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The South Asian Association for Regional Cooperation: Part Two – Where to Next?

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Key Points

- The creation of a sub-SAARC group excluding Pakistan and/or India, unilateral concessions from India, the expansion of SAARC to include outside powers, or the reform of the SAARC Charter are all unlikely to resolve the problems facing the organisation.

- India should allow SAARC to die a natural death, without rushing to launch another formal all-purpose regional grouping.

- India should, however, continue to engage like-minded neighbours on issues of mutual interest through initiatives that will hopefully coalesce into a more effective successor to SAARC.

Summary

The real or perceived sense of insecurity vis-à-vis India in South Asia noted in Part One of this analysis, coupled with the fact that the majority community in most of India’s neighbours is a minority in India has made those countries both domestically susceptible to anti-India mobilisation and internationally desirous of external intervention in their conflicts with India. The sub-continent’s strategic location in the middle of South-East, Central and West Asia, and at the centre of the Indian Ocean, ensures an adequate supply of such intervention. The smaller countries try to bandwagon with outside powers or to balance between India and outside powers, allowing the latter to exploit local fault lines. In short, the South Asian Association for Regional Co-operation (SAARC) is deadlocked as a regional body. There are, however, four possible means of salvaging SAARC at this stage.
These include the creation of a sub-SAARC group not including Pakistan and/or India, unilateral concessions from India, the expansion of SAARC to include outside powers, and the reform of the SAARC Charter. Unfortunately, none of these is likely to resolve the problems facing the organisation. Under the circumstances, it would be appropriate for India to allow SAARC to die a natural death, without rushing to launch another formal all-purpose regional grouping. New Delhi should, however, continue to engage like-minded neighbours on issues of mutual interest through initiatives that will hopefully coalesce into a more effective successor to SAARC.

Analysis

Possible Ways Ahead

First, likeminded SAARC countries could form a sub-group and move along. Co-operation within any sub-group that includes India will, however, be limited by the very factors that limited co-operation within SAARC itself. SAARC minus India will still struggle because of the intense Bangladesh-Pakistan and Afghanistan-Pakistan rivalries, lack of geographic contiguity and capacity constraints. To be more precise, it would be naïve to assume that SAARC minus Pakistan and/or India would be able to function properly. Bhutan and Nepal are, for instance, estranged over the fate of thousands of Bhutanese citizens of Nepali ethnic origin who are stranded in camps in Nepal. India has to ask itself whether any sub-SAARC grouping that it might form after abandoning SAARC, or seeking the expulsion of Pakistan from SAARC, can overcome the geographical, historical, political and ethno-religious hurdles that have hitherto limited co-operation in the region.

Three recent developments help to illustrate the above points. First, consider the case of the initiative to enhance connectivity among the BBIN countries (Bangladesh, Bhutan, India and Nepal). Given the persistent trust deficit between Nepal and India, the former would like to avoid being too closely tied to Indian transport infrastructure and try to link with the Chinese railway and road network in Tibet, if only to keep open an outside option. In a related development, India declared that it intended to negotiate an open skies arrangement with Nepal. Concerns over the proposal were raised in the Nepalese media and the Civil Aviation Ministry in Kathmandu even seemed to suggest that it was not aware of any such Indian proposal. Likewise, co-operation between India and Bangladesh could be curtailed in the event of the fall of the Sheikh Hasina government in Dhaka. Even India and Bhutan are likely to disagree on the thresholds of the acceptable ecological costs of transport projects.

Next, consider the fate of India’s SAARC satellite. India kept its “SAARC satellite” – to be launched on 8 December 2016 (the SAARC Foundation Day) – out of the ambit of SAARC to avoid getting blocked by Pakistan. The satellite’s launch has been delayed due to time lost in bringing Pakistan on board. More recently, however, even Afghanistan and Bangladesh, the two countries that are these days viewed as allies of India, have not shown much interest in the project. So, not too much should be read into the fact that Bangladesh, Bhutan and

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1 It has been suggested that the delay could be attributed to the packed launch schedule of the Indian Space Research Organisation (ISRO), but this is just another way of saying that the project is no longer among New Delhi’s priorities.
Afghanistan quickly followed India’s lead in pulling out of the Islamabad SAARC summit in the wake of the Uri attack. It bears mentioning that the effectiveness of BIMSTEC, which some observers see as an alternative to SAARC, is similarly constrained. Bangladesh, Myanmar and Sri Lanka account for about 40 per cent of Chinese arms exports. Bangladesh is the second-largest buyer of Chinese arms, behind only Pakistan. China is the one of the biggest, if not the biggest, trade and investment partner of all these countries.

This leads to the third development. Sri Lanka, the Maldives and Nepal did not immediately support India’s boycott of the Islamabad Summit. Sri Lanka noted that the SAARC rules require the attendance of all the heads of states and that the Summit cannot be held after even one country pulled out. Later, Sri Lanka decided against attending the Summit as four states had already expressed their unwillingness to participate. A few days later, when the Sri Lankan Prime Minister visited India, he purportedly supported the Indian position and attributed the delay in pulling out to his need to consult with his foreign minister, who had been out of the country at the time. The following day his foreign minister clarified that ‘There was no question of pulling out when there was no summit to attend.’ The Maldives appealed to the other SAARC states to create an environment that was ‘conducive’ to holding the Summit. Nepal, the current Chair of SAARC, hoped for a way out of the impasse. This should be an eye opener, if yet another were needed, for those who think that SAARC minus Pakistan will spontaneously or automatically rally behind India. In the latest instance, Afghanistan and Bangladesh joined India only because of shared concerns over state-sponsored cross-border terrorism emanating from Pakistan, and Pakistan’s interference in their domestic affairs, rather than out of blind solidarity. In fact, later even Bangladesh counselled restraint to India and Pakistan, possibly because it felt uncomfortable with identifying too closely with India. A week later the Bangladeshi Prime Minister added that ‘India pulled out because of the [Uri attack], but for Bangladesh the reason is totally different.’

Retuning to possible ways forward, the second is for one or more members to take initiatives to reduce the trust deficit and rejuvenate SAARC. India is the only SAARC country that can viably afford unilateral measures. This is true not only because of its large size, but also because of the multiple levels on which it operates. If, for example, a smaller country unilaterally reduced tariffs on imports, its domestic industries would suffer in the short run. If India took such a step, however, its industries would not be gravely affected given the size of its domestic market and the competitiveness of its industries. If such a step helped to reduce regional tensions, India would get an additional bonus from being able to focus on its global agenda-in-making, which in turn would reduce the cost of its unilateral measures. Such additional pay-offs are not available to other SAARC countries, even if they could afford unilateralism. In short, India can bear the cost of rejuvenating SAARC. Unfortunately, it is not that simple and any Indian Prime Minister who wants to revive SAARC will have to expend a very large part of her/his domestic political capital to overcome popular opposition to giving further concessions to Pakistan. It bears reminding that India’s territorial disputes with Bangladesh were resolved only after it accepted a loss, even if very small, of territory to settle the land border. Moreover, unlike China, India immediately accepted an adverse verdict of the Permanent Court of Arbitration on the maritime boundary dispute. These concessions were possible because Bangladesh offered help in combatting cross-border
terrorism, allowed humanitarian overland access between “the mainland” and north-east India. Equally, India did not want an otherwise minor issue to hamper its image as a responsible member of the international community, and wanted to settle smaller problems to be able to focus on bigger issues.

Third, the member states could try to reform SAARC. That is easier said than done, however. The difficulties are both procedural as well as substantive. Consider, for instance, the case of Article X.2 that excludes bilateral issues from the purview of SAARC. Pakistan would love to get this amended, but the unanimity decision rule (Article X.1) stands in its way. Ideally, Article X.1 should be amended to facilitate sub-SAARC projects, but the support of India and Pakistan is necessary to achieve that. Such sub-regional co-operation could potentially take place under Article VII of the SAARC Charter: ‘The Standing Committee may set up Action Committees comprising Member States concerned with implementation of projects involving more than two but not all Member States.’ There are limits to such co-operation, however. The Action Committees have to report to the Standing Committee that, as per Article V, involves the foreign secretaries of all members and in turn reports to the Council of Ministers. The fact that the last cannot meet on a regular basis means that all the subordinate committees remain dysfunctional or work sub-optimally.

Fourth, SAARC could expand further and use the presence of outside powers in the organisation to dilute the dominance of India. Adding Iran and Myanmar will not lessen concerns about India’s dominance, though, because India’s capacity will continue to outweigh that of the rest of the members put together and both those countries are perceived to be closer to India than to Pakistan. Pakistan would love to have China in the group but, under the unanimity rule, India’s acceptance is necessary. Even otherwise, China’s addition might mechanically address this concern, but in practice would only lead to polarisation within the organisation and again gridlock it. Chinese interference in ASEAN is a case in point. In the aftermath of the cancellation of the Islamabad summit, another, more impractical, alternative was floated in Pakistan. It was suggested that the China-Pakistan Economic Corridor (CPEC) could serve as the nucleus for a greater South Asian region, including Iran and Central Asian countries, as well as SAARC members.

**A Natural Death**

In light of the above, India should allow SAARC to die a natural death rather than take the blame for formally disbanding the moribund organisation. It must not rush to launch another formal all-purpose regional grouping, however. New Delhi should continue to engage like-minded neighbours on issues of mutual interest. Such low-key bilateral initiatives will hopefully organically coalesce into a successor to SAARC.

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About the Author: Vikas Kumar is an assistant professor of economics at Azim Premji University, Bengaluru.

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