

# Successes and Failures Of Saarc

**KEYWORDS** 

# SAPTA, SAFTA, India Role

Sunita kaler

Assistant Professor Department-Political-Science G. N. Khalsa College sultanpur lodhi

**ABSTRACT** SAARC was founded by seven states in 1985.Afghanistan joined SAARC as its eighth member state in April 2007.Today this region is facing many issues like terrorism, poverty, deprivation of food, drug trafficking, extremism, and economic crisis. These core issues cannot be resolved at bilateral level. It is significant to have a joint effort and close coordination among the member countries to solve these threatening issues.SAARC can fulfill its objectives like corruption elimination, acceleration of economic growth, Social and cultural growth and collective self-reliance only if the mutual trust has existed among them. Regional and domestic issues can be resolved if the leadership of the countries is serious in favor of public security and concord

#### SAARC

- The South Asian Association for Regional Cooperation (SAARC) is a geopolitical organization of eight countries of South Asia – Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.
- Establishment 1985
- Headquarters Kathmandu, Nepal
- Observer States Australia, China, the European Union, Iran, Japan, Mauritius, Myanmar, South Korea and the United States
- Potential future members -Myanmar, Turkey,Russia, South Africa
- Objective-The SAARC policies aim to promote Welfare economics, collective self-reliance among the countries of South Asia, and to accelerate socio-cultural development in the region
- Secretariat-The SAARC Secretariat was established in Kathmandu on 16 January 1987 and was inaugurated by Late King Birendra Bir Bikram shah of Nepal
- Secretaries-General of SAARC-Nepal Arjun Bahadur Thapa

#### SAARC Successes

Over the last 30 years, despite extremely difficult political circumstances, SAARC has managed to create situations, institutions and forums where Heads of State have had to shake each other's' hands and go into talks together. SAARC has tackled important topics for the region such as a social charter, development agreements and even the sensitive subject of fighting terrorism. The food and development banks, Agreement on Transportation, Energy are important steps in the right direction. Exchanges in the areas of civil society and science have become one of the pillars of South Asian integration efforts.

# SAPTA

SAARC Preferential Trading Arrangement (SAPTA) was signed in 1993 and entered into force in 1995. The Agreement reflected the desire of the Member States to promote and sustain mutual trade and economic cooperation within the SAARC region through the exchange of concessions. The agreement provided for a positive list; the trade of the items on positive list could be regulated. There was a lack of commitments on tariff reduction; it was a completely voluntary arrangement.

#### SAFTA

The South Asian Free Trade Area (SAFTA) is an agreement reached in 2004 to create SAARC free trade area. The members of SAARC signed a framework agreement on SAFTA to reduce customs duties of all traded goods to zero by the year 2016. The SAFTA agreement came into force on 1 January 2006 and is operational following the ratification of the agreement by the seven governments. Major instruments of SAFTA:- Trade Liberalisation Programme, Rules of Origin, Institutional Arrangements, Consultations and Dispute Settlement Procedures, Safeguard Measures, Special Provisions for Least Developing Countries of SAARC. Though an advance over SAPTA, SAFTA has not been able to improve the trade relations of SAARC members significantly . The trade between India-Pakistan, the two largest members of SAARC, is still languishing at less than 3 billion US \$; studies suggest that an equal amount of trade happens through the Dubai route and illegal trade. Pakistan is yet to award India, the status of Most Favored Nation (MFN).

#### **SAARC** Failures

SAARC almost failed to accomplish its ambitious objectives during the last 25 years due to the political difference, conflicts and poor economic state of the member countries. Most of the programs and achievements exist only in official documents. Their activities are only confined to holding seminars, workshops and short training courses. During the time of the worst natural calamity in Bangladesh cyclone (1991), Pakistan earth quack (2005) and flood in Pakistan (2010), Food Security Reserve of SAARC could not be used to satisfy the demands of the affected peopleIn its 30 years of existence, SAARC failed to hold 11 annual summits for political reasons, both at the bilateral and internal levels. The last summit in Kathmandu was held after a gap of three years. The intra-regional trade of SAARC amounted to \$40.5 billion in 2011, which constitutes just 5% of member countries' trade. The number pales into insignificance when compared with the volume of trilateral trade between member-countries of NAFTA, the North American Free Trade Agreement, (the US, Canada and Mexico) which hit \$1 trillion in 2011. While different regions of the world have progressed even to monetary union, SAARC has failed to even come up with a free trade agreement.Even in the Kathmandu Summit 2014, there were three connectivity agreements on road, rail and energy, to be endorsed by the eight SAARC leaders. Only one of these - on energy - has been signed.

# **Reasons for failure**

- Weak Cultural Identities -The South Asian Region comprises countries sharing common history, heritage and culture. The horrors of divisions and sub-divisions have however created fissures. These fissures are commonly articulated through the ideas of distinct cultures. Pakistan wants to assert itself as Islamic State and calls India a Hindu State. The debates regarding identity are similarly going on in Sri Lanka and Bangladesh. The pursuit of maintaining distinct cultural identity by every country has not allowed the region to come together.
- Rivalry between India and Pakistan, the two largest members of SAARC, has hovered hugely on SAARC. The rivalry continues to restrain SAARC from functioning as a sub-regional organization.
- India is a preponderant country both in terms of size and economy, in the SAARC Region. India's neighboring countries have often felt insecure about India's ambitions. Thus, any attempts to secure free trade area are met with the concerns of Indian businesses disrupting the indigenous business of countries. This in turn leads countries to use SAARC as an anti-India platform.
- Indian Foreign Policy actions 1971 war, Indo-Sri Lanka Accord continue to haunt the neighboring countries. India has not forcefully articulated South Asian Vision; even the progressive ideas like the Gujral Doctrine have not been implemented on ground.
- The region is still beset with many unresolved border and maritime issues. These unresolved borders have led to problems of Terrorism, Refugee Crisis, Smuggling, Narco-Trade. The unresolved issues continue to mar cooperative relations.
- India's ambitions in the region crisscross with China's ambitions to have an influence on the region. China has in past decade strengthened its relations with Bangladesh, Sri Lanka. This has led to a trust deficit in the grouping.
- **SAARC Charter** Article X(2) of the SAARC Charter mandates that decisions, at all levels in SAARC, are only of multilateral issues, and only those issues are for inclusion in the agenda in a SAARC summit meeting on the basis of unanimity. The SAARC platform thus cannot be used to resolve bilateral issues; this has undermined the scope and potential of SAARC.

# India Role

India constitutes 70 per cent or more of SAARC's area and population. India has to redefine its role to being prepared to go the extra mile in meeting the aspirations of all other SAARC nations.India must invest in SAARC as Germany did in the EU, through structural funding for infrastructure. The fruits of India's growth have to be shared with SAARC members. India has already taken the leadership on the agreements for bettering intra-regional connectivity. Prime Minister Narendra Modi's plan for a SAARC satellite that can launch the space exploration dreams for all countries of the region is a powerful idea.India's internal politics has sometimes played a detrimental role to India's aspirations vis-à-vis SAARC. The Government of India's policy on issues like land boundary agreement with Bangladesh or Tamil Issue in Sri Lanka have not been accepted by the State Governments. India has to forcefully articulate South Asian Vision so as to avoid these internal domestic disruptions. The objectives and targets of SAFTA should be ful-

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filled as soon as possible. SAARC must then move beyond free trade area to enhance investment activity between its member states..Finally, India must be ready to forge sub-regional groupings within SAARC, to give clear signals to every country that no country could hold veto over the functioning of SAARC. The Indian government has already started working with the grouping - 'BBIN' (comprising Bangladesh, Bhutan, India and Nepal) - under the larger ambit of the eight-member South Asian Association for Regional Cooperation .

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