

# Energising SAARC: Options for Pakistan

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## Abstract

*South Asia has a chequered history, as it has confronted great crisis and problem, such as poverty, bad governance, corruption, illiteracy and terrorism. The South Asian Association for Regional Cooperation (SAARC) was established in 1985, in Bangladesh, with the objective to promote economic development and prosperity of the South Asian people. It is not considered as a successful organisation due to the authoritative role of India and apprehensive behaviour of small states. The member countries are not ready to accept the superiority of India as it never agreed on negotiating on an equal basis with its neighbours. The recent example is the cancellation of the 19th SAARC summit. India pulled out of the summit, which was to be held in Islamabad in November 2016. Cancellation of this summit is a bad omen for the entire region and particularly for Pakistan. This paper is aimed to highlight the different aspects of strategic and economic cooperation that can be useful for energising SAARC. In the backdrop of recent events in the region, when India's hegemony is increasing and Pakistan's economic standing has improved substantially, it is imperative that this platform should be utilised to bring these countries closer. In this age of regional connectivity and harmonious economic growth, the SAARC nations should use this forum to forge long-lasting ties and for the peace and stability of the entire region.*

**Keywords:** SAARC, Regionalism, SAPTA, SAFTA, Pakistan, India.

## Introduction

SAARC constitutes of eight member states, which include Pakistan, India, Sri Lanka, Afghanistan, Bangladesh, Maldives, Nepal and Bhutan plus nine other members with observer status i.e. Australia, China, Burma, the European Union (EU), Japan, Iran, Mauritius, South Korea and the US. This shows that organisation has strong multilateral and diplomatic ties with other major powers and regional organisations. As a regional grouping, it

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has been in existence for almost 30 years (with Afghanistan joining in 2007). Its aim is to facilitate the regional integration but, in this regard, it has not been successful so far. The future of the organisation hangs between its promise and reality. In order to energise the organisation, an inclusive effort by all the member states would be required and more so, in case of the bigger states. Pakistan carries the potential and remains ready to play a constructive role in the region. In order to make SAARC vibrant, a qualitative change is required among its members to improve the form and content of the bilateral relations among member states to overcome long-standing political issues. Moreover, the expansion of SAARC to include China may benefit the organisation.

Three research questions will be addressed in the paper: Why has SAARC not flourished as a strong regional organisation? How Pakistan can play its role to energise SAARC? And what are the options to make SAARC a successful regional organisation?

In this globalised world economic integration is considered vital for development. There has been much research done on how economic integration can be accomplished by using multilateral organisations as a platform. Jagdish Natwarlal Bhagwati used the terms building or stumbling blocks in reference to regional trading blocs. According to his point of view, regionalism is based in nature and a regional block is a building block only if it promotes multilateralism. It becomes a stumbling block if acts as an obstacle in multilateralism.<sup>1</sup> The advocates of regional integration argue that regional economic cooperation among the South Asian countries would be an important factor in augmenting the economic interdependence of these countries. In South Asia, intra-regional trade will play a significant role in facilitating the growth and development on the basis of regional self sufficiency.<sup>2</sup>

Considering the empirical evidences, Waqif mentions that almost all the countries have possibilities to increase their respective trade with the partner countries in the SAARC region. He has noted that regional

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<sup>1</sup>Jagdish Natwarlal Bhagwati, *Free Traders and Free Immigration: Strangers or Friends?* (New York: Columbia University, 1991), 13.

<sup>2</sup>Sharmin Sultana and Jumana Asrat, "South Asian Countries in Regional Integration Perspective: A Critical Review," *Journal of Business and Technology* 9, no. 02 (July-December, 2014): 45.

collective self-reliance can be achieved through exploiting horizontal and vertical economic integration among these countries to induce self-generating growth among the member countries.<sup>3</sup>

Research and Information System (RIS) reports suggests that complete elimination of tariffs under the South Asian Free Trade Agreement (SAFTA) may increase the intra regional trade up to 1.6 times.<sup>4</sup> By using a gravity model, the author showed that elimination of trade barriers and structural rigidities, originating from adverse political relationship, could lead to substantial increase in intra-SAARC trade.<sup>5</sup> Aparna and Rajiv argued that the low level of intra-regional trade in South Asia has been driven by a gamut of restrictive policies maintained by the SAARC nations that restrict the flow of goods, services, labour and capital. While Agreement on SAARC Preferential Trading Arrangement (SAPTA) and now SAFTA has attempted to liberalise the flow of selected product groups (the sensitive products mostly in textiles and food being kept out of the liberalisation), the potential for enhancing trade in other areas has not been taken into account as yet.<sup>6</sup> Mehta and Kumar argued that signing of the SAFTA agreement was a landmark in the evolution of SAARC, since its formation in 1985. SAARC would benefit from regionalism if its cooperation would extend beyond formal trade.<sup>7</sup>

The South Asian economies, on the contrary, have been unable to gear up market integration either formally or informally and hence, the sub-region has remained the least integrated despite its geographical benefits and other comparative advantages.<sup>8</sup> Mustafa Moinuddin noted that little has been achieved under these instruments and barring Afghanistan and Nepal,

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<sup>3</sup> Arif A. Waqif, "Regional Economic Cooperation in South Asia: An Approach," *ASCI Journal of Management* 17, no. 1 (March 1988): 17.

<sup>4</sup> Abdul Razzaq Kernal, "Exploring Pakistan's Regional Economic Cooperation Potential," *Pakistan Development Review* 43, no. 4 (April 2004): 313-334.

<sup>5</sup> Ershad Ali and Dayal K. Talukder, "Preferential Trade among the SAARC Countries: Prospects and Challenges of Regional Integration in South Asia," *JOAAG* 4, no. 1 (August 2009): 47-59.

<sup>6</sup> Aparna Sawhney and Rajiv Kumar, "Rejuvenating SAARC: The Strategic Payoffs for India," *Global Economy Journal* 8, no. 2 (June 2008).

<sup>7</sup> Pradeep S. Mehta, Pranav Kumar, *Economic Growth, Economic Performance and Welfare in South Asia* (United Kingdom: Palgrave Macmillan, 2005), 277.

<sup>8</sup> Meenu Tewari, "Deepening Intraregional Trade and Investment in South Asia: The Case of the Textiles and Clothing Industry," Indian Council for Research on International Economic Relations, April 2008.

all the South Asian economies depend heavily on markets outside the region as their export destination. He further argues that the South Asian countries will need to address not only economic factors such as trade facilitation and infrastructure development but also some non-economic factors like creating political will and building confidence. It has been very clear that there has been slow progress in achieving its objectives since the establishment of SAARC. Politics has been a major hurdle in slowing the process of economic integration in South Asia.<sup>9</sup>

However, the existing literature on energising and strengthening regional cooperation particularly in case of SAARC is still evolving, especially at a time when economic cooperation and regional integration is very important for the entire region. With this perspective, an in-depth analysis of this article could help this study to contribute towards existing literature on this subject.

In order to find answers to the research questions, the paper has been divided into three main sections. The first section will give an overview of the historical background of the organisation. The second section will analyse the hurdles or problems within the organisation and the third section will talk about the role of Pakistan within SAARC — what role Pakistan has played in the past and what it can play in the future to make SAARC a successful regional bloc.

## Overview of SAARC

The secretariat of SAARC is situated in Khatmondu, Nepal. Its aims include accelerating economic growth, social progress and socio-cultural evolution among its members and protection of regional space and stability.<sup>10</sup> The consolidated economy of SAARC is the third biggest in terms of Gross Domestic Product (GDP) after China and the US and fifth in terms of ostensible GDP. SAARC nations approximately hold three per cent of the world's territory and around 1.7 billion of aggregate population.<sup>11</sup> The

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<sup>9</sup> Mustafa Moinuddin, "Fulfilling the Promises of South Asian Integration: A Gravity Estimation," ADB Institute, April 2013.

<sup>10</sup> Zahid Shahab Ahmed, *Regionalism and Regional Security in South Asia: The Role of SAARC* (New York: Routledge, 2016), 12.

<sup>11</sup> Manoj Srivastava, "An Evaluation of SAARC in the Regional Development of South Asia," *Scholedge International Journal of Multidisciplinary & Allied Studies* 09, no. 02 (2015): 06-10.

region is accounting for only 6.6 per cent of GDP in terms of Purchasing Power Parity (PPP). Furthermore, 40 per cent of the world's poor population – surviving on less than US\$1.25 per day – are living in the region.<sup>12</sup>

The fundamental aim behind the creation of SAARC was to create a strong economic and regional bloc, similar to the EU, and to strengthen friendly ties among the member states. The move was first initiated by Zia Ur Rehman, in Bangladesh, and taken forward by other leaders and later on endorsed by other states as well. Afghanistan was the last to join in 2007.

SAARC aims to provide a platform to the people of South Asia to collaborate and work together to boost the economic and social milieu of the region. To serve this particular purpose, SAARC works under 11 areas of cooperation, which includes; agriculture; education; culture and sports; health; population; child welfare; environment and meteorology; rural development; tourism; transport; science and technology; communications; women in development and prevention of drug trafficking and drug abuse.<sup>13</sup>

SAARC members have so far signed 12 major agreements:

- i. SAPTA in 1993
- ii. SAFTA in 2004
- iii. Agreement on Mutual Administrative Assistance in Customs Matters in 2005
- iv. Establishment of SAARC Arbitration Council (SARCO) in 2005
- v. SAARC Limited Multilateral Agreement for Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters in 2005
- vi. The Charter of the SAARC Development Fund (SDF) in 2010
- vii. SAARC Agreement on Trade in Services (SATIS) in 2010

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<sup>12</sup> “An Impasse on SAARC Analysis,” *Daily Mirror Sri Lanka*, February 02, 2017.

<sup>13</sup> “SAARC: Areas of Cooperation,” SAARC, [http://saarc-sec.org/areas\\_of\\_cooperation](http://saarc-sec.org/areas_of_cooperation)

- viii. Agreement on the Establishment of South Asian Regional Standards Organisation (SARSO) in 2008
- ix. The Establishment of SAARC Food Bank in 2007
- x. Agreement on Implementation of Regional Standards in 2011
- xi. Agreement on Multilateral Arrangement for Recognition of Conformity Assessment(MARCA) in 2008 and
- xii. The Framework Agreement for Energy Cooperation (Electricity) in 2014<sup>14</sup>

South Asia is a densely populated area, which is highly exposed to a variety of natural as well as man-created hazards. According to the World Bank, the region has faced 900 disasters in the last 42 years. During 1990 and 2008, 230,000 people were killed with over 750 million affected. Most of this could have been prevented if comprehensive Disaster Risk Reduction (DRR) and Climate Change Adaptation (CCA) policies had been in place and implemented.<sup>15</sup>

In this context, the ‘Thimpu Statement on Climate Change in 2010’ and the ‘SAARC Agreement on Rapid Response to Natural Disasters’ has been made. Besides, a SAARC Comprehensive Framework on Disaster Management and Disaster Prevention is articulated. The SAARC Centre for Disaster Management and Preparedness (New Delhi), SAARC Coastal Zone Management Centre and SAARC Meteorological Research Centre (Dhaka) have also been established to implement the framework in the context of regional cooperation within the mandate of the regional centers.<sup>16</sup>

Following the changing global trends and looming regional environment, the organisation has lost political support, along with this

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<sup>14</sup> Ibid.

<sup>15</sup> Sharad Lamichhane, “Enhancing SAARC Disaster Management: a Comparative Study with ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management,” (Master’s Thesis, Naval Postgraduate School Monterey, US, 2016), 11-21.

<sup>16</sup> Katherine Morton, “Climate Change and Security at the Third Pole,” *Survival* 53, no. 1 (January 2011): 121-132.

mutual mistrust and preoccupation with domestic fire-fighting resulted in lack of real progress in last 33 years. Today, the region has emerged as perhaps one of the most troubled and unstable neighbourhoods. Six (Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka) of the eight current members are grappling with racial, communal, extremist or regional strife. Much of this strife is now decades old and well entrenched. With two of the major powers being armed with nuclear weapons and armed conflict in many of the sub-regions, it will be fair to characterise South Asia as a nuclear flashpoint. India cannot assume that its own economic growth and prosperity will remain unaffected by the disturbed conditions in the region and needs to ensure greater peace and stability in order to achieve its objectives of rapid and sustained improvement in the people's living standards.

During the 13th SAARC summit, the Sustainable Development Goals (SDGs) were endorsed following the recommendation of Independent South Asian Commission on Poverty Alleviation (ISACPA). On August 8, the 2007 SAARC Plan of Action on Poverty Alleviation, SDGs and the regional poverty profile were launched.<sup>17</sup>

**Table No.1.**  
**SAARC Development Goals**

<b>Livelihood SDGs</b>	
<b>Goal 1</b>	Eradication of hunger and poverty
<b>Goal 2</b>	Halve proportion of people in poverty by 2010
<b>Goal 3</b>	Ensure adequate nutrition and dietary improvement for the poor
<b>Goal 4</b>	Ensure a robust pro-poor growth process
<b>Goal 5</b>	Strengthen connectivity of poorer regions and of poor as social groups
<b>Goal 6</b>	Reduce social and institutional vulnerabilities of the poor, women and children
<b>Goal 7</b>	Ensure access to affordable justice
<b>Goal 8</b>	Ensure effective participation of poor and of women in anti-poverty policies and programmes
<b>Health SDGs</b>	
<b>Goal 9</b>	Maternal health
<b>Goal 10</b>	Child health

<sup>17</sup> Nisar Ahmad Shiekh and Mushtaq Ahmad Mir, "The Framing of SAARC Development Goals: South Asia's Response to Millennium Development Goals," *International Journal of Applied Research* 2, no. 1 (January 2016): 570-575.

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<b>Goal 11</b>	Affordable health-care
<b>Goal 12</b>	Improved hygiene and public health
<b>Education SDGs</b>	
<b>Goal 13</b>	Access to primary/communal school for all children, boys and girls
<b>Goal 14</b>	Completion of primary education cycle
<b>Goal 15</b>	Universal functional literacy
<b>Goal 16</b>	Quality education at primary, secondary and vocational levels
<b>Environment SDGs</b>	
<b>Goal 17</b>	Acceptable level of forest cover
<b>Goal 18</b>	Acceptable level of water and soil quality
<b>Goal 19</b>	Acceptable level of air quality
<b>Goal 20</b>	Conservation of bio-diversity
<b>Goal 21</b>	Wetland conservation
<b>Goal 22</b>	Ban on dumping of hazardous waste, including radio-active waste

*Source:* Nisar Ahmad Shiekh and Mushtaq Ahmad Mir, "The framing of SAARC development goals: South Asia's Response to Millennium Development Goals," *International Journal of Applied Research* 2, no. 1(January 2016): 570-575.

### Issues within SAARC

In 32 years of SAARC's existence, concrete results achieved for the advancement and well-being of the people of the region have been quite modest. The region remains the least connected, under-developed and is unable to cash in on its geostrategic and geo-economic potential due to structural and functional issues that are causing inertia in the organisation.

During the last three decades, there has been little progress, in SAARC, in terms of intra-regional trade, which accounts for barely five per cent as compared to 62 per cent for the EU and 55 per cent for the North Atlantic Free Trade Agreement (NAFTA). According to the World Bank WITS statistics, in 2016 South Asia's share in world exports was 2.0 per cent and 2.9 per cent in world exports. Around 450 million among the world's poorest people and 50 per cent of the world's illiterates live in these eight nations.<sup>18</sup>

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<sup>18</sup> Zahid Shahab Ahmed, *Regionalism and Regional Security in South Asia: The Role of SAARC* (London: Routledge, 2016), 123.

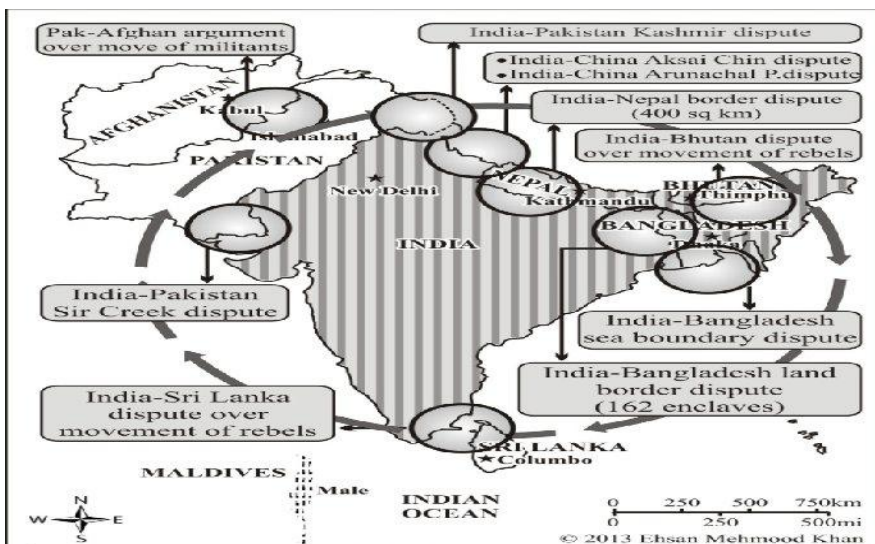


### *Intra-Regional Political Tensions*

There are number of reasons for the uneven progress of SAARC. Most of them are associated with intra-regional political tensions, particularly between India and Pakistan. The chronic tension and prevailing distrust between India and Pakistan, the periodic hiccups in relations between India and her other neighbours for instance — Sri Lanka, Nepal, Bangladesh; and cancellation of the 19th SAARC summit jeopardised the progress of the organisation.

As Thomas Thornton argues that, in regional organisations, it is difficult for “countries to establish balanced relations when one has a significant advantage in power over the other states.”<sup>19</sup> In case of SAARC, India is the most powerful country in terms of economic development, military power and in terms of international influence. It is trying to use SAARC for its hegemonic purposes. Like increased dependency of smaller states on India, for example, Sri Lanka, Nepal, Bangladesh, Maldives and Bhutan are strongly dependent on India for their economic development. Because of its hegemonic designs, India is engaged in the regional conflicts.

**Map No. 1**



Source: Kripa Sridharan, “Regional Organisations and Conflict Management: Comparing ASEAN and SAARC,” Crisis States Research Centre, March 2008.

<sup>19</sup> Ibid.

Some examples of recent conflicts are:

- i. Kashmir dispute
- ii. India-Nepal border dispute
- iii. India-Bhutan dispute over the movement of rebels
- iv. India-Pakistan Sir Creek dispute
- v. India-Sri Lanka dispute over movement of rebels

India is also working on a policy of isolating Pakistan internationally.<sup>20</sup> In order to achieve this goal, India is using the platform of SAARC. The cancellation of the 19th SAARC summit is a prime example. In September 2016, after the terrorist attacks on the Indian army base in Uri, Kashmir, the Indian Prime Minister, Narendra Modi, decided that India would boycott the summit, saying, “increasing cross border terrorist attacks in the region and growing interference in the internal affairs of member states by one country.”<sup>21</sup> The significance of Modi’s decision lay in its aftermath: Bangladesh, Sri Lanka, Afghanistan and Bhutan followed suit, they also boycotted the summit.

Furthermore, India recently launched the SAARC satellite. Pakistan wanted to be the part of the development process but was marginalised by India, which is when Pakistan decided not to be part of it at all. The reason has been explained by Pakistan’s Foreign Office spokesperson that “India was not willing to develop the project on a collaborative basis; it was not possible for Pakistan to support it as a regional project under the umbrella of SAARC. Pakistan, which has its own space programme at an advanced level, was ready to share its expertise and technological know-how and was keen to participate in the project but India’s solo flight caused Pakistan to opt out of the project.” This attitude

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<sup>20</sup> “Modi Says India will Work to ‘Isolate’ Pakistan Internationally,” *Dawn*, September 24, 2016. <https://www.dawn.com/news/1285839>

<sup>21</sup> Sitakanta Mishra, “Will SAARC Reincarnate?” *IndraStra Global* 2 no.10 (October 2016): 5.

of India showcases how India is trying to spread its dominance over the South Asian region.<sup>22</sup>

Besides, it seems very clear that India does not want to revive SAARC. India is not ready to attend meetings or any other economic activity under the umbrella of SAARC on the grounds that any regional grouping can only function in an atmosphere free from terrorism. These disagreements make consensus-building and cooperation among SAARC states complicated. The effort to promote regional cooperation while doing little to resolve regional conflicts makes SAARC's mission looks nearly impossible. Additionally, SAARC has no solid institutional mechanism for preventing and resolving the disputes and conflicts. So, enmity among the regional states is a major impediment to the successful development of SAARC and they do not allow SAARC to become an influential institution, which can weld the member countries in closer cooperation.

Another important reason for the slow or inefficient progress of SAARC is the SAARC Charter itself. Even though the Article X was a crucial condition for the establishment of SAARC as a forum for discussion in times of strained bilateral relations but it prohibits the discussion of contentious bilateral issues in its meetings.<sup>23</sup> Therefore, instead of escaping from the reality of conflicts and prohibiting their discussion under its sphere, SAARC needs to delete the Article X from its Charter. This needs to be done because after, over the period of 33 years of its formation, the member states should now be capable of discussing issues, which are directly responsible for faltering the process of regional cooperation.

### *Intra-Regional Trade*

Intra regional trade is mandatory for a successful regional bloc but SAARC is unable to take the required initiatives for the promotion of intra-regional trade. Clashes between the South Asian countries ended up jeopardising the formation and effectiveness of regional trade agreements, e.g. SAPTA and

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<sup>22</sup> Manjari Chatterjee Miller and Bharath Gopalswamy, "SAARC is Dead; Long Live SAARC," *Diplomat*, November 05, 2016, <http://the.diplomat.com/2016/11/saarc-is-dead-long-live-saarc/>

<sup>23</sup> "SAARC: Areas of Cooperation," SAARC, <http://saarc-sec.org/saarc-charter>

SAFTA.<sup>24</sup> But still nothing solid has been achieved and these trade agreements remain on table only. Failures of intra-regional trade also lead the SAARC countries to advance their economic interests through bilateral agreements, thus reducing the incentive to engage multilaterally.<sup>25</sup>

### **Role of Pakistan**

In SAARC, Pakistan has played a proactive role to make it a model of regional cooperation, based on the principles of sovereign equality. Pakistan hosted the 4th and 12th SAARC Summits in 1988 and 2004 respectively.<sup>26</sup> It is believed that SAARC can provide favourable atmosphere to build economic harmony and transform the quality of life in South Asia.

During the fourth summit, it was declared that 1989 would be the “SAARC Year against Drug Abuse.” It further stated that 1990 would be the “SAARC Year of the Girl Child.” The summit also agreed to set up a technical committee on education and launched a regional plan called “SAARC-2000-A Basic Needs Perspective” to meet specific targets by the end of the twentieth century in areas such as food, shelter, education and environmental protection.

The 12th summit of SAARC went down as one of the most productive meetings of the South Asian countries. It came at a time when Indo-Pak tensions were at their peak. The signing of SAFTA brought to fruition the long-cherished vision of many people, which argued that the economies of South Asian countries have numerous obvious synergies that should be harnessed through intra-regional trade without barriers.

Over the years, Pakistan has taken substantial measures to advance the ideals and objectives of SAARC. This includes Pakistan’s efforts to organise the ministerial level meeting on “international economic issues” at Islamabad in 1986. Pakistan also suggested women activities in SAARC. It

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<sup>24</sup> Tomislav Delinic and Nishchal N. Pandey, *SAARC: Towards Meaningful Cooperation*(Kathmandu: Centre for South Asian Studies (CSAS) and Konrad Adenauer Stiftung (KAS), 2012), 16.

<sup>25</sup> Ramesh Trivedi, *India’s Relations with her Neighbours* (Dehli: Gyan Publishing House, 2008), 62.

<sup>26</sup> Md. Joynal Abdin, “Commitments of SAARC Summits – An Analysis,” SME Foundation, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1613029](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1613029)

organised vast number of activities under the Integrated Programme of Action (IPA) and for this particular purpose, Pakistan has doubled its share from 19,100 tons in South Asian food security resources. Pakistan assigned highest priority to the eradication of drug abuse or drugs trafficking through effective regional cooperation. It is the second largest contributor towards all SAARC related activities. Moreover, it also contributes significantly towards the budget of the SAARC secretariat. It places poverty alleviation on top of the SAARC agenda.<sup>27</sup>

Following the latest events like Uri attack and cancelation of the 19th SAARC summit, it seems impossible to revive SAARC. However, there are certain possible options for Pakistan to still help make SAARC a successful and vibrant organisation.

On February 28, 2017, Pakistan assumed the responsibility of the Secretary General of SAARC. Former Ambassador of Pakistan to Tajikistan, Amjad Husain B. Sail, has been appointed as new Secretary General of SAARC. Although India tried to hinder his appointment accusing that Pakistan is involved in terrorist activities. The appointment was to be ratified by the Council of Ministers during the summit, which was supposed to be held in November 2016 in Pakistan, but the environment of the country was not conducive to hold the summit.<sup>28</sup> Later on, India endorsed the appointment. There are a number of challenges weighing in on Pakistan shoulders. These included arranging the 19th SAARC summit in Pakistan as soon as possible so as to put the whole SAARC process back on track. For this, there is a need to bringing both India and Pakistan on one table and to create a conducive environment for talks. Moreover, other regional states should also cooperate with Pakistan in order to re-activate the SAARC framework.

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<sup>27</sup> Rehman Sobhan, *Challenging the Injustice of Poverty: Agendas for Inclusive Development in South Asia* (India: SAGE Publications, 2010), 29.

<sup>28</sup> Areeba Arif, "Appointment of New Secretary General of SAARC: A New Dawn in the Making?," Issue Brief, Institute of Strategic Studies Islamabad (ISSI), March 29, 2017, [http://issi.org.pk/wp-content/uploads/2017/03/Final\\_IB\\_Areeba\\_dated\\_29-03-2017.pdf](http://issi.org.pk/wp-content/uploads/2017/03/Final_IB_Areeba_dated_29-03-2017.pdf)

## A Way Forward

It is important to point out that SAARC does face some serious obstacles in achieving success. A number of hurdles, which SAARC is facing, are due to the bilateral tensions among its member states. Moreover, SAARC has also been criticised for only reaching agreements on the lowest level of cooperation among its members instead of pushing for cooperation that would actually benefit South Asia. Despite these obstacles, SAARC can still play an important communicative role in South Asia. It can serve as a forum for the South Asian leaders to discuss security concerns in South Asia on a regular basis and as an outlet for the South Asian countries to communicate with other regional economic blocks. Furthermore, South Asia does not yet have a disaster management mechanism in place, which given that the region is prone to natural disasters such as floods and earthquakes is hazardous. This can easily be done using SAARC as a platform.

Moreover, SAARC can work as a neutral forum for leaders to talk. SAARC has shown in the past that it is useful in promoting dialogue among the South Asian leaders. The informal talks between the Indian and Pakistani prime ministers at the second SAARC summit in 1986 led to the diffusion of tension between the two countries on the issue of India's Brasstacks exercise.<sup>29</sup> In January 2004, the conciliatory talks between India and Pakistan were initiated in an upcoming SAARC conference.<sup>30</sup> A breakthrough between the Indian and Pakistani diplomats actually occurred at the conference. While the dialogue has yet to produce tangible results, experiences indicate that SAARC can help promote political cooperation and serve as a forum for communication among the South Asian leaders.

When it comes to intra-regional trade, SAARC cannot force its member states to trade with one another but it can create a portfolio for them to interact. Cooperation from regional states is also very important. In the current situation, both India and Pakistan should put their political differences aside and work for the mutual cooperation. Instead of sweeping bilateral, contentious issues under the carpet, SAARC members must address them head on. To this end, they must amend the charter and provide a conflict-resolution mechanism to tackle issues that plague their bilateral

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<sup>29</sup> Trivedi, *India's Relations with Her Neighbours.*, 67.

<sup>30</sup> Ibid.

relations, deteriorate the regional political environment and undermine cooperation in South Asia. Since political conflicts are a primary cause of SAARC's inability to foster cooperation among its members, proper implementation of the reforms needs to take place. Here the central banks in each country need to play a proactive role so that trade reforms such as SAFTA can be put into implementation instead of being only in writing. The SAARC development goals to be properly realised as well.

The China-Pakistan Economic Corridor (CPEC) would play an important role. Strong regional connectivity among SAARC countries would create more business opportunities and help in uplifting the living standards of general public. The CPEC is an opportunity for Pakistan which can help connect it with regional countries. Sri Lanka, Nepal and Bangladesh have already sent their consensus to Beijing to become a part of this project. Therefore by adding more countries to this project, Pakistan can create a strong regional alliance, which would help Pakistan to maintain and strengthen its position in SAARC.

As China's demand for full membership in SAARC challenges India's dominance, India opposed China's entry into SAARC at the Kathmandu summit in 2014. China's entry in SAARC as a full member can give the desired push to the organisation to grow as a regional bloc since China's global economic influence can help provide the boost it needs. At the 2016 summit, Pakistan was expected to repeat its demand that Beijing be granted full membership in SAARC. Modi left no stone unturned to block that initiative. Cleverly using information warfare campaign and an ever-willing agenda-driven Indian media, he promulgated his country's economic and societal potential while marginalising the need for conflict resolution.<sup>31</sup>

SAARC should revert to its previous provision of holding the summits on an annual basis. Besides, the summits must take place at a permanent venue, such as the SAARC secretariat. This can help protect the process from being affected by members' inability to organise the event due to financial constraints, lack of adequate infrastructure, economic difficulties and political unrest.

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<sup>31</sup> Sujit Dutta, "China in SAARC? To What Effect?," *Strategic Analysis* 35, no. 3 (May 2011): 493-501.

Furthermore, SAARC must seek closer linkages with the other Asian regional organisations, namely, the Economic Cooperation Organisation (ECO), the Association of Southeast Asian Nations (ASEAN) and the Shanghai Cooperation Organisation (SCO) to explore areas of common interests and build complementarities for mutual beneficial inter-regional cooperation, especially trade, energy, transport and communications.

Pakistan needs to play a greater role now especially since Amjad Sial has taken up his position. He has the colossal responsibility to ensure that all members are on board and make SAARC into a viable, sustainable regional force so much so that one country's (regional power or not) should not effect the workings of the organisation itself.

## **Conclusion**

We live in a time when the world is moving towards globalisation and emphasising more on economic development and regional connectivity. To serve this purpose the South Asian countries should lay emphasis on the importance of access to open markets and increasing foreign investment in their businesses. It can be expected that economic growth and development will be central to the future of the South Asian states. Currently, trade between the South Asian states remains relatively low when compared to the other regional blocks. The political and economic ties between states rest on shaky foundations.

Divisions among the South Asian countries have made regional cooperation difficult and have lead states to pursue their economic goals bilaterally. SAARC is still a valuable forum for political dialogue in South Asia but its economic role in the region has been overshadowed by conflict and tension among its member states. Until these conflicts are resolved to the point where the South Asian states are willing to reduce barriers to trade, it seems as if the vision of an economic interdependent South Asia is more of a dream than reality.