough competition with the products of the rich countries. As a result the share of poor countries has been decreasing in the world market and the share of rich countries increasing sharply, with the passage of time.

It is realized that a regional framework would minimise tensions and conflicts within the region. Regional cooperation is only an adjustment for mutual benefit based on national self-interest. Regional cooperation is inter-governmentalism that seeks to harmonize interests.

Regional arrangements were given more positive and detailed endorsement in the charter of the United Nations than in the covenant of the League of Nations. There were supporters and opponents at the United Nations to the idea of regional organisations as legitimate representatives of their respective regions. The founders of League of Nations feared that the regional arrangements would open the way for
alliances and a return to the balance of power system, which would, in long run, be in substantial opposition to the League concept of collective security on a global basis. Woodrow Wilson considered the idea of regional arrangements and alliances with suspicion.

Proponents of regional security arrangements naturally insist that these devices are wholly consistent with the United Nations Charter and are necessary steps in regional or collective self defuse. The Charter specifically recognize the right of nations to take action of this sort until and unless the United Nations able to assert itself effectively in the maintenance of peace. But while these arrangements can be readily defended there is real danger that they will emerge into military alliances against some country or countries, that they will provoke counter measures that they will in short increase international tensions and thereby accentuate the very evils they are presumably designed to prevent.

Regionalism received a fillip in the wake of Napolenic wars and a number of regional organizations which were formed in Post-Nepoleon period were the Holy Alliance, the Quadruple Alliance etc. Regionalism gained a fresh impetus after the unification of Germany in 1870 and a member alliances and counter alliances were formed.

A number of regional arrangements came into being in the inter war period (1918-1939) although some were in embryonic forum and
were never fully organized. One of the most obvious examples was the Little Entente, which composed of Czechoslovakia, Yugoslavia and Rumania and created shortly after the conclusion of war, it grew out of a series of bilateral mutual assistance treaties among the three countries. Another important regional arrangement during the inter-war period was Balcan Entente (1934). The five-power treaty (Locarno Pact) signed by Belgium, England, France, Germany and Italy in 1925 regarding the western frontiers of Germany is another most important alliance of regional arrangement.

After Second World War strong revulsions developed against national rivalries in Europe. Under Marshal Plan the United States of America released funds for European reconstruction. From 1948 to 1952 the United States gave about 200 billion dollars to help Europe get established. This paved the way for unity in Europe. The aid given by US was administered by a new organization known as the Organization for European Economic Cooperation (OECC). In 1950s restrictions on Intra-OECC trade were being dismantled and the European countries grew accustomed to cooperation on trade and economic matter.

The idea to establish a regional grouping in South Asia can be traced back to the year 1977. The idea of South Asian Cooperation was proposed by the late President Zia-Ur-Rahman in course of his good will
visits to several South Asian countries. But there was some reluctance on the part of both India and Pakistan. When the idea of regional cooperation was first mooted, India showed its reluctance largely due to its past experience of regional pacts in Asia. India feared that sooner or later SAARC might also meet the same fate. India's foreign policy prevents it from these kinds of political and security pact which invite extra-regional powers.

Pakistan's approach towards multilateral cooperation in South Asia is marked by caution and circumspection. It has laboured under the apprehension that the SAARC will provide India an opportunity for projecting itself and its policies. By virtue of its size, it is bound to overshadow others, and therefore Pakistan, reacting to the proposal put forward by Bangladesh, unenthusiastically accepted the principle of cooperation on a step-by-step basis. Notwithstanding these reservations, both India and Pakistan joined the move as a damage containing exercise. And for this, both of them insisted on certain pre-conditions like the unanimity in decision-making within the regional forum and avoidance of bilateral and controversial issues. They also endeavoured to lower the proposed high political profile of the regional forum and wanted to go slow on its organizational expansion. The pre-conditions preferred by India and
Pakistan were also welcomed by others since they gave everyone a vote, a decisive say in what the SAARC could do and what it could not.

Encouraged by the positive response from South Asian Capitals, the Ministry of Foreign Affairs of the Government of Bangladesh formulated a proposal for regional cooperation in South Asia and circulated the proposal among the countries of the region in November 1980. A special emissary of Zia-Ur-Rahman visited the six capital cities of South Asia (New Delhi, Islamabad, Kathmandu, Thimpu, Colombo, Male) and personally delivered a copy of the same working paper with a letter from his President to the concerned top-level statesmen. The emphasis of the Bangladesh’s Working Paper was on creation of an atmosphere of mutual confidence and political understanding among these seven states and to remove disparities and to adopt a gradual approach to the development of a regional cooperation.

For the first time informal consultations begun at the level of Foreign Secretaries in Colombo from 21 to 23 April 1983. It was attended by Foreign Secretaries of seven countries. As a first step, the Foreign Secretaries agreed to set up Five Study Groups and each of these groups would have a Coordinator country.

India observed that there exists a vast potential intra-regional cooperation in the field of tourism in South Asia. The revolutionary growth
of air transportation in recent times has made tourism the second largest export industry in the world. It is essential that the countries of South Asia get a greater share of the world market in tourist traffic.

The second regional meeting of the Foreign Secretaries of the countries of South Asia took place in Kathmandu from 2nd November to 4th November 1981. The Secretaries agreed to endorse the recommendations of the five study groups and convert these into working groups. It was decided to form three study groups on the additional areas of cooperation:

The third official meeting of South Asian Foreign Secretaries from 7 nations was held in Islamabad at the Foreign office, between 7th to 9th August 1982. The Foreign Secretaries agreed to constitute a study group on Sports. It was agreed that the Committee of the Whole would nominate the Coordinator for this study group.

As for the decision taken by Foreign Secretaries at the meeting of Islamabad, the 'Committee of the Whole' was constituted under the Chairmanship of Sri Lanka to identify the possible areas of cooperation. A noteworthy feature of the working of the Committee of the whole was to find common areas of agreement on the basis of consensus rather than insisting on the unanimity formula. Most of the recommendations were later on incorporated in the SAARC documents released at the end of the New Delhi meeting of the Foreign Ministers.
The fourth meeting of Foreign Secretaries was held in March 1983 at Dhaka. The Dhaka meeting of Foreign Secretaries clearly accepted the Integrated Programme of Action (IPA) for all the nine areas identified for cooperation among the South Asian states. The Foreign Secretaries agreed that the efforts should now be made for expeditious implementation of the Integrated Programme of Action.

In the pursuance of the recommendations of the Fourth Meeting of Foreign Secretaries held in Dhaka in March 1983, a Meeting of Foreign Ministers of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka was held in New Delhi on August 1-2, 1983. The Meeting of Foreign Ministers was inaugurated by Smt. Indira Gandhi, the then Prime Minister of India. In her inaugural address she described the Meeting of Foreign Ministers as an important step at a political level in the development of mutual relations in South Asia.

Smt. Indira Gandhi in her inaugural address at the Foreign Ministers meeting stated that the seven countries of the region were close geographical neighbours. Each country has its individual personality, distinctive perception and a different political system. Subscribing to non-alignment India respected the right of every country to choose and follow its own form of government without interference from others. At the same
time, recognised the duty to resolve whatever differences there might be through discussion and in a spirit of goodwill.

After the ministerial level meeting the meeting of the Standing Committee of the SAARC was held for the first time in New Delhi under the Chairmanship of the then Indian Foreign Secretary Mr. M.R.Rasgotra. The delegations of other SAARC countries too were led by their Foreign Secretaries. The meeting reviewed the world economic situation and expressed grave concern at the continuing impasse in the North-South dialogue. It called for fundamental restructuring of the international economic order.

The second regional cooperation meeting of Foreign Ministers was held at Male (the Capital of Maldives) in July 1984. In this meeting the Foreign Ministers of SAARC countries expressed distress on the stalemate in the North-South dialogue and called for collective efforts among the South Asian nations to meet the situation. During the meeting the then Indian Foreign Minister Mr. P.V.Narasimha Rao expressed serious concern over global tensions and the grim economic situation, which threatened not only the stability of the developing countries but also the working system of the industrialized world.

The third meeting of Foreign Ministers of SAARC was held at Thimpu (the capital of Bhutan) in May 1985. The meeting reviewed the
progress on already agreed areas of cooperation. It is in fact the preparatory meeting for the summit of the Heads of States of the South Asian Region held at Dhaka in December 1985.

The Heads of State or Government at their First SAARC Summit held in Dhaka on 7th to 8th December 1985 adopted the Charter formally establishing the South Asian Association for Regional Cooperation (SAARC). As per the Charter the highest authority of the Association rests with the Heads of State or Government, who meet annually at Summit level.

South Asian Association for Regional Cooperation (SAARC) functions from its Secretariat. With regard to the setting up of the Secretariat for the location of which both Nepal and Bangladesh were pressed their claims. Ultimately it was decided to establish the Secretariat at Kathmandu, SAARC Secretariat was inaugurated in Kathmandu by his majesty the then King Birendra Bir Bikram Shah Dev in the presence of the Foreign Ministers of SAARC countries on 16th January 1987. It's role is to coordinate and monitor the implementation of SAARC activities, service the meetings of the Association and serve as the channel of communication between SAARC and other international organizations. The Secretariat, being the headquarters of the organization has recently by increasing utilized as the venue for various SAARC meetings.
The annual Summits are said to be a unique feature of the functioning of any regional organisation. They indicate and broaden the vision of cooperation and provide a new impetus and fresh direction to the endeavour. In the case of SAARC, they also represent the culmination of the organisation's yearly activities and a clear reflection of the importance that the Heads of State or Government of the seven member-states attach to their own involvement in SAARC affairs on a regular basis. Above all they are expected to foster peaceful and good neighbourly relations between SAARC countries.

The first SAARC Summit was held on 7-8 December 1985 at Dhaka amidst fanfare and diplomatic euphoria was the culmination of the five years of slogging efforts to formalise the regional cooperation. The Summit decided to set up a Committee of experts to negotiate with multilateral agencies like General Agreement on Trade and Tariffs (GATT) and the developed countries on the international economic problems.

The inaugural Dhaka Summit set the precedents for procedures and modalities to be followed in future. The declaration issued at the end of the Summit was pious document of laudable objectives, principles and great platitudes.

The next milestone in the history of regional cooperation in South Asia was the Second Summit at Bangalore (India) on 16-17
November 1986. The process received a new impetus and several measures were adopted to add further dimensions to the organisation.

India while taking of non-political nature of SAARC, also mentioned the logic of South Asian nations working together as the 'gains' to be achieved through peace, progress and stability. There seemed to be an apparent contradiction in these assertions since peace and stability could not be achieved without political harmony and shared strategic perceptions.

The Third meeting of the SAARC heads of state was held on 2-4 November 1987. The third summit noted their determination to pursue their individual and collective efforts for the optimal utilization of the vast human and untapped natural and other material resources. At the third summit the then Indian Prime Minister Mr. Rajiv Gandhi explained India's viewpoint on the implications of regional cooperation beyond the stipulated areas.

The Fourth SAARC Summit was held in December 1988 in Colombo. A significant decision of this Summit was direction given to the Secretary General of SAARC to convene a special meeting of the Group of Coordinators to identify specific areas in the core economic areas of trade, manufactures and services where cooperation would be immediately feasible. The summit leaders also directed that the report of the Group be
presented to the next session of the Standing Committee and the Council of Ministers.

The Fifth SAARC Summit was convened at Male, Capital of Maldives on 21-23 November 1990. The Male Summit was held in an atmosphere of rapid political changes that have been taking place in various member countries of SAARC. There were significant changes in India, Nepal and Pakistan all of which were represented by their new Prime Ministers. Sri Lanka was represented by its Prime Minister Sri. Wijetunga. Unlike to the previous years Nepal was represented by its Prime Minister symbolizing the changes that have taken place in that country.

The Sixth SAARC Summit was held in December 1991. It was 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.

The Seventh SAARC Summit which was held on 10-11 April 1993 at Dhaka summit marked the beginning of the economic cooperation
by accepting the framework of agreement on preferential trade among the SAARC Member Countries. The Summit took note of the steps taken to consolidate and streamline the activities under IPA. The need for undertaking more well defined, target oriented and time bound programmes to ensure tangible benefits of the peoples of South Asia was emphasised.

The Eighth SAARC Summit was held on May 2-4, 1995 in New Delhi after the successful conclusion of the Uruguay Round of multilateral trade negotiations and the creation of World Trade Organisation (WTO). The eighth SAARC summit is a logical sequel to a positive step towards the success of SAARC. The leaders decided that all necessary steps be taken to facilitate ratification by all Member-States and operationalised SAPTA by the end of 1995 as mandated.

The Ninth SAARC Summit was held at Male on 12-14 May, 1997. 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; finalisation 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 Tenth SAARC Summit was held at Colombo on 29-31 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 sanctions on India and Pakistan. Serious doubts were expressed on the smooth continuation of the SAARC process in the wake of overt nuclearisation 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. However, the SAARC Summit went ahead with its usual business.

In the Tenth SAARC Summit the India reiterated its 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 Eleventh SAARC Summit was convened in Kathmandu in January 2002. In this Summit the leaders recognised the importance of achieving a free trade area and reaffirmed that the treaty regime for creating a free trade area must incorporate, inter-alia, binding, time-frames for freeing trade, 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 long awaited Twelfth SAARC Summit was finally held in Islamabad from 4th to 6th January 2004. 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 Charter aims to improve the quality of life, accelerate economic growth, social progress and cultural development and to provide all individuals an opportunity to live with dignity and realise their full potential.

The Thirteenth SAARC Summit was held on 12th and 13th November 2005. The notable decision at the Summit is the establishment of a SAARC Poverty Alleviation Fund (SPAF) with contributions both voluntary and/or, assessed. 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 historic Fourteenth SAARC summit was held in New Delhi on April 3-4, 2007. In this Summit for the first time a new member, Afghanistan participated. In this Summit 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 festivals for cultural exchange be institutionalized.

All the South Asian States fall in the category of less developed states of Third World. All of them are faced with the challenges of low rate of economic growth, high rate of population growth, under utilization of manpower resources, high incidence of poverty income inequalities, food shortage, adverse terms of trade, heavy balance of payment deficits, high cost of oil imports, heavy debt service burdens, inflation and similar other related problems.

The main objectives laid down in the SAARC Charter adopted at the first Summit are to promote the welfare of the peoples of South Asia; accelerate economic growth and social progress; promote active collaboration in the economic, social, cultural technical and scientific fields; strengthen cooperation in international forums on matters of common
interest; and cooperate with international and regional organizations with similar aims and purposes.

With the consensus of all SAARC countries, the Council of Ministers of SAARC nations signed the framework Agreement on SAPTA in Dhaka on 11th April 1993. The signing of SAPTA was a landmark achievement of the South Asian countries. The New Delhi Summit held from 2-4 May 1995, formally approved the proposals for preferential trade worked out by the Inter-Governmental Group (IGG) and later endorsed by the SAARC Foreign Ministers with all the member countries having ratified the Agreement, the same came into force on December 7 1995 – the date which marks the end of the first decade of SAARC’s experience.

The Islamabad Summit of SAARC 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 SAFTA. The agreement signed at the Twelfth SAARC Summit is a huge morale booster of the region. The SAFTA agreement was signed by the Council of Ministers of the region in 2004. It was formally approved by the Summit. The holding of SAARC Trade Fairs has become as regular feature since 1996 when the first SAARC Trade Fair was held in New Delhi in January 1996 with the theme “Cooperation for Growth”. The Fair organized as a part of the commemoration of the first decade of SAARC, was jointly
inaugurated by the Commerce Ministers and leaders of delegations of Member States. India’s trade with other countries of the region is in favour of India. It means that India has positive trade balance with other countries of the region. Besides inter-regional trade, the SAARC countries entered into extra-regional trade linkages with other regional and international economic unions.