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## **SAARC : SHALLOW REGIONALISM, POLITICAL ABSTINENCE AND ECONOMIC ADVOCACY**

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### **Abstract**

The *sine die* postponement of 11<sup>th</sup> SAARC Summit was more or less expected given the immediately preceding political developments in Pakistan. This Summit would have for the first time brought the two leaders of India and Pakistan eye-to-eye after the Kargil misadventure. In the past, summits have been postponed without really considering its adverse impact on the institution of SAARC. The summits have been postponed purely because of "bilateral contentious issues" which were supposed to be outside the purview of SAARC. The frequent postponement of SAARC, therefore, questions the very relevance and efficacy of continuing such flagrantly violated norms as laid down in Article X of the Charter. But the redeeming fact is that SAARC has not lost its relevance in South Asia. Whatever be the progress made by SAARC since its launching in 1985, it has been perhaps the only forum where the South Asian leaders are brought together despite their intense political inhibitions and insurmountable national reservations on certain political issues. Despite a snail's pace progress, one of the remarkable contributions of SAARC has been the fact that it has been able to trigger off a whole range of activities outside the official SAARC forum. These activities in private sector, in non-governmental organisations and community level activities across the region have in fact withstood all kinds of political ups and downs.

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## Introduction

The *sine die* postponement of 11<sup>th</sup> Summit of the leaders of South Asian Association for Regional Cooperation (SAARC) which was to be held in the last week of November 1999 in Kathmandu was more or less expected given the immediately preceding political developments in Pakistan. The surprise and finesse with which General Musharraf coercively ousted the democratically elected government of Nawaz Sharif, however, served as an *alibi* for some who wanted to slow down the SAARC process. Whatever be the progress made by SAARC since its launching in 1985, it has been perhaps the only forum where the South Asian leaders are brought together despite their intense political inhibitions and insurmountable national reservations on certain political issues. This is more so for the leaders of India and Pakistan who would otherwise have by design never met for years together given the nature of their complex bilateral intrigues.

Hardly 18 months ago, the 10<sup>th</sup> SAARC Summit in Colombo (July 1998) had sharply mellowed down the serious bilateral political flare ups that appeared after India and Pakistan tested their nuclear bombs in May 1998. This Summit, in fact, facilitated the signing and issuing of Lahore Declaration in February 1999. No one had expected two rival nuclear powers to come so close in such a short span time after a fiercely heightened tension. However, the India-Pakistan relations hit the trough within another three months. Again the Pakistani incursion into Kargil followed by a short lived but costly war during May-August 1999 and subsequent unilateral withdrawal of Pakistani militants/troops were all beyond any calculation of both political and strategic *pundits* and Track II think tanks of South Asia.

The 11<sup>th</sup> SAARC Summit in Kathmandu would have for the first time brought the two leaders of India and Pakistan eye-to-eye after the Kargil misadventure. Besides the political highlights, the Summit was supposed to consider some crucial issues concerning the economic future of South Asia. The coercive assumption of office of the Chief Executive

in Islamabad on October 12 by General Pervez Musharraf, however, cast a dark shadow over the already faltering SAARC process. As the time for the Kathmandu Summit came nearer, there were whispers that the Summit may not take place mainly because India had strong reservation in sharing the dais with a military ruler. Nepal as the host was always prepared to hold the Summit in time. Sri Lanka as the present Chairperson of SAARC took a principled stand of holding the Summit as declared. Sri Lanka's stand was based on the principle of unanimity and Article III of the SAARC Charter which states that , "the Heads of State and Government shall meet *once a year or more often* as and when considered necessary by the member states" (SAARC Secretariat, 1985). Sri Lanka had another serious domestic compulsion of holding its country's general election in December 1999.

However, what was intriguing was India's backdoor actions seeking the postponement of the Summit. From the very day of General Musharraf's taking over the regime in Pakistan, India's annoyance and disapproval was clear. The "concern and disquiet" that generated by the military coup in Pakistan was known to all South Asians. This was more so because General Musharraf was widely considered to be the man behind the Kargil misadventure. In fact, one of the very critical reasons why Prime Minister Nawaz Sharif had to announce the dismissal of General Musharraf as Chief of the Army Staff, which was quickly followed by the subsequent take over by the latter, was the distinctly visible difference of opinion and approach that arose in the Kargil misadventure. This was later on more than corroborated by Sharif's own statement in the plane conspiracy case which he made before the trial court in March 2000. He said :

the circumstances giving rise to these unfortunate developments (military takeover) date back to the Kargil issue. Kargil was one of the most serious crises in Pakistan's history, which posed a grave danger to the integrity of the country. It necessitated resolution with utmost urgency to which I responded promptly. Why did I have to respond promptly; General (ret'd) Pervaiz Musharraf knows ? He was playing hide and seek on this issue not only with me, but also with the armed

forces. My objection to this conduct became a source of resentment for him. What happened after Kargil, is known to the world, I saved my country from very major crises, but unfortunately could not save myself and the system. I will not for reasons of national security elaborate any further on this issue although it is necessary that the people of Pakistan must be informed of the truth about Kargil. (*The News*)

However, what is still not clear is why India came out in the forthright manner demanding postponement of Summit only when Sri Lanka insisted in holding it as scheduled. India could have taken a pre-emptive decision by announcing its non-participation in the Summit much before Sri Lanka's formal insistence. In fact, if India wanted to effectively convey a strong message of disapproval to General Musharraf, the best way would have been to take a unilaterally unflinching position from the very beginning demanding the postponement of the Summit.

In any case, there is nothing new in the postponement of SAARC Summit. Summits have been postponed without really considering the adverse impact it creates on the institution of SAARC. More seriously, there has never been any noticeable public reaction to the postponement of SAARC in its entire fifteen years old history. Thus, in a way, it truly speaks of the "non-people character of SAARC". By such a frequent act of postponement the impression that it is an exclusive club of political leaders and bureaucrats has only deepened further. Like any other typical projects initiated by the national Governments of the South Asian countries, SAARC has been extremely slow to trickle down to the civil society. Ironically, though Article X (General Provisions) mentions that "bilateral and contentious issues shall be excluded from the deliberations", it has been the political issues which have never allowed SAARC to take off. (SAARC Secretariat, 1985) More than that, it has been primarily India-Pakistan bilateral issues which have always taken the driving seat pushing the remaining five member states to the backstage. As a result, for the popular media, at least SAARC Summit has tended to become nothing but India-Pakistan Summit.

It is noticed that the urgent and critical issues of socio-economic development, natural and human resources management and trade and investment linkages that concern overwhelming majority in the region have been used as an instrument to achieve marginal political benefit and score points against each other. In the process, the genuine initiatives both within and outside the SAARC framework are also side stepped and crushed.

Expectedly, there were literally no reactions from the South Asian civil society on the postponement of SAARC Summit. The otherwise mushrooming Track II and Track III diplomacy practitioners also remained silent spectators as if they were gagged by their respective national governments. Unlike the lofty goals of "promotion of the welfare of the peoples of South Asia and improvement of their quality of life, acceleration of economic growth, social progress and cultural development", it is increasingly realised that the South Asian civil society has never found SAARC to be the peoples' institution. It has rather remained far alienated from the South Asian mass, their aspirations and development. They have always found it much more convenient and effective to work outside the official SAARC framework. This exclusiveness has gone against the spirit with which SAARC was established. This is why there are questions asked on its credibility, relevance and sustainability.

This was for the fourth time the summit was postponed. The very fact that during 1985-1999 only 10 summits were held reflects the flexibility that has characterised the Summit schedules. Interestingly, India-related issues were the prime reasons for the three postponements in the past. The 5<sup>th</sup> Summit was supposed to be held in Colombo in 1989 but because of the consternation caused by continued presence of Indian Peace Keeping Force (IPKF) in Sri Lanka, President Premadasa was very reluctant to host it. It was postponed both in terms of venue and time, and was finally held in Male', Maldives in November 1990. Similarly, Colombo was to host the 6<sup>th</sup> Summit in November 1991 but because of the serious political problems in Bhutan caused by the

massive expulsion of Nepali speaking Bhutanese (Lhotsampas) from southern Bhutan, it had to be postponed to December 1991. The 7<sup>th</sup> Summit was to be held in Dhaka in January 1993. It was postponed because of the apprehension of security risk for the Indian Prime Minister Narasimha Rao. This was essentially created by the surcharged atmosphere after the demolition of Babri Masjid in the state of Uttar Pradesh by the Hindu fundamentalists in December 1992. It was finally held in Dhaka in April 1993.

Article X of the SAARC Charter has, therefore, been used according to the convenience of member states. Despite this, Summits have been postponed purely because of "bilateral contentious issues". The Heads of the state/government have openly treaded this forbidden path during their summit speeches and their representatives have used all SAARC forum to one way or the other highlight these "pariah" issues. So the practice of violating the much touted norms without attracting any punitive actions has been wide spread, thereby hinting at the relevance and efficacy of continuing such flagrantly violated norms as laid down in Article X.

### **Postponement of the 11<sup>th</sup> Summit : Justification Galore**

Pakistan's annoyance to this decision of SAARC is understandable mainly because its presence in the Kathmandu Summit would have given General Musharraf a strong forum to take off and consolidate the take over. Pakistan reacted by calling It "adventurist" move primarily to "serve hegemonic interests of one country which will do incalculable harm to the organisation and weaken its capacity to push ahead with its agenda for development and stability". (*Deccan Herald*, 1999) Pakistan called it a pure internal issue on which a forum like SAARC did not have any legitimate jurisdiction. It did quote one of the three principles of SAARC (Article II) which states that "cooperation within the framework of Association shall be based on respect for the principles of sovereignty, territorial integrity, political independence, non-interference in the internal affairs of other states and mutual benefit" (SAARC Secretariat, 1985)

Further, some quarters also pointed out that as per Article X “decision at all levels shall be taken on the basis of unanimity”. Where was the “unanimity” when Sri Lanka, Nepal and Pakistan were keen to have the Summit on schedule, as also wanted Bangladesh, whereas India wanted its postponement keeping, the far off island country of Maldives as isolated as ever. Nevertheless, military rulers have attended the SAARC Summit in the past. In some cases they were even the hosts. For instance, when the first SAARC Summit took place in Dhaka in December 1985, General Hussain Muhammad Ershad was the host and Pakistan was represented by General Mohammad Zia ul-Haq. (SAARC Secretariat, 1990)

In fact, General Zia in his speech had said, “more and more contacts, through regional cooperation, will inevitably lead to greater understanding. This in turn, will dissipate mistrust, promote goodwill and help reduce the waste and diversion of resources to unproductive uses. This process needs, however, to be assisted and accelerated by concurrent actions in the political field ... I am convinced that it will be beneficial for us all to make a collective pledge, renouncing the threat, or use of force, against one another. We could take steps to banish nuclear weapons” (SAARC Secretariat, 1990, pp. 24-25)

In any case, this time it is believed that, for the Indian Prime Minister attending the Summit with General Musharraf would have meant bestowing the military regime a first hand recognition and legitimacy by a well represented body like SAARC. The world community in general had widely condemned the military take over and the Commonwealth had, in fact, suspended Pakistan from its membership. General Musharraf’s presence in the SAARC Summit, that too within few weeks after his coercive take over, would have dealt a severe blow to the democratic movement, institution and values in Pakistan which are yet to take firm roots. This would have also brought discredit to SAARC forum in the international community.

Inside Pakistan also, people have been talking about the legitimacy of the General Musharraf regime. There are suggestions that it should go

either to the people for referendum or to the Supreme Court for establishing its legitimacy. In fact, over the last few months it became very clear that he did not want to go to the people for a credibility mandate. He, in fact, found the Supreme Court way to be less arduous and complex. The introduction of provisional constitution designed to protect the military against legal action and the subsequent sacking of the Chief Justice and six of the 13 judges of the Supreme Court on grounds of their failure to take oath by this new constitution only confirmed the fear about the fate of popular democracy.

India stands harassed by one of the SAARC member's regular and many a time unexpected misadventures and overtures. The terrorism in Kashmir and the North East, the Kargil, the economic terrorism with fake notes and narcotics, the open patronisation of meetings like *Lashkar-e-Toiba* in Lahore on the eve of the Kathmandu Summit in November 1999 and the hijacking of Indian Airlines have in all of them Pakistan as the central figure, rather a versatile actor. All these have happened and continued to, even after the "historic" Lahore Declaration. For India, the greatest dilemma and challenge today is the unpredictability of its neighbours' behaviour and reliability on what it agrees and signs. The political instability injected by General Musharraf heightens the degree of unpredictability and makes the reliability matrix immensely unmanageable. This has rather forced India to have a very hardened stand. After all, another Kargil, hijacking or any such unexpected misdemeanour, could be the Waterloo for the ruling fragile political alignments at home. The resulting domestic political compulsions on both sides may push these two neighbours to the vortex of most unwanted war. This is where India's demand for speedy restoration of democracy in Pakistan becomes the core issue in the SAARC process also.

Therefore, when Pakistan did Kargil purportedly on the instruction of General Musharraf, it flouted the very foundation of SAARC which is prominently there in the Preambles of the SAARC Charter. This mentions, "desirous of promoting peace, stability, amity and progress in



the region through strict adherence to the principles of the United Nations Charter and Non-alignment particularly respect for the principles of sovereign equality, territorial integrity, national independence, non-use of force and non-interference in the internal affairs of other states and peaceful settlement of all disputes". (SAARC Secretariat, 1985)

India's quiet but shrewd diplomatic manoeuvrings to keep away the political issues from the SAARC forum have always been in stark contrast to Pakistan's obsession to raise such issues. Over the years, Pakistan has been able to galvanise and garner some sustained support in this regard from at least some of the member countries. For long Pakistan remained immobilised in this venture despite the fact that most of the neighbouring countries have some outstanding contentious issues to be settled with India. Unlike the argument that once political issues are brought to the SAARC forum, it may totally be mesmerised by and submerged into petty political scoring, there are fresh and newer arguments emerging against such thinking. In other words, the urgent need and usefulness of raising political issues in the SAARC forum have started finding favour among a significant portion of South Asian elite that include politicians, economic stake holders, former diplomats, bureaucrats and academics. Their main contention has been that by constantly evading political issues, SAARC has pushed itself to a farcical corner and rendered itself to an unrealistic and disoriented forum. In this context, the 11<sup>th</sup> Summit would have been a watershed. The ball has been set rolling by the Sri Lankan President Chandrika Kumaratunga who spoke at length about the inevitability of gradually inserting political issues in the SAARC discussion forum in the last 10<sup>th</sup> Summit in Colombo.

### **Parallel Track II Process**

Despite a snail's pace progress, one of the remarkable contributions of SAARC has been the fact that it has been able to trigger off a whole range of activities outside the official SAARC forum. These activities in private sector, in non-governmental organisations and community level

activities across the region, have in fact, withstood all kinds of political ups and downs. A group of very well represented members of the civil society including that from international institutions met in Kathmandu (December 1999) under the auspices of Coalition for Action on South Asian Cooperation (CASAC) to discuss the future of South Asia. They envisaged and chalked out a programme for South Asia 2010. This was immediately followed by meeting of another specialised group on the Ganga, Brahmaputra and Meghna (GBM) Basin in Dhaka in December 1999. This was organised by Bangladesh Unnayan Parishad (BUP), Institute for Integrated Development Studies (IIDS), Kathmandu and Centre for Policy Research (CPR) in New Delhi.

The issues related to infrastructure and energy were thoroughly discussed in a conference attended by a well represented sector experts under the auspices of Indian Council for South Asian Cooperation (ICSAC) in Delhi in December 1999. The South Asian business houses and industrialists met in Male in January 2000 to discuss the economic issues in the Fourth SAARC Economic Conference organised by the SAARC Chamber of Commerce and Industry (SCCI). The Chairmanship of SCCI was smoothly handed over to Maldives. Another group of very well represented members of the mountain regions of South Asia met in Kathmandu in February 2000. The weeklong Conference organised by International Centre for Integrated Mountain Development (ICIMOD) discussed issues related to growth, poverty alleviation and sustainable natural resource management in the mountains areas of South Asia. The writers of South Asian countries met in New Delhi in April 2000 and discussed the trends and tenors of South Asian literature. These are only few random examples of South Asia wide activities which have taken place even when the official SAARC forum has gone into deep slumber.

So the process goes on regardless of SAARC's officialdom. In fact, the parallel process of activities has far overtaken the official process with the latter pulling back the former. These are the activities which will hold SARRC in good stead in the long run and sustain the process.

This also goes to emphasize the emerging vital and critical roles of non-state actors in the management of South Asian affairs. In a way, the entire spectrum of confidence building measures (CBMs) we have addressed in the past in South Asia have to be reevaluated, redesigned and rebuilt. So far we have extensively depended on military and political CBMs in South Asia. However, in the last 50 years, no political and military CBMs have sustained. Or even if they have sustained they have remained totally emasculated and ineffective. The fate of these CBMs was always determined by 5 politicians, 10 generals and 15 bureaucrats. Academics, private sectors and other vocal members of the civil society have generally remained in the periphery only to observe and analyse the plays of the central actors. That is why the peace and cooperation constituency in the region always got marginalised.

A majority of these CBMs addressed only those who had serious stake holding in perpetuating the conflict and keeping the conflicts alive. Unfortunately, these stake holders have always been in microscopic minority. If one draws a normal curve of how these CBMs have worked and performed, one will find most of these CBMs have hit the trough without reaching the peak. The latest example is, of course, the "Lahore Declaration" between India and Pakistan. More interestingly, once these CBMs hit the trough, they have never been found to be worth repeating.

So we have to think of designing new CBMs particularly in case of India-Pakistan conflicts. This takes us to the domain of economic CBMs --- the business and other economic cooperation (Track III diplomacy) as a measure of CBM and peace building in South Asia. As there are stake holders in keeping the conflict alive, there are stake holders for building the peace. We have never addressed ourselves to the latter.

In contrast to the political and military CBMs, in South Asia the CBMs built by the economic stakeholders have always sustained. In this regard, India's economic and commercial relations with the smaller neighbors including Nepal, Bhutan, Bangladesh and Sri Lanka have several examples to offer. There are serious political crises these

countries have faced vis-à-vis India but they have been remarkably momentary and have showed urgent signs of recovery mainly because of the large scale economic stake holding on both sides of the border.

Contrastingly striking has been the fact that India-Pakistan relations have no such stake holding in the business sector. Whatever stake holding they have, they are unfortunately all on the side of keeping the conflict alive like the arms purchase lobby, cross border smuggling syndicates and the Dubai based traders. One can cite several examples to conclusively show as to how some of these agencies including the multinationals have been playing the Kashmir card only to perpetuate narrow economic interest of this miniscule minority. That's why there is an element of compulsion and inevitability of designing economic CBMs that can to large extent do away with these vested and deep rooted stakeholders who thrive on adverse relationships. An immediate positive fall out of this will be a substantial relief to the Pakistani consumers who have been subjected to an artificially high cost economy. (Lama, 2000)

The positive players and stake holdings are yet to emerge. This is where we need to substantively focus on and strengthen economic cooperation and integration in this region. In other words, the finer matrices of complex interdependence in the region are yet to be recognized and harnessed. Some of the areas where economic stockholdings based on positivity of relationships are briefly but critically highlighted in the following paragraphs.

### *South Asia in WTO*

The Seattle Meeting of World Trade Organisation held in December 1999 casued an array of activities by South Asian Governments and other bodies. This was for the third time<sup>1</sup> that the SAARC countries

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<sup>1</sup> The first time a common position was adopted by the Member States of SAARC was prior to the United Nations Conference on Environment and Development (UNCED)

showed some kind of collective will to address their common concerns and problems. There are several issues SAARC member countries can work together in the international forum. In fact, this will be one of the most crucial ways in which the member countries can build confidence among themselves and to a large extent, dilute conflicts emanating from outstanding bilateral and regional politico-strategic chicaneries.

Though SAARC clearly lays down "strengthening cooperation with other developing countries, strengthening cooperation among themselves in international forums on matters of common interests and co-operating with international and regional organisations with similar aims and purposes" [SAARC Secretariat, 1998a, p 4] as its major objectives, the process of making a common stand in the international forum and collective bargaining started only in last few years.

The WTO related issues were taken seriously by the SAARC member states as they took up the issue in the second meeting of the SAARC Commerce Ministers in Islamabad in 1998, which decided to coordinate SAARC's position on issues of common concern at the Seattle Meeting. The Colombo Summit held in July 1998 "urged SAARC Commerce Ministers to work closely with a view to evolving better co-ordinated positions on all issues. They directed the Consultative Group of SAARC Permanent Representatives to the WTO at Geneva to consult closely with like-minded countries to advance the interests of developing countries at all WTO Conferences" [SAARC Secretariat, 1998b, p. 10]

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held in Rio de Janeiro also known as Rio Summit in 1992. It was followed by Resolution of the SAARC Agriculture Ministers Meeting Preparatory to the World Food Summit held in Rome in November 1996.

As a follow up, the SAARC Commerce Secretaries met in New Delhi in May 1999 immediately followed by another meeting in Male in August 1999, and finally, a Joint Statement was released by the SAARC Commerce Ministers from Male in August 1999. This was issued with a view to adopting a common position in advance of the Third WTO Ministerial Meeting at Seattle in 1999. The following were agreed upon as SAARC common position [ SAARC Secretariat, 1999b ] :

- i) Since the new issues like social clauses, environment, governance, labour standards etc. are not trade related, they should be kept out of the multi-lateral trading system;
- ii) Expeditious action should be taken for the full and fair implementation of existing agreements and commitments add thereon, particularly on their impact on developing and least developed countries and that imbalances and asymmetries in these agreements be addressed as a clear priority;
- iii) Deepening and broadening of concessions already provided under S & D clauses in favour of developing and LDCs and its speedy operationalisation should be given priority;
- iv) The existence of 'tariff peaks', the phenomenon of tariff escalation and the use of non-tariff barriers have made the market access difficult. Action should be initiated to remove these barriers;
- v) Meaningful integration of the textile and clothing sector under GATT<sup>2</sup> and increased market access should be ensured;
- vi) Efforts should be made to obtain increased commitment from the developed countries for an increased market access in services especially by way of movement of natural persons;

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<sup>2</sup> These would include *inter alia*, adequate and faster coverage of items for meaningful integration, regular monitoring for the process of integration by the Textile Monitoring Body, disallowing unilateral modification of rules of origin to the detriment of developing and least developed countries, avoidance of arbitrary anti-dumping, anti-subsidy or safeguard measures by developed countries and full and effective compliance with the special and differential treatment provisions.

- vii) Another goal should be the extension of the moratorium on applicability of the non-violation clause and finite extension of the transition period for the implementation of the provision of TRIPS. Likewise, prevention of piracy of traditional knowledge built around bio-diversity and harmonisation of TRIPS Agreement with the UN Convention on Biological Diversity should be given priority so as to ensure appropriate returns to traditional communities;
- viii) Extension of transition period for removal of trade related investment measures. No further amplification of the list of such measures under the disciplines of the TRIMS;
- ix) For the LDCs, their application for WTO membership should be allowed to accede on a fast track basis with obligations commensurate with their stage of development. The duration of the accession period should be shortened, conditions simplified and the transition period should commence from the date of their accession. They should be granted duty-free access on an autonomous basis for their exports. Export subsidies should be exempted from competitiveness thresholds and non-actionable categories of subsidies expanded to include subsidies for development, diversification and upgrading of industries;

### ***SAARC and Other International Bodies***

Many of the objectives of SAARC remained far from any meaningful follow up actions for many years. For instance, the crucial objectives like "cooperation with international and regional organisation with similar aims and purposes" remained unattended for almost a decade. Only in the very recent past, SAARC has signed Memorandum of Understanding with a number of organisation including United Nations Conference on Trade and Development (UNCTAD, 1993), UNICEF (1993), APT (1994), ESCAP (1994), UNDP (1995), UNDCP (1995), European Commission (1996), International Telecommunication Union ( 1997), and Canadian International Development Agency (CIDA,

1997). However, except one or two organisations, the activities have not really been effective.

For the first time, the SAARC Council of Ministers had detailed deliberations with the Association of the Southeast Asian Nations (ASEAN) and the European Union in New York in September 1999. This was done with a view to forging closer practical cooperation with these regional organisations. (SAARC Secretariat, 1999 ). This is a step which will help in exposing SAARC to the development processes that have characterised these regional groupings. In other words, SAARC can learn from their rich experiences in the arena of regional cooperation and integration.

## **Cooperation in Core Areas**

### ***SAARC Preferential Trading Arrangement***

The SAARC Preferential Trading Arrangement (SAPTA) which was made operational in December 1995 must be considered as one of the boldest steps taken by the SAARC particularly against the vitiated background of bilateral political chicanery and the historico-cultural-topographic roots of mistrust and suspicion in this Sub-continent. However, the SAPTA, could hardly be termed as any effective means to enhance the level of intra-regional trade as it has a serious limitation both in terms of weight of the scheduled products in the tradables and the depth of tariff cut. The non-deployment of other agreed arrangements like para-tariffs, non-tariff measures and direct trade measures has made it more ineffective.

In the first round (SAPTA I), the seven contracting states offered consolidated schedules of 226 items of tariff concessions<sup>3</sup> and the

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<sup>3</sup> Art 5 of the SAPTA Agreement provides for other negotiating procedures to be adopted by the contracting parties including any of the or combinations of across the board reductions, sectoral basis or direct trade measures. SAARC Secretariat, *Text of SAPTA Agreement and Consolidated National Schedules of Concessions under SAPTA*, Kathmandu, 1996.



concessions under SAPTA as a percentage of total tariff varied from 10 percent to 100 percent (depth of India's tariff cuts were the highest). The category-wise list of products indicates that vegetable products, wood pulp and paper items, chemical products and plastics and rubber items (mostly extended by India and Pakistan) constitute as high as 61 percent of the concessions-offered products. Further, about 100 items in these schedules of concession are directed to the Least Developed Countries (Bhutan, Bangladesh and Nepal) within South Asia.

The studies [Mukherji 1996; Lama & Mohanty 1996; Katti & Bhattacharya 1996; Barua 1995] carried out after the SAPTA was operationalised show that : i) at least in cases of Nepal, Sri Lanka and Bangladesh both because of their membership of Bangkok Agreement of 1975 and of their bilateral trade agreements with India, some of the products enlisted in the schedules of SAPTA already have either similar or deeper concessions thereby rendering the offers made under SAPTA redundant. The threshold level of tariff cuts were not attractive enough to adequately offset the marginal transaction costs involved in switching of sources of supply. Therefore, unless the tariff cuts offered by countries other than India (which were so marginal) were doubly deepened, it would be literally impossible to infuse forceful dynamism into the process of trade liberalisation.

Equally interesting has been the fact that the contracting nation's sourcing of most of these scheduled products has been from outside the region, thereby indicating that the schedules of concessions were decided by these nations without any serious studies and consideration. For example, only 22 out of the 106 concessions offered-products of India in the first round were sourced from within the SAARC region and only 13 out of 35 products in case of Pakistan. This may also mean that there are other non-tariff barriers and export controls on these products and hence, tariff concessions alone may not be effective. Unless the process of selecting products is made more need-based and transparent, the public perception that the big list is only an eyewash may further confound the problem of mistrust. (Lama, 1997)

In the second round (SAPTA II) effective June 1997, the number of products offered concessions sharply increased. Unlike the first round where each country presented a consolidated schedule for the contracting states as a whole, in this round concession was exchanged between bilateral pairs of contracting states. There was a many fold increase in the number of products which were offered concessions. Smaller countries like Bangladesh and Nepal have shown more openness in specifying the products for concessions. Unlike the first round in this round the National Schedules of Concessions has the specification of non-tariff measures (NTM) whenever applicable. (SCCI, 1999)

Like in the first round, many of these scheduled products have shown a particular country bias as far as its preferential imports are concerned and in many cases there exist no reciprocity, thereby injecting a perpetual scope for generating arguments like resource transfer via the balance of trade deficit. For example, over 81 percent of Bangladesh's and 60 percent of Pakistan's concessional products are directed towards India, 70 percent of Bhutan, 47 percent of Sri Lanka's and 62 percent of Nepal's towards Pakistan. On the other hand, India's concessions distinctly favoured Bangladesh (56 percent) and Pakistan (41 percent)

An important feature of this round was the fact that out of the freely importable list of Pakistan from India (602 items), many figured in the list of concessional products extended to India. This round may also not enhance the much talked about intra-regional trade as most of the 2013 products under the schedule of concessions do not belong to the category of core traded items. They are mostly marginally or insignificantly traded items and hence would not lead to any remarkable shift in the trading pattern in the region.

In the SAPTA III round which was operationalised from June 1999, concessions are automatically multilateralised in all cases except those which are extended to the LDCs. This means the products on which Pakistan has extended concessions to India will also be applicable to Sri Lanka. The mandate of the third round was to deepen the tariff cuts and extend the product coverage.

Indian negotiators were given a substantive mandate by its Cabinet in the specifics of the negotiation. India favoured chapter by chapter approach instead of the product by product approach which was followed in the previous two rounds. This was supposed to be the stand of other countries also. But when India finally came with its list, others showed a lot of hesitation in adopting this approach.<sup>4</sup>

Altogether 3456 tariff lines were covered in this round. Out of the 3456 tariff lines, India has offered the bulk of it (1917). This was mainly to mitigate the feeling that bulk of the gains from the previous rounds of SAPTA have gone to India. Sri Lanka was more keen in taking the bilateral route to trade liberalisation. Pakistan, on the other hand, did not want to discuss the chapters and in effect the negotiation boiled down to product by product negotiations. It offered 20 percent tariff concession on 18 tariff lines. Pakistan's list includes : textiles machines, electronic clocks, wrist watches and punching machines. (SCCI, 1999)

Unlike in the past, both India and Pakistan have included manufactured products including machinery. India has offered to Pakistan : gas meters, electricity meters, ball point pens, fruits, figs, dates etc. Tariff concessions offered were on the basis of importability. This means all the items identified by Pakistan are to be included in freely importable lists of Pakistan from India. This is a significant deviation from the previous two rounds which literally did not allow these products automatic inclusion in the freely importable list from India which is announced by Pakistan from time to time. Last time this list was revised in July 1997.

### *Towards SAFTA : Options and Strategies*

Though the impact of SAPTA alone on the intra-regional trade in South Asia, has not been carried out or not known as yet, the massive

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<sup>4</sup> In the SAPTA 1<sup>st</sup> round, consolidated Schedules of Tariff Concessions, India extended 106 products and tariff lines, Pakistan 35, Sri Lanka 31, Maldives 17, Nepal 14, Bangladesh 12 and Bhutan 11.

increase in the volume of trade in South Asia in the last couple of years has been mostly attributed to rapid liberalisation under WTO regime rather than SAPTA. Sri Lanka, Nepal, Bangladesh and Pakistan have liberalised their trade regime in a much more extensive and intensive manner than India under WTO regime. So it is generally believed that the massive increase in India's exports to the countries in the region is because of global trade liberalisation of these countries and not because of SAPTA. Even Indian importers have found it much cheaper to import via Nepal as their tariff barriers are much lower than in India and bring the same to India under the unilateral free trade agreement extended by India to Nepal. This has created a major distortion in the present trade pact between India and Nepal.

The implementation of Free Trade Agreement between India and Sri Lanka and the likely conclusion of similar agreement between India and Bangladesh in fact may be a much quicker route to intra-regional free trade regime in South Asia than the proposed SAFTA route. However, even within SAFTA, there are definitely more effective ways to enhance intra-regional trade. This should include tariff reduction on a sectoral basis, across the board basis and through direct trade measures and more practically on the top 50 to 100 items of each country's regional imports. Only a fast track approach could lead to achieve the goal of SAARC Free Trade Area (SAFTA).

#### i) Liberalisation in top 50-100 products

In the case of last option, it has two distinct advantages. Firstly, these top items are the most potential items of regional imports and constitute nearly four-fifth of the imports from within the region in majority of the SAARC countries. These items reflect the regional needs and preferences, trade in which could be largely consolidated if such tariff and non-tariff impediments are removed. Secondly, though this list may require revision as per the change in the composition of these top imported products, this should not be a tortuous task as this composition has historically tended to remain more or less intact for many years at a stretch.

## ii) Negative List Approach

The proposal to have a Negative List approach in the matter of extending tariff and non-tariff trade preferences has come from India which implies that preferences will be granted to all items other than those in the negative list for each country. (Chidambaram, 1996) By now many scholars and professionals both in the academic and trading institutions have worked on various aspects of liberalising intra-regional trade and many of them are of the view that unless we adopt a 'fast track approach' the ultimate goal of attaining a free trade regime in the region by 2002 would be hard to realise.

## iii) Unilateral Free Trading Option

Studies, done at JNU and IIFT (Mukherji, Rao & Lama 1997 and Bhattacharya & Mukhopadhyay 1996), also point out that even if India gives a unilateral duty free access to regional products to the Indian market, at the existing trading structure the likely loss of the customs revenue would be in the range of Rs 920 to Rs 1353 million which is hardly 0.42 to 0.61 percent of the India's total customs revenue. This is likely to enhance India's import from the region by 26 percent. In the long run, reduction in tariffs will result in greater value addition to user industries in the region which consume the concessional imports as intermediate inputs for their manufacturing output. This could, in turn, induce higher profits causing larger manufacturing output and generating more employment.

## iv) Recommendations of GEP

The SAARC Group of Eminent Persons(GEP) also made far reaching recommendations for attaining the goal of SAFTA. As a sequel to establishing a South Asian Economic Union (SAEU) by 2020, the South Asian Free Trade Area should be achieved by 2008 (2010 for the least developed member states). The implementation should however, begin from the year 2000.

All non-tariff barriers, including discriminatory practices, should be identified during the first year of the implementation period and should be phased out over the next nine years by the least developed countries and over seven years by others.

A possible method of eliminating tariffs on substantially all trade could be a 12.5 percent reduction per annum over the eight year period. However, alternative approaches and sequencing for achieving the same goal should be explored by drawing upon the experiences of other regional groupings in establishing the free trade areas.

#### v) Lessons from India-Sri Lanka Free Trade Pact

This free trade pact signed on December 28, 1998 is the first of its kind in South Asia. Under this new trade regime, India would allow duty free imports of 1000 items from Sri Lanka and the latter would permit duty free entry of around 900 items from India. Besides a 50 percent margin of preference would be given on all items as soon as the pact comes into force.

Tariff level would be brought down to zero over a period of three years. (phased out time). However, textiles would get only 25 percent concession. In order to prevent third countries from exploiting the free trade arrangement, domestic value addition of 35 percent would be insisted upon on a reciprocal basis.

#### vi) ASEAN Experience

ASEAN Free Trade Area (AFTA) established in 1993 to bolster Grouping's competitive edge as a production base for regional and world markets is expected to be a reality by 2003. Common Effective Preferential Tariff (CEPT) Scheme is the main instrument for evolving ASEAN into free trade area. Under the CEPT, regional tariffs will be reduced to 0-5 percent on all manufactured goods and other non-tariff barriers will be removed. Products with tariff rates above 20 percent will have their rates reduced to 0-5 percent by January 1, 2000. Products with

tariff rates at or below 20 % will have their rates reduced to 0-5 percent by Jan 1, 1998.

Currently, 89 percent of all tariff lines in ASEAN, are either in the Normal or Fast track of the CEPT scheme. However, 7.1 percent are still on the Temporary Exclusion List (TEL) (mostly chemicals, plastics and vehicle sectors mainly to protect Indonesian industries), about 2.9 percent are sensitive unprocessed agricultural products and the rest are in the general exception category.

vii) Recommendations of SCCI :

a) Zero tariff on primary products; b) In case of the intermediate products there should be reduction in tariff by 25 percent every year, so as to achieve zero tariff in the fourth year; c) And in case of the finished products there should be 20 percent reduction so that it becomes zero by 5<sup>th</sup> year.

However, at a particular point of time, the SAARC countries may be forced to realise that it is not diversion but the creation of trade that sustains the effort of enhancing intra-regional trade in the region. In fact, it may turn out that if the existing production and export base particularly of smaller countries is not progressively diversified, the proposed free trade regime itself will be a serious bone of contention as they will have no comparative advantage in their exports. They will rather be forced to import from the region thereby leading to skewed distribution and burden of trade benefits.

The SAARC as a regional institution should increasingly address itself to these issues of generating complementarities and removing the tariff and other bottlenecks mentioned above along with the ongoing measures to enliven and sustainably quicken the process of liberalisation in the intra-regional trade. This has to be done by strengthening the activities under the Integrated Programme of Action (IPA), the promotion of regional investments and harmonising the intra-regional financial and monetary policies including the consolidation of export

financing and payments arrangement measures and strengthening the regional physical infrastructures. All these interventions, if done in a time bound manner, will have definite impact on the enhancement of intra-regional trade as indicated by a number of studies in the region. The challenges are multiple and the strategies should also be multi-pronged. [Naqvi & Khan, 1992; Colombage, 1993 ; Khan & Mahmood, 1993; Lama, 1999b]

### **Other Initiatives during 1999**

- i) The establishment of SAARC Network of Researchers on global financial and economic issues was launched. This network at present based in the Institute of Policy Studies (IPS) in Colombo has identified a number of subject areas in its research agenda including WTO related matters, creation of South Asian Energy Grid, Sustainable Fisheries Development Policy, EC cumulative rules of origin under GSP etc. The network is also bringing out *South Asian Economic Journal* and a *Directory of Research Institutes in South Asia* working in economic cooperation issues.
- ii) Adequate ground preparations for draft *Convention on Child Welfare in South Asia* and *SAARC Consortium of Open and Distance Learning (SACODIL)* have been done.
- iii) First meeting of the Governing Board of the SAARC Human Resource Development Centre (SHRDC) was held in Islamabad. The identified programme of activities include i) collection and compilation of basic data on HRD issues, ii) preparation of directory for research institutions in the region in the area of HRD, and iii) development of training modules
- iv) Meetings : Technical Committee Meetings of Agriculture (Delhi), Transport (Islamabad), Communications (Islamabad); Fourth Meeting of the Governing Board of the South Asian Development Fund (SADF) in Thimphu.



## **Report of GEP**

The Ninth SAARC Summit held in Male (1997) constituted a Group of Eminent Persons (GEP) mandated to undertake a comprehensive appraisal of SAARC and to identify measures including mechanisms to further vitalise and enhance the effectiveness of the Association in achieving its objectives. Accordingly, the GEP's Report entitled "SAARC Vision Beyond the Year 2000" presented in the Colombo Summit, 1998 seeks to highlight the main issues requiring the focussed attention of the SAARC, leaders and identifies measures needed to impart a new vitality and sense of direction to SAARC. This Report also attempts to define a long range vision for SAARC and to identify the elements of a perspective plan of action including a SAARC Agenda for 2000 and beyond.

This is for the first time a critical appraisal of SAARC has been done. It is a substantive and positive document that envisages and calls for a major leap forward in all critical areas of operations in SAARC. Though this Report mentions that "often cooperation has been hindered by a lack of political will and hampered by the vicissitudes of the political climate", in making all the far reaching recommendations, it does presume that a strong political will among the member countries will be there to move ahead with SAARC

Some of the crucial recommendations of GEP are as follows :

- i) The creation of South Asian Free Trade Area by 2008, South Asian Customs Union by 2015 and South Asian Economic Union by 2020;
- ii) Measures to regularise the informal labour movements in the region;
- iii) Partial convertibility of currencies on capital account by the relatively more developed countries for the limited purpose of investment in the least developed and small economies of the region;

- iv) Finalisation of the draft regional investment agreement finalised before the commencement of the implementation of SAFTA;
- v) Development of a common investment area known as SAARC Investment Area;
- vi) Augmenting the size of the South Asian Development Fund (SADF) considerably to the level of US \$ 500 million, opening the door of contributions from outside;
- vii) Establishment of South Asian Development Bank for co-ordinated restructuring of the South Asian economies;
- viii) Restoration of inherited infrastructure of road, rail, rope ways and water ways links, evolving and implementing specific bilateral sub-regional and regional agreements for linking rail, road, inland water and coastal shipping, developing, upgrading, constructing and adequately maintaining the South Asian segment of the Asian Highway network, operationalising the concept of the Trans-Asian Railway, developing a SAARC Airline, ensuring direct airlinks, at the least, between SAARC capitals, and promoting cross-border leasing of road and rail traffic stocks;
- ix) Treating the whole of South Asia as a single territory for the purpose of telecommunication and there should be a common tariff for similar services for the entire region;
- x) Creation of Energy grid for the South Asian countries;
- xi) Co-ordination in the formulation and implementation of their macro-economic policies;
- xii) Setting up of a standing committee of high-level experts and a SAARC level business group to keep the current and emerging global issues constantly under review;
- ciii) Commitment on the part of the SAARC member states to the target of reaching the replacement level of population which translates into a birth rate of 21 thousand before the year 2020. SAARC

- advisory Groups to be set up on the issues of stabilisation of population and the status of women and nutrition;
- xiv) Attainment on the part of the SAARC member states the goal of universal primary education up to the age of 15 before 2010. Each member state should devote 6 per cent of its GDP to the education sector by the year 2010;
  - xv) Signing by the member states the proposed Convention on Regional Arrangement on the Promotion of Child Welfare in South Asia not later than the year 1999;
  - xvi) High priority to be placed by the SAARC member states on the reduction of infant mortality to below 50 per thousand live births by the year 2005. To this end, each member should commit itself to attain 100 per cent immunisation by the year 2000 in target areas set by the UNICEF programme
  - xvii) High priority on the SAARC summits: The annual cycle of SAARC summits should be maintained and preparations for such summits should be undertaken with a clear focus on specific issues. The summits should be made more business-like and functional, which could be achieved by convening executive sessions and cutting down on ceremonial aspects;
  - xix) Rationalisation of the technical committees. The number of technical committees under the Integrated Programme of Action should be reduced to two. The Secretary General should be given flexibility to mobilise resources for the agreed activities under the IPA in conformity with priorities laid down, from the interested funding sources, other than government sources, both from within and outside the region.;
  - xx) Linkages with other bodies. SAARC should forge closer relationship with appropriate regional and international organisations. The highest priority among these should be given to regional groupings which have experienced of functional regional cooperation and international financing agencies.

The 10<sup>th</sup> Colombo Summit of 1998, “directed the Council of Ministers to examine the Report of the Group of Eminent Persons in depth at their next session, taking into consideration the views of Members States with regard to the viability of the recommendations and the method of their implementation”. [SAARC Secretariat, 1998b, p 3]

Accordingly, the 26<sup>th</sup> session of the Standing Committee held in Nuwara Eliya, Sri Lanka, in March 1999 devoted a day specially to the examination of the recommendations made by the GEP on revitalising SAARC and the Independent Expert Group on the Integrated Programmes of Action which had reviewed the functioning of the various Technical Committees under the Integrated Programme of Action. Interestingly in the immediately following meeting of the Council of Ministers in the same venue, it simply had to say the following on such a crucial task bestowed on it by the Colombo Summit:

the Council considered the recommendations of the Group of Eminent Persons set up by the Male Summit to undertake a comprehensive appraisal of SAARC and identify measures including mechanisms to further vitalise and enhance the effectiveness of the Association in achieving its objectives. The Council directed the Secretary-General to prepare a draft statement of the “*Future Vision of SAARC* [SAARC Secretariat, 1999a ]

This reaction to GEP’s Report after full eight months of Colombo Summit also shows that the level of political maturity in SAARC does not really match with the rapid changes in the thinking, aspirations and needs of the civil society in South Asia. Some members of the GEP made a public presentation of this Report under the auspices of Coalition for Action for South Asian Cooperation (CASAC) in New Delhi in July 1999. Most of them expressed their discontentment about the way the SAARC leaders and officials treated this significant Report. This feeling is in a way reflected in the following paragraph (Dubey, 1999):

At the recently concluded meeting of the SAARC Council of Ministers in Nuwara Eliya, the entire idea of a long term vision of South Asian cooperation was given a short shrift. It did not become possible to

endorse the objective of, let alone the datelines, for the operation of an Economic Union and a Customs Union. On FTA, the Ministers decided not to go beyond the decision of the Summit. They refused to endorse the dateline for creating FTA. Moreover, instead of taking an integrated view of the Treaty, they simply remitted the elements of the treaty suggested by the GEP, for detailed consideration by the relevant SAARC bodies or forums where they are likely to find their graveyard....What was most depressing about the consideration of the GEP report in Nuwara Eliya was that no member country was really interested in pushing the idea of free trade, let alone the broader view of the economic union. They simply wanted somehow to deal with the GEP report....As a rescue operation, the foreign ministers decided to work on the sidelines of the forthcoming session of the UN General Assembly, on a statement on the GEP report, to be issued by their heads of government at the next SAARC Summit. What an irony. A year and half after the submission of the GEP Report, what we are going to see is not the beginning of its implementation but a statement on it.

In the past, there are several reports submitted by the various expert groups set up by SAARC. This included reports of the Independent South Asian Commission on Poverty Alleviation 1992, SAARC *Transport Infrastructure and Transit Facilities* (1994), Tripartite Expert Group on Economic Cooperation (1995) and Independent Expert Group on Integrated Programme of Action (1998) [Lama, 1999a]. Some of these reports were quietly shelved despite very many meaningful recommendations in them. Some of them were not even discussed in the SAARC forum and those which were discussed were never implemented. The two classic examples are that of *Poverty Commission Report* prepared by an Independent South Asian Commission on the advice of the Heads of the State/Government in 1992 and *Transport Infrastructure and Transit Facilities* prepared by the Institute for Sustainable Development in Nepal on the advice of Council of Ministers in 1994.

The Poverty Commission report had presented a clear cut *Agenda for Action: A Plan for the Poor* which included critical issues of

perspective planning, implementation strategy and institutional building and monitoring and evaluation. ( SAARC Secretariat, 1992) Instead of taking any concrete time bound actions, SAARC only passed resolution after resolution fixing the year for “poverty eradication” in South Asia. Meanwhile, poverty started deepening in whole of South Asia with the onslaught of wanton economic reforms and consolidation of anti-poor forces. Even the last Tenth Summit did not hesitate to pass a resolution which stated :

the Heads of State or Government reiterated the commitment of SAARC to the eradication of poverty in the region at the earliest possible, preferable by the year 2002. They emphasised the need to encourage maximum participation by target groups in the formulation and implementation of poverty eradication programmes. The Heads of State or Government were of the view that such participation is essential for successful of efforts in this field. [SAARC Secretariat, 1998b, p 15]

Anyone knowing the nature, extent and dimensions of poverty in South Asia will never have passed a resolution with specific “eradication target year”. This is more so particularly when no concrete back up measures to accomplish these “commitments” were ever devised and implemented. How are these Summit “commitments” different from the “commitments” of the individual national governments as incorporated in their national plans for the last fifty years. Do these “eradication” commitments really take into consideration the three basic conditions prescribed by the Poverty Commission? The Commission mentioned that “poverty can be eradicated in South Asia by the year 2002. This would involve the following ( SAARC Secretariat, 1992, pp viii-ix ):

- i) Doubling of GDP per capita during this ten-year plan from the current US \$ 300 to US \$ 600 per capita (given a projected population growth rate of 1.8 per cent). This means a GDP growth rate of 9 percent a year for the region.

- ii) To achieve the above growth rate explicit political commitment of the leadership is required. This commitment should focus on lowering the incremental capital-output ratio from 4:1 to 3:1 or less
- iii) The marginal savings rates should also increase from the current levels to 27 percent or more.

Given the state of poverty in South Asia today what would be the resolution of SAARC Summit in 2003 when it finds that despite so strong commitments to “eradicate poverty in South Asia by 2002”, poverty both absolute and relative have in fact become more confounded and widespread. Then the question asked by the South Asians will be, ‘was this commitment to eradicate poverty by 2002 merely a political statement meant to express individual leader’s traditionally “pious attitude towards poverty” or they meant something serious?’ Sourcing this question will definitely be asked, and if convincing answers are not forthcoming, then the credibility of SAARC will be further eroded. To recoup the eroded credibility will then be as Herculean task as eradicating poverty in South Asia.

This is one of the reasons why the GEP Report made some very pragmatic recommendations. It stated that, “each member state may set its own time-frame for poverty eradication within its overall development context. Once time-bound targets are set, every possible effort should be made to achieve them to establish credibility. The SAARC three-tier mechanism on poverty eradication should be effectively utilised to facilitate useful sharing of experiences as well as formulation and implementation of appropriate regional policies....A Report should be presented to each summit spelling out progress made during the previous year in the alleviation of poverty on the basis of agreed norms and standards”. ( GEP, 1999)

Similarly the Report on Transport was considered to be a major input to the consolidation and strengthening of the transport network in South Asia particularly in enhancing trade. The Report was considered by the

Committee on Economic Cooperation (CEC) at its Fifth Meeting in Dhaka in April 1995. However, no concrete decisions were made. Since then, every time the report came up for discussion, it was postponed to some other future meetings or sometimes given to a specialised group. There are several other reports prepared by various Technical Committees, findings and recommendations of which were never taken seriously by SAARC.

### **Some Questions in lieu of a Conclusion**

The discussions in the paper brings in very many larger questions which may be highlighted here:

- i) Is the present institutional structure and authority of SAARC capable of taking action on these reports ? Does it not look contradictory that despite sweeping economic reforms, no private sector is involved in both the decision making and dissemination process. Most of these reports continue to remain official and to a large extent inaccessible to the real users.
- ii) Who is actually responsible/accountable in the SAARC process for not operationalising some of the very far reaching recommendations of various committees and expert groups appointed by the SAARC Summit ?
- iii) Does it not reflect the marginal and incremental attitudes of the South Asian bureaucracy ? Are they not so conditioned by Snails' pace syndrome ?
- iv) Do the political commitments shown during the summits simply symbolise diplomatic rituals and rhetorics ?
- v) The surest way to kill an expert group report is to refer it to some other groups which have no stakes in the report at all. Does SAARC believe in it ?
- vi) What will be the extent of damage to the credibility and standing of SAARC as an institution once the South Asians see in it nothing but



an emerging paper tiger with bureaucracy flogging it and inept politicians riding on it amidst the hapless 600 million poverty-stricken South Asian mass ?

- vii) How can this shallow regionalism of 15 years be made more robust and resilient in terms of functions, outreach and acceptability ? Does it imply and involve a paradigm shift in the mindset of India as a pivotal partner and in other six members to shed their small nation syndrome and misplaced apprehension of homogenisation?

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