

SAARC: FROM DHAKA TO COLOMBO: 1985 - 1991

By

Ariya Abeysinghe

The rapid growth of several Asia-Pacific Rim economies due to their market-oriented, outward looking policies making them newly industrialized economies (NIE'S) — Hongkong, Korea, Taiwan, Singapore and graduating as potential members of the Organization for Economic Co-operation and Development (OECD), has led other countries to follow the same development strategy with various degrees of success. The most notable of these have been the resource-rich members of the Association of South-East Asian Nations (ASEAN) — Indonesia, Thailand, the Philippines, Malaysia, Singapore and Brunei. China has also had remarkable success with its market-based policies. With the liberalization of its agricultural system, growth rates have jumped. The industrial reforms has also fueled growth in China. The economic performance of the NIES since 1960, due to their market-oriented policies, outward looking nature, sound macro-economic policies, high rates of savings and investments, has been remarkable. But it was in the 1980's that the strength economies became apparent.

The NIES did especially well in adjusting to the changing environment despite their dependence on oil imports. Real GEP growth was maintained between 5 percent and 9 per cent in the 1980's—significantly higher than most other countries in the world, with the exception of the Philippines the ASEAN and South Asian countries Bangladesh, Burma, India, Pakistan and Sri Lanka were able to maintain growth rates between 3 and 7 per cent. In contrast, economic growth

rates of several Latin American countries were negative in the 1980's; the highest growth was seen in Colombia at 3.2 per cent. The remarkable success of ASEAN as an economically dynamic sub-region has triggered an interest among some members of South Asian to form the South Asian Association for Regional Co-operation.

Sixth Summit

The SAARC has now come a long journey since the concept of regional co-operation received region-wise acceptance about 11 years ago. Between 1985 when the first Dhaka Summit was held and 1991 when the Colombo Summit was held, successive leaders of the Seven SAARC countries have met at Bangalore, India (1986), Kathmandu, Nepal (1987), Islamabad, Pakistan (1988), Male, Maldives (1990), in a spirit of friendship and togetherness, have pledge themselves to follow common policies and programmes of action on a number of sectors from which the region as a whole would stand to benefit. Some steps towards collaborative ventures on several significant fields are underway whilst a whole range of new opportunities have been identified for future co-operation; even though bilateral disputes continues to impede its progress (eg: the Kashmir issue between India and Pakistan, Indo-Lanka relationship etc.).

SAARC is an example of co-existence with conflict relationship. It is because of the SAARC initiatives, regionalism has acquired a level of legitimacy in South Asia not dissimilar to the ASEAN, EEC at their formative stages. Compared to

other regional groupings, the SAARC success in a decade seems credible in the face of socio-politico-cultural diversities. Unlike the ASEAN, the SAARC's achievement was not induced by any form of external threat perception.

Political Dimension—India and Pakistan

During colonialism, the British raj either conducted or guided the foreign relations of the Asian states over which it held away. Finally when it retreated in the late 1940's and early 1950's, it left "a region without regionalism" (Peter Lyon) deeply entangled in political feuds created by them. South Asian inter state relations appeared to have been based on the Kautilyan Doctrine that your neighbour is your enemy.

The relations between India and Pakistan was characterised by politics of conflict from the beginning. The sub continent was first divided along religious lines. But it was again sub-divided along ethnic lines placing Pakistan and Bangladesh as adversaries. It left the question of Kashmir in limbo. Thus conflict and rivalry between India and Pakistan have been endemic in the international relations of South Asia since the bloody partition in 1947. The two countries have fought four wars since partition including the Rann Kashmir in 1948 and September, 1965. The last war was the war of liberation of Bangladesh in 1971. Kashmir has remained divided since the UN Commission on India and Pakistan (UNCIP) imposed a ceasefire line separating the Indian occupied and the Pakistani claimed parts of the state in 1949. After the 1948 war, India was able to demarcate a new line of control which appears to have become the international border between the two countries in these parts. In 1972 the Simla agreement legalised the ceasefire line of December 17, 1971 as the acceptable line of control. The Siachen Glacier is the latest bone of contention between India and Pakistan.

Indo-Sri Lanka Relations

As in the case of India and Pakistan, the strategic dimensions of relations between India and Sri Lanka, have been changing in recent years. These changes are a result of changes in the strategic situation in the region, of the changing configuration of international politics, and of the escalation of ethnic conflict in Sri Lanka since July 1983 and the role which India has played in the Sri Lanka's politics since then. Geopolitical considerations have always been foremost in India's approach to Sri Lanka. The conception that Sri Lanka was vital to the defence of India, that Sri Lanka lay within India's security perimeter was not new. Its history went back well into colonial times.

Ethnic Conflict

India's recent approach to Sri Lanka has been compounded by several elements. These has been the influence of Tamil Nadu on politics both in Sri Lanka and in New Delhi. There has been India's interest in and concern for refugees, arriving in India, as a result of the Sinhala — Tamil ethnic conflict in Sri Lanka. There has also been an Indian concern from 1980's, till the time of the signing of the Indo-Lanka Peace Accord of July 1987, that a pro-Western tilt in Sri Lanka's foreign policy was having injurious effects on India's own security in the region.

The South Indian factor, the role of the RAW in Sri Lanka, the training, harbouring and arming of Tamil guerillas on the foreign establishment, the assassination of late Rajiv Gandhi, and the deportation of the All India Radio correspondent was some bilateral issues that affected Sri Lanka Indian relations over the last decade.

Nepal and Bhutan

The manner in which both Nepal and Bhutan fit into the security framework of the South Asian sub-continent is determined largely by the strategic doctrine laid down by the British raj. Independent India reinstated the treaties which the British had with these countries, which had turned them into buffer states in the sensitive Himalayan belt dividing Tibet of China from India. Sikkim's incorporation into the Indian Union in 1975 under-

lined the new realities of South Asian politics arising from the integration of Tibet into China, and from China's border dispute and armed confrontation in 1962 with India. The new Chinese presence on the Himalayan border gave Nepal and Bhutan a greater leeway in foreign affairs than previously, notwithstanding what happened in Sikkim, but it was a leeway which was strictly defined by the primacy of India's own conception of her security interests. The Indo-Bhutan Treaty of 1949 stipulated that the Indian Government would not interfere in the internal administration of Bhutan.

Indian treaty with Nepal was less restrictive than that with Bhutan. The Indo-Nepal treaty of 1950, the Chinese interest in the Himalayan border states after the Indo-China war of 1962, the Nepali-Chinese border agreement of 1960, the Nepal Peace Zone Plan and the democratization of the Nepali monarchy were important in the bilateral relations with India.

Indo-Bangladesh Relations

Though Bangladesh is not so geopolitically relevant to Indian concern for regional security as Pakistan and Sri Lanka systematic constraints determine the nature of Indo-Bangladesh relations. Indo-Bangladesh relations was cordial under Mujibur Rahman's period till his assassination in 1975, when Bangladesh's orientation towards India began to conform to the pattern familiar in the rest of the South Asian State-system, distrust, fear and suspicion of the big sub-continental power. The influx of refugees from Bangladesh to Assam and India's decision to erect a barbed wire fence across the Indo-Bangladesh border has aroused anti-Indianism within Bangladesh.

In our analysis of the South Asian state system two issues that arises are — (a) perception of the threat from India is currently common to all India's neighbours and (b) that while India perceives its neighbours to be integral to its own sovereignty, the neighbours themselves perceive India as the regional hegemonic power against which security is necessary.

In this sense, SAARC regional cooperation poses different strategic and

political problems form those confronted by other regional organizations such as ASEAN, EEC in which a strong degree of cohesiveness was brought about by a common threat perception. The very existence of bilateral discord among SAARC members should provide as incentive for them to work out a common approach and a regional solution of their problem. The SAARC Convention on Terrorism is an example of the "SAARC Route to Security" (Professor Pran Chopra).

Origin and Growth of SAARC

When General Ziaur Rahman, Bangladesh President, formally presented the SAARC concept in 1980, only three small countries, Sri Lanka, Nepal and Bhutan, responded. Male remained initially disinterested. Both India and Pakistan made no bones of their reservations. India feared that it was a pro-Western strategic consensus trap. Pakistan was worried of such a grouping because of her relationship with the United States. These apprehensions underlined their opposition to Sri Lanka's call, made in 1982 for a "suitable and finite time span" to summon a summit level meeting.

The path to the first summit was strewn with mutual hurling of innuendos between India and Pakistan and between India and Sri Lanka. Strained Indo-Sri Lanka relations threatened to disrupt the Second Foreign Ministers Conference in Male in July 1984 and the Third Meeting of Foreign Ministers at Thimpu in May 1985. Few months later the Heads of States and Governments met at Dhaka and announced the establishment of the SAARC amidst an atmosphere of unfeigned jubilation.

In the words of President J.R. Jayewardene (08.12.1985) the formal launching of the SAARC has been compared to "dew drops slip into the glistening seas". The seven Heads of State and Government adopted Dhakar charter setting out SAARC objectives, principles, its organizational structure and general provisions. According to the principles agreed at the First Foreign Secretaries Meeting held in Colombo (April 1981), the Dhaka Summit formally reasserted that contentious and bilateral issues should be avoided. J.R. Jayewardene,

the first Executive President of Sri Lanka, deviated, and touched on terrorism. This led to a dilemma for the summit leaders, particularly because of conflicting bilateral relations between India-Pakistan (Sikh separatism) and Indo-Sri Lanka (Tamil separatism). At the end, the summit deftly skirted the problem by identifying terrorism, along with Drug Trafficking and Abuse and Women in Development as new areas of potential co-operation.

Article III of the SAARC Charter declared it mandatory for the Seven Heads of State and Government to "meet once a year or more often as and when considered necessary." "This provision stands in contrast to the requirement incorporated in the Bangkok Declaration of the ASEAN that "Heads of State should meet as if and when necessary." "The result is that between 1976-1988, there were only three summits whereas SAARC met four times between 1985-1988.

The Dhaka summit institutionalized the Association by agreeing on the need for a permanent SAARC Secretariat and entrusting their Foreign Ministers with the task of mapping out its organizational structure and proposing its location. The Dhaka Declaration took cognizance of the significance of developing people to people regional co-operation, at various levels among SAARC countries.

The first SAARC Summit also provided a valuable opportunity for Heads of States to hold informal discussions on a number of critical bilateral issues. The Indo-Pakistan declaration of not attacking each other's nuclear installations came within 10 days of Dhaka Summit. The future of 94,000 Stateless Tamils in Sri Lanka and granting of their citizenship rights and trilateral water issue between India, Nepal and Bangladesh was settled at the summit.

Following the Dhaka Summit, a committee on Terrorism, SAARC Multi-sectoral investment institute, Audio-Visual Exchange Programme undertook the follow up action.

The Bangalore SAARC Summit

The second summit took place on 16th

and 17th November, 1986 at Karnataka, Bangalore, in an environment of tardy progress in SAARC programmes and deteriorating Indo-Lanka and Indo-Pakistan relations. However, sessions were conducted in a cordial atmosphere.

The summit endorsed five areas of regional co-operation: South Asian Audio-visual exchange; Establishment of a SAARC Documentation Centre; Promotion of Inter-regional tourism; Institution of SAARC Scholarships and Fellowships and an Organised Volunteer Exchange Programme.

The permanent SAARC Secretariat was approved to be located at Kathmandu, Nepal and to appoint Mr. Abdul Ahsan of Bangladesh as the first Secretary General.

The relentless zest with which Sri Lanka developed the terrorism issue was rewarded when the Bangalore Declaration on Terrorism was adopted condemning "all acts, methods and practices of terrorism as criminal" and deplored that their "impact on life and property, socio-economic development, political stability, regional and international peace and co-operation". The then Sri Lankan President J.R. Jayewardene said.... "a day would soon come when we would be able to bring bilateral and contentious issues before this forum." The outcome of Rajiv-Jayewardene talks and Rajiv-Junejo negotiations at the Summit brought into focus the crisis management potential through the SAARC Summit.

The Kathmandu SAARC Summit

The third summit was held from 2-4 November, 1987. By mid 1987, India had sent a flotilla of vessels across the Palk Straits and she had brazenly violated the Sri Lankan air space resulting in anti-Indian sentiments among Sri Lankans. In spite of a strident call for boycotting the pre-summit Meeting of the Council of Ministers scheduled to be held in New Delhi on 18 - 19th June 1987, Sri Lanka attended the meeting and Foreign Minister Hameed commented "that the ban on bilateral issues being discussed at SAARC was agreed to prevent slanging matches between India and Pakistan. But the violation of Sri Lankas' sovereignty by

India has made even the smallest member of SAARC to think twice."

Prior to the Kathmandu Summit, the unfolding of events had taken another turn when on July 29, 1987, India and Sri Lanka signed the Indo-Lanka Peace Accord, which gave an entirely new colouration to the proceedings in SAARC forum. J.R. Jayewardene, defended the Accord at the Kathmandu Summit within the context of fostering regional harmony. He said "This Peace Agreement demonstrates the importance of our engaging in consultations as frequently as possible. It has to be recognised that consultations on bilateral and common for the long term future of SAARC. Nevertheless, we can even envisage regional approaches to the solution of many of our problems."

The achievements of the Kathmandu Summit are: signing of a convention on suppression of terrorism. It laid down for the purpose of prosecution and extradition a number of offences which were regarded as terroristic and shall not be regarded as offences connected with or inspired by political motives. Commencing of the SAARC Audio-visual Exchange Programme, operative 2nd November, 1987 and setting up of a 200,000 tonnes Food Security Reserve.

The overall progress of the SAARC was summarized by the King of Bhutan "we have covered much ground on the journey from Dhaka to Bangalore and now to Kathmandu. We have demonstrated that the idea of South Asian regional co-operation is not only sound but possesses strength and resilience. Despite all our heterogeneity and the asymmetries, among our countries we have forged a strong regional bond through a common desire to bring peace, progress and prosperity to our people."

(SAARC Perspective: No. 3 May 1988/14)

Islamabad SAARC Summit

At the Kathmandu Summit the SAARC Heads of States and Government accepted the Sri Lankan President's offer to host the Jayewardene anticipated an early resolution of the secessionist issue thereby facilitating the early withdrawal of the Indian Peace Keeping Force (IPKF) from the Sri Lankan soil, before the end of 1989. However, expectations did not

materialize. As the year wore on there were fighting between IPKF and the LTTE, and the JVP and the armed forces. There was a total breakdown of the civil administration in the North and South of the country. By July 1989, it was clear that the Summit venue had to be shifted elsewhere. The Council of Ministers who met at Kathmandu in August 1989 decided to shift the venue to Islamabad in Pakistan. The Summit was held from 29-31 December, 1988.

The Islamabad Summit was preceded by several significant changes and developments in the SAARC region. Election of Ranasinghe Premadasa in Sri Lanka on 18th December, and stepping down of J.R. Jayewardene, as the Leader — Installation of a democratically elected government in Pakistan with the emergence of Benazir Bhutto as the first woman leader of the Muslim world the Staging of a coup in the Maldives in November, 1988.

These events had their impact on the summit. The restoration of a democratic regime in Islamabad boded well for better Indo-Pakistan relations. In Sri Lanka, the newly elected President Ranasinghe Premadasa's stance against the Indo-Lanka Accord and the presence of IPKF was well known. He was sworn in on 2nd January 1989, two days after the conclusion of the Summit. India's help in foiling the coup in the Maldives flared anti-Sri Lankan feeling in Maldives, while India earned the commendation of the entire SAARC community.

On 29th December, 1989 eleven days after Ranasinghe Premadasa was elected to the President of Sri Lanka the Islamabad Summit began. Its beginning is described as "amidst qualitatively new summit environment". The sessions were singularly free from bilateral wrangling. Alternatively, common ground was found on several issues on which member nations held widely divergent views. The new strategy was reflected in the Islamabad Declaration in which the summit leaders directed that —

"The Fourth Meeting of Planners should examine the possibility of co-operation in agreed areas of trade, manufactures and services".

Compromise was possible on the admission of Afghanistan to SAARC where

it was decided that any country in the region subscribing to the SAARC Charter could be admitted by unanimous consent. It also reiterated its faith in the capacity of the UN System and non-aligned movement in bringing positive changes in the international environment and focussed on the high escalation of military expenditure as a major constraint on world development. In spite of the Indian violation of Sri Lanka's territorial waters and aerospace, the Islamabad Declaration was almost a ritualistic reaffirmation of the UN principles of sovereignty, integrity, equality and sovereign independence of states. The joint press release issued at the end of the Summit strongly condemned the coup attempt in the Maldives.

The new principles agreed at the Islamabad Summit included — (1) Co-operation in educational matters in SAARC region. (2) Abolition of Visa restrictions for Parliamentarians and Judges of judicial establishments travelling between SAARC countries (3) Declaration of the SAARC year for combating drug abuse and a SAARC Plan for Basic Needs.

At the end of the Summit Sessions there was formal acceptance of the Sri Lankan Government offer, for the second time in succession to host the Fifth SAARC Summit in Colombo. But by mid year due to the worsening law and order situation in the South and the India's refusal to comply with President Premadasa's request that India withdraw IPKF from Sri Lanka before holding the summit, ruled out Colombo as a venue. It was in 1989 that SAARC Summit was not held.

Male SAARC Summit

The fifth SAARC Summit was held at Male, in the Republic of Maldives between Nov. 21-23, 1990. In this summit, the Indian Prime Minister, Chandrasekar, advocated restructuring the Summit's procedure to facilitate expeditious implementation of its decisions and stressed the need to address themselves "to the hard realities of life". Former Bangladesh President Ershad highlighted the need to revise "the SAARC charter so as to remove the ban on the consideration of bilateral and contentious issues."

President Gayoom of Maldives, sounded a note of caution against raising bilateral issues in the SAARC forum. In a summary, the Male summit concentrated on restructuring SAARC activities and extending them to the spheres of economic co-operation. At Male the following decisions were taken. (i) Establish a Regional project fund and exchange of expertise in genetic conservation and maintenance of germ-plasm bank. (ii) SAARC convention on narcotic drug abuse; (iii) Co-operation in environment and tourism and Issue of special travel document enabling Supreme Court Judges, Members of Parliament and Heads of Academic Institutions to travel within the region without having to obtain visas.

The Male Summit gave an opportunity for the Heads of States of India, Pakistan, Nepal and Sri Lanka to conduct informal discussions.

Colombo Summit

The Colombo Summit was held in December 1991. There is considerable attention now focussed on the need to transform the SAARC into a dynamic and vigorous body capable of handling social and economic problems affecting the people of South Asia. The proclaimed objectives of the SAARC are to achieve "peace and stability, amity and progress in the region" and to promote the welfare "of the people of South Asia and to improve their quality of life". To begin with the SAARC is concentrating on co-operating on non-controversial technical areas. Today, after a decade of collective efforts, an awareness is beginning to dawn that the SAARC has a better chance of progress as a regional grouping rather than as individual countries. The efficacy of regional co-operation is measured by tangible benefits bestowed on the people at large. This can only be achieved through economic and political co-operation, instead of pursuing a self-abegation policy.

The economic exchange and trade that exists at present among the South Asian Countries is very small in size and limited in composition, due mainly to the structural features of SAARC economies. The size of the external trade sector (except for Sri Lanka) measured as a proportion of the GDP is relatively small.

Sri Lanka has an external trade sector amounting to 56 per cent, whereas in Pakistan it is 30 per cent, Bangladesh 22 per cent, Nepal 29 per cent, Maldives 18 per cent and India 15 per cent. Except for Sri Lanka, other SAARC countries have not liberalised for external trade to the degree to show an impact. South Asia has the lowest level of openness with 19.3 per cent compared with the next lowest 28.5 per cent for Latin America and 78.5 per cent for Pacific Rim Countries. Structurally, the South Asian Economies have limited capacity to generate external economic exchanges and international trade. Since external trade is an outcome of high levels of production, high per capita incomes and the resulting high levels of production, high per capita incomes and the resulting high levels of supply and demand; yet South Asia is one of the poorest regions of the World. The total GDP of the SAARC taken together amounts to US \$ 317 billion which is 1.8 per cent of the aggregate GDP of the world. The SAARC population taken together is 1000.1 million which is 21 per cent of the world's population. All SAARC countries belong to the 41 poorest countries in the world (World Development Report 1991). This means that on the average the margin of supply and demand above subsistence level is quite small, which is not a very promising situation for international trade.

It is, thus, not surprising that South Asia accounted for only 1 per cent of the world trade (1989). The intra-regional trade at low levels of economic development and per capita incomes, countries could open their markets for each others' products. This calls for giving up import licensing, exchange controls, licensing practices of industries and investments, giving up unrealistic exchange rates and internal pricing regimes which inhibits growth of external trade within the SAARC region and without. There is also a case for privatization of the commanding heights of the economy through dynamic expansion of market orientation to public sector enterprises. The unweighted average tariffs on all goods in South Asian Region is 77 per cent, for manufactures it was 81 per cent. Nearly 48 per cent of all goods are covered by non-tariff barriers in SAARC area. In the ASEAN it is as low as 22 per

cent. Thus, in 1991/92 it is hoped trade would be liberalised in SAARC countries leading to some type of a Common Market.

Countries in SAARC are in widely different stages of economic development and are be set with serious structural imbalances. To anticipate a shift in favour

SAARC AT A GLANCE						
Economic Indicators						
	GNP per Capita	GDP Growth	Exports 12 Mths.	Surplus def-icit current a/c	Foreign Dept.	Inflation CPI
Bhutan	\$ 190	9.0%	\$ 0.07 b.	\$ 6.9 m.	\$ 0.07 b.	8.8%
India	\$ 350	5.0%	\$ 19.3 b.	-\$ 8900 m.	\$ 69.8 b.	13.6%
Maldives	\$ 470	10.8%	\$ 0.06 b.	\$ 6.2 m.	\$ 0.09 b.	55.0%
Nepal	\$ 170	2.0%	\$ 0.2 b.	-\$ 300 m.	\$ 1.5 b.	11.5%
Pakistan	\$ 380	5.6%	\$ 6.1 b.	-\$ 1480 m.	\$ 19.5 b.	12.6%
Bangladesh	\$ 179	6.2%	\$ 1.5 b.	-\$ 800 m.	\$ 10.8 b.	.3%
Sri Lanka	\$ 430	5.1%	\$ 1.8 b.	-\$ 300 m.	\$ 5.2 b.	21.3%

GDP - Gross Domestic Product is the value of all goods and services produced in the country in one year.
 GNP - Gross National Product per capita is GDP plus or minus the surplus or deficit in trade in goods and services (Current Account) - divided by population.
 GPI - Consumer Price Index measures one year's price changes in goods and services bought by a typical household.

Source: Asiaweek, Oct. 11, 1991.

Social Indicators						
	Pop. (M)	Pop. growth Rate	Infant Mortality	Literacy	People per Doctor	People per tel.
Bhutan	1.5	2.3%	118	18.0%	9736	684.0
India	845.7	2.1%	88	52.1%	2075	189.0
Maldives	0.2	3.4%	50	90.4%	7692	75.0
Nepal	19.6	2.3%	118	26.0%	20234	686.0
Pakistan	115.6	2.9%	90	31.0%	2122	99.2
Bangladesh	115.6	2.7%	108	33.1%	6219	568.0
Sri Lanka	17.5	1.3%	21	86.1%	5516	90.0

POSSIBLE SAARC CANDIDATES						
Economic Indicators						
	GNP per capita	GDP Growth	Exports 12 mths.	Sur/Def. current A/c.	Foreign debt.	Inflation GPI
Afganistan	\$ 150	-2.2%	\$ 0.4 b.	-\$ 217 m.	\$ 1.5 b.	40.0%
Burma	\$ 278	5.1%	\$ 0.7 b.	-\$ 400 m.	\$ 4.5 b.	35.0%

Social Indicators						
	Pop. (M)	Pop. growth rate	Infant Mortality	Literacy	People per Doctor	People per tel.
Afganistan	17.7	6.7%	162	23.7%	4797	443.0
Burma	42.6	2.1%	59	78.5%	3485	501.0

Source: Asiaweek Oct. 11, 1991

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