

THE QUESTION OF "POLITICAL WILL" AND THE CHALLENGE OF DEEPENING REGIONAL COOPERATION IN SOUTH ASIA

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History was made a decade and half ago when the South Asian countries committed themselves to the concept of regional cooperation.¹ Although skeptics have consistently questioned its efficacy in what is generally considered to be a conflict prone region, others have generally remained enthusiastic, eagerly awaiting for some concrete results from the regional endeavour.

There is, however, common grounds between both the supporters and critics of regionalism. Both groups see the need of the "political will" as essential for the efficacy of the organization; and, there is also a consensus that the benefits must be visible in the form of greater political tolerance and positive economic benefits for the peoples of the region.²

This paper touches on three themes which are linked to the future prospects of regionalism in South Asia. First, the reasons why the "political will" has not been easily forthcoming in South Asia; second, its consequences; third, the initiatives that needs to be taken to regain the momentum for the progress of regionalism; and, fourth, the crucial decisions taken by the recent Male Summit, which can be considered a watershed in the development of the organization.

¹ The acronym SAARC was adopted only after the first summit of heads of state and government held in Dhaka on 7-8 December 1985. The proposal for establishing a regional forum of the seven South Asian states-Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka-was originally made by President Ziaur Rahman of Bangladesh, in May 1980 and was followed by a working paper circulated by his country entitled "The proposal for regional cooperation in South Asia", in November 1990. The *modus operandi* for South Asian regionalism eventually worked out through the meetings held at the foreign secretarial level, beginning on April 1981. In August 1983, the foreign ministers of the seven countries issued a "Declaration on South Asian regional cooperation" (SARC) which defined the objectives and principles, and the institutional and financial arrangements for the new organization. The Charter of the South Asian Association for Regional Cooperation (SAARC) was approved at the first summit, which largely reiterated the objectives and principles contained in the ear

² For a full discussion of the achievements and hurdles faced by SAARC, see: Sridhar K. Khatri, "A decade of South Asian Regionalism: retrospect and prospect", *Contemporary South Asia*, Vol. 1, No. 1, PP. 5-23.

II

There are a number of reasons why the "political will" that is badly needed to strengthen the process of regionalism has been lacking in South Asia. The first is the bilateral political problems between India and her neighbours. Although this is no doubt the principle cause for the lack of trust between South Asian countries, its importance needs to be scrutinized more carefully since the move towards cooperation was also taken by the regional countries despite the bilateral differences. What is then lacking today may not be the "political will" in the broad sense of the term, but the lack of commitment to boldly follow-through on the goals of regional cooperation as the original leaders had done in accepting the basic principles during the early 1980s.

As a result, SAARC has for the last decade and a half mostly remained stagnant by chewing through the same ideas which was originally presented in the Bangladesh' Working Paper prepared in 1980, that led to the creation of the present organizational framework under which it operates. Bilateral and contentious issues remain excluded, and until recently regional economic issues remained neglected even though the meetings of South Asian "regional planners" and finance ministers had been held. Even the much vaunted SAPTA is unlikely to produce tangible results as the step-by step negotiation required for tariff reduction is likely to turn into more of a perfunctory exercise, than a meaningful one. This has been ASEAN experience with the Preferential Trading Arrangement (PTA), which South Asia also seems bound to emulate.

Second, is the absence of long-term vision. Since the beginning of SAARC member countries have not been able to impart a vision for the region in terms of what it should aim for and how it should go about realizing its goals for the future. From the beginning sectoral cooperation was itself seen to be the amorphous goal with the Integrated Programme of Action (IPA). Lately, this has been supplemented by the preferential trading arrangement of SAPTA, but even before it has taken-off a new target of South Asian Free Trade Area (SAFTA) has been set.

In the absence of decisive formulation of what SAARC is to be, the more insecure of the member states have been more willing to prevent it from becoming a vibrant organization and thereby preventing others from obtaining the likely gains from cooperation. It is likely that, by setting SAFTA as a goal, member states may be forced more to think of the cost-benefit of cooperation in more concrete terms than they have in the past. It is also possible that the blinders of the political will may come down as the rewards of cooperation are seen to be more beneficial than the cautious inaction of the past.

The third factor which showed down the pace of SAARC is the preoccupation of member states with their own domestic problems, thus detracting their attention further away from regional cooperation. India has been absorbed by problems in Punjab, Kashmir and the North East, not to mention the fluid political situation with the uncertain position of the pre-eminent Congress (I) in the country. Pakistan has been going through with its political succession problem not only between the military and political parties, but also between democratically elected governments which has put its constitution to the test. Sri Lanka has been absorbed by a civil war for over two decades, with still no end in site. Bangladesh and Nepal have been going through transition in political system and both are currently experiencing the fallour of brinkmanship politics, with Nepal faring somewhat better than its neighbour. Even Bhutan is reeling from the pressures of the global wave of democratization, a consequence of which has led to deterioration of it relations with Nepal due to the influx of over 100,000 Bhutanese refugees in Nepal.

And, lastly the excessive reliance on bureaucracy to promote regional cooperation has also invariably slowed down the process. Although the South Asian political leaders played a catalytic role in bringing about regionalism in South Asia, the responsibility for promoting the process has from the very beginning rested on the bureaucracy, in particular the foreign ministries of the respective countries. Since the demand for innovative policies from the bureaucracy is a contradiction in terms (due to its status quo orientation), the requisite political will has been hard to come by with the bureaucracy taking the easy way out and the political leaders not willing to stick their neck out for regional cooperation.

As a result SAARC has emerged as a poor copy of the ASEAN model with the bureaucracies displaying no eagerness to look at the experience of other models, such as those of LAFTA, CARICOM, CACM, Andean Pact, East African Community, etc. SAARC, today, therefore functions under the institutional/operational framework ASEAN without giving due emphasis to the accommodate aspect of cooperation as emphasized by its sister organization. For example, whereas ASEAN leaders slowly functioned through informal shirt-sleeve working style with emphasis on generating consensus and accommodation, SAARC leaders continue to remain more formalistic, rhetorically agreeing during summits on the need to strengthen the organization but it practice procrastinating on almost every key issues needed to move the organization forward. Moreover, as ASEAN looks forward towards the next century by visualizing its role in APEC and drawing up contacts

with the Western developed world beginning with its recent meeting in Bangkok, SAARC is still not considered a serious negotiating partners by either the EU³ or ASEAN.

In sum, all these developments suggest that the gestation period for SAARC has been very long while it has not yet been able to produce anything concrete which the people of this region can identify as benefits of regional cooperation. As the annual summits have already been postponed three times with the last decade and some member countries are considering the prospect of holding summit every two years, there is the danger than the original euphoria of South Asian regionalism is being challenged by the hard political realities.

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Broadly speaking, one can identify three particular impacts of these developments. First, some of the regional countries have developed a growing tendency to look elsewhere to achieve the benefits of cooperation, as Sri Lanka had done during the early years of SAARC. As Pakistan looks more closely at Central Asia and its affinity to the large Muslim population of the erstwhile Soviet Union, Pakistan has shown greater interest in Economic Cooperation Organization (ECO). Similarly, India is also exploring the prospect of being ASEAN's dialogue partner and studying the APEC prospect as its economy grown more rapidly.

Second, despite fifteen years of regional cooperation in South Asia, there have been no substantial political breakthrough in the region. The end of the Cold War among the global powers has not been accompanied by the end of the regional Cold War between India and Pakistan. Instead with the last decade regional security experts contend that India and Pakistan have been at the verge of war, and even nuclear confrontation, at least several times. Moreover, while the world is going through various stages of disarmament as part of a peace-dividend of the post-Cold War period, South Asia faces the dangers of nuclear proliferation, with the possibility of arms race between India and Pakistan escalating further with the acquisition of ballistic missile technology by these countries. The intractable problems posed by Kashmir and the externally supported insurgency in both Kashmir and Karachi proposes to further detract these countries away from the path of regional cooperation. Although in Nepal, there is currently high expectation of India's changing attitude towards its neighbour after the conclusion of the Mahakali Integrated Development agreement between the two countries, skeptics remain unconvinced that such an

³ See, K.K. Bhargava and Ross Masood Hussain, SAARC and European Union (New Delhi: Har-Anand Publications, 1994).

understanding will herald the dawn of new era in Nepal-India relations, as they argue that the understanding needs to be judged more on the actual implementation of the agreement, than on the acceptance of broad principles.

To say all this is not to ignore some the understanding that was made possible by the meeting of SAARC leaders behind scene during the summits. The Dhaka (1985) and the Bangalore (1986) summits led India and Bangladesh to sort out such issues as the Chakma insurgency and the Teen Bigha dispute, while the meetings of the Indian and Pakistani leaders in Bangalore and Kathmandu (1987) led to the signing of three major bilateral agreements on cultural cooperation, avoidance of double taxation in civil aviation, and agreement to the prohibition of attacks one other's nuclear installations and facilities. *What is, however, significant is that these achievements have stood out as one time effort, without successive efforts to maintain the momentum.*

And third, there is currently a school of thought which advocates that since almost all of the South Asian countries are now democracies, the similarity in ideology will automatically accelerate the process of regional cooperation. Although this sounds comforting, facts do not prove to be so since countries often tend to act on the basis of national interests and at the behest of internal political interest, rather than ideology.

A recently study by two Columbia University professors on the correlation between "Democratization and War"⁴, challenges the romantic notion that democracies will always see eye to eye and not go to war with each other although they agree in their statistical analysis covering the past two centuries that "stable democracies would be safer and preferable", they nevertheless argue that countries do not automatically become mature democracies overnight and that the "rocky transition"-where mass politics mixes with authoritarian elite politics-makes these countries "more aggressive and war-prone, not less, and they do fight wars with democratic states." The authors contend that the challenge is not to either encourage or discourage democratisation, but to help smooth out the transition by minimising its risks.

The cure, according to the authors, is more democracy, not less. Or, as they put it "go fully democratic, or don't go at all." This includes :

- * making available to the traditional forces threatened by transition a "golden parachute" which ensures a reasonably bright future in the new social order;
- * creating a free, competitive, and responsible marketplace of ideas in order to arrest the trend towards mythmaking by making it possible to scrutinize the system by interest groups and aggressive

⁴ Edward D. Mansfield and Jack Snyder, "Democratization and War," *Foreign Affairs*, Vol. 74, No. 3 (May/June 1995), pp. 79-97).

journalism; and,

- * ensuring that the international environment offers commercial partnership and security essential for shaping the incentives of proto-democratic coalition politics.

On the other hand, a recent issue of the *Journal of Democracy* contains a compilation of articles which contend in reverse that although democratization may itself be useful in strengthening regional cooperation after the transitional period, and inverse relationship may exist whereby regional and international organization may be useful fostering the growth of democracy.

Example is taken of the OAS in the Santiago Commitment of June 1991, by which it agreed to set up mechanism for automatic response to any illegal interruption of the democratic process in any country of the hemisphere.⁵ The two instruments later allowed the organisation to act promptly to restore *status quo ante* in Haiti and to encourage dialogue between President Fujimori and opposition groups to promote the restoration of democratic institution in Peru.⁶ A source of new found political relevance for the OAS is also visible in its recent work in observing elections in Nicaragua, El Salvador, Haiti, Surinam and Paraguay. Similarly, the Organisation of African Unity (OAU), though less involved than the OAS, has also started sending observer missions to monitor election at the invitation of member countries.⁷

At a broader level, international organisations have also increasingly taken the role of consolidating the democratic process. The Conference on Security and Cooperation in Europe (CSCE) has endorsed the universal right to democratic governance. The Charter of Paris of November 1990 institutionalized this norm and made human rights and democracy irreversible. A year later Moscow the signatories of the Charter committed themselves in a communique to "support vigorously" any "legitimately elected government" in danger of being overthrown through "undemocratic means."⁸

The institutionalized international support has been carried a bit further by the United Nations. The UN's role in Cambodia and El Salvador, and the creation of the UN Unit on Free Elections support the contention that the democratising process may benefit more from the external elements during the transitional phase than what it might contribute to the process of regionalism.

⁵ Heraldo Munoz, "The OAS and Democratic Governance", *Journal of Democracy*, Vol. 4, No. 3 (July 1993), 29-38.

⁶ Peter Hakim, "The OAS : Putting Principles into Practice", *ibid.*, pp. 39-49.

⁷ Larry Garber, "The OAU and Elections", *ibid.*, pp. 55-59.

⁸ Neil J. Kritz, "The CSCE in the New Era", *ibid.*, pp. 17-28; and Morton H. Halperin and Kristen Lomasney, "Toward a Global 'Guarantee Clause'", *ibid.*, p. 65.

IV

The central question therefore is : How to generate the "political will" needed to push forward regional cooperation in South Asia ?

The gradualist step-by-step approach opted by the member states in order to develop a confidence building process has so far competed with the near confrontationist attitude at the regional level. The spirit of SAARC survives, but the process has been exceedingly slow in producing tangible results.

The question then becomes how long can SAARC go through this process until it is totally written-off as a viable option for the region ?

After fifteen years, the gradualist approach has now to give way to "political crafting" if the collective goals of SAARC are to be achieved. This will require :

- * improving the quality of rules and institutions, possibly by amending the Charter and strengthening the SAARC secretariat;
- * selecting the appropriate mode of decision making to strengthen the regional mechanism, with the inputs from outside sources such as the NGOs of region through greater people-to-people contact;
- * selecting the appropriate types of "craftsmen", or modes, involved in forging broad based structures required for the system; and,
- * setting the timing on the various tasks and stages, and objectives to be attained.⁹

This will also entail taking economic initiatives more rapidly to overcome the political reservation of members. Given the suggestions made by groups like IGSAC and CASAC¹⁰, there are no shortages of such recommendations.

Moreover recent events have shown that aside from the wave of democratisation, the global economic wave can be equally compelling on the process of regional cooperation itself. Just to take one issue, it is estimated that the cross border trade between neighboring countries in South Asia could improve substantially the trade between countries only if they were legitimized. *The Economist* recently carried an interesting article which estimated that although Pakistan's import from the other six South Asian countries amounted to \$138m in 1994, about \$1 billion in intermediate and capital goods from India alone reached Pakistan via countries such as Dubai, Singapore and Hong Kong. "Smuggling across the 1,000km border which divided the two countries

⁹ These points are adaptations from De Palma's recent work on democratisation. See Guiseppe Di Palma, *To Craft Democracies : An Essay on Democratic Transitions* (Berkeley : University of California Press, 1990)

¹⁰ See, "SAARC : Vision for the Second Decade", *CASAC Discussion Paper-I, A Paper submitted by the Coalition for Action on South Asian Cooperation (CASAC) to the commemorative Session of the Council of Minister, New Delhi, December 1995.*

is thought to account for another \$1 billion in trade every year. An official India study estimates that, if trade were liberalized, Indian exports to Pakistan would be about \$2.5 billion a year."¹¹ Although the vested interests in Pakistan would be opposed to such a move it is estimated that 75% of the people of the population which is poor would benefit from the lower prices of many goods.

Second, SAPTA envisages trade concessions on a product-by-product basis, and also has provisions for across-the-board tariff reduction, as well as for adopting sectoral approach to reduction in tariffs. As the ASEAN experience have already shown, the product-by-product approach is not only time consuming and tedious, but has also proven to be frustrating. It is, therefore, necessary to envisage two lists : a "fast-track" wherein tariff reduction would be considered within a shorter time frame and the other where tariff reductions could take place over a longer time frame.

Moreover, for SAPTA to lead to SAFTA, the scope of SAPTA has to delineated to promote avenues for trade creation within the region. This would involve :

- * identifying commodities for trade creation where greater importance should be given to items which figure prominently in the bilateral trade of these countries and which is also likely to figure prominently in the light of trade concession policies and liberalization policies; and,
- * elimination of all types of non-tariff barriers and discriminatory practices among the member countries, apart from trade/tariff concession provided by SAPTA.

Third, industrial restructuring is also required in order to take advantage of economic policy reforms in the SAARC member countries. Such measures should aim at improving the competitive abilities of industrial firms, which would benefit from reduction in trade barriers and the liberalization of import regimes.

Fourth, transit facilities play an important role in improving regional trade. Instead of the current practice of short-term bilateral trade and transit treaties or agreements, which are not conducive for expansion of intra-regional trade, a common regional treaty among SAARC countries can lead to substantial savings in time and resources in transporting goods among the countries of the region. It has been estimated that individual member countries would benefit significantly for such a move.

- * India for one could send goods to its north-east region at a much lower transport cost than at present.

¹¹ See, "Pakistan's least-favored nation," *The Economist*, January 27, 1996., P. 58.

- * It is estimated that Bangladesh could alone earn about \$200m by way of freight and charges levies on Indian goods, while Bangladesh could also develop an export trade of \$50 to 100m with India's north-eastern states.
- * Similarly, if India were to provide transit facilities, Bangladesh's exports to Nepal could increase by \$50 to 200m, as Nepal's export could also increase substantially.
- * India's grant of such facility could also improve trade flows between Bangladesh and Bhutan, as well.

Fifth, the role of the private sector will be pivotal in ensuring the international competitiveness of SAARC countries in the various industrial sectors and in serving as a strong lobbying point for keeping politics out of economic agenda. The SARRC Chamber of Commerce and Industry has the ambitious objective of achieving a South Asian Economic Union. The process would be substantially expedited if SAARC was to set-up a South Asian Economic Conference (SAEC) to help institutionalize periodic meetings among business peoples, academics and government representatives for examining all matters bearing on regional cooperation.

Sixth, if the region is to prosper economically, it is also necessary to attract external resources for regional activities. Aggrement on South Asian Development Fund needs to be finalized, while efforts should also be made to seek funds from the Asian Development Banks and countries like Japan to finance sub-regional projects. Links with other regional bodies, such as the European Union and ASEAN, could also help attract resources once the regional activities gets under way.

In short, the lesson for the region from this might be simple : for SAARC to move forward meaningfully more economic initiatives have to be taken speedily. This has to be done concomitantly with the relatively successful confidence building process practiced by SAARC to date. For South Asia, the only alternative to SAARC is a stronger organization which can act to help alleviate the problems of the peoples of the region.

Conclusion :

The realization by the regional leaders that SAARC needs to move from the present cautious attitude towards a fast track approach for its future development was recently articulated in the Male Summit, held in May 1997. It is possible that the Male Summit may be remembered as a watershed in the development of SAARC due to some key decisions taken at that gathering.

First, despite SAARC's history of deliberately attempting to keep

political issues out of its deliberations, the Summit recently agreed that informal political consultations would be useful in promoting mutual trust and understanding in the region. Although the mechanism for such consultations have yet to be worked out, the slight shift in the original position of the regional leaders suggests that there is an increasing realization that SAARC may not be able to move ahead unless the member countries are willing to face the hard political realities.

Second, the Summit also underscored the need to outline a long-term vision for South Asia, which had been missing since its inception. In what may be considered to be a bold move for the region, the regional leaders decided to establish a Group of Eminent Persons (GEP) which would be entrusted to develop a perspective plan of action with a "SAARC Agenda for 2000 and Beyond" that would that would spell out targets "that can and must be achieved by the year 2020." The recommendation of the GEP is to be considered by the SAARC leaders during its next Summit in Colombo, Sri Lanka, in August 1998.

Third, during the last Summit, SAARC demonstrated a new penchant for being more introspective than it had been before. In order to make the activities under the eleven areas covered by the SAARCF' Integrated Programme of Action (IPA) more "target oriented and time bound," the Summit authorized the Secretary General to constitute a Group of Experts to review the programme under The IPA. Moreover, recognizing the need to strengthen the Secretariat, the term of the Secretary General was extended from two to three years-a move that was deliberately made not only to show a concession to Pakistan from where the present Secretary General is from, but also to deliberately update the schedule ahead by two and a half years since the extension had been planned to take place after the rotation had been completed for all countries.

In terms of its functioning, SAARC was also successful during the Summit in resolving for the first time a dispute which had been brewing within the body. The dispute concerned the question of sub-regional cooperation that had been agreed to in principle by India, Nepal, Bangladesh and Bhutan. During the Council of Ministers meeting in New Delhi, in 1996, Pakistan had objected to the concept on the grounds that it would be divisive of the regional effort. A special consultative meeting of the four participating countries had been held in Kathmandu in early 1997 to explore the possibility of sub-regional cooperation, if need be outside the SAARC purview. But, the Male Summit was successful in working out a compromise when it encouraged "the development of specific projects relevant to the special individual needs of three or more members states" within the provisions of the SAARC

