

# **South Asian Association for Regional Co-operation & its Contribution to the South Asian Politics and Economy**

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## **Abstract**

The South Asian Association for Regional Cooperation (SAARC) is the regional intergovernmental organization and geopolitical union of nations in South Asia. Its member states include Afghanistan, Bangladesh, Bhutan, India, Nepal, the Maldives, Pakistan and Sri Lanka. SAARC comprises 3% of the world's area, 21% of the world's population and 3.8% (US\$2.9 trillion) of the global economy, as of 2015.

**Keywords:** SAARC; Members Countries; Political Impact; Economical Impact.

## **1. Introduction**

SAARC was founded in Dhaka on 8 December 1985. Its secretariat is based in Kathmandu, Nepal. The organization promotes development of economic and regional integration. It launched the South Asian Free Trade Area in 2006. SAARC maintains permanent diplomatic relations at the United Nations as an observer and has developed links with multilateral entities, including the European Union.

## **2. Historical Background**

The idea of co-operation in South Asia was discussed in at least three conferences: The Asian Relations Conference held in New Delhi on April 1947; Baguio Conference in the Philippines on May 1950; and the Colombo Powers Conference held in Sri Lanka in April 1954.

In the ending years of the 1970s, the seven inner South Asian nations that included Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka agreed upon the creation of a trade bloc and to provide a platform for the people of South Asia to work together in a spirit of friendship, trust, and understanding. President Ziaur Rahman later addressed official letters to the leaders of the countries of the South Asia, presenting his vision for the future of the region and the compelling arguments for region. During his visit to India in December 1977, Rahman discussed the issue of regional cooperation with the Indian Prime Minister, Morarji Desai. In the inaugural speech to the Colombo Plan Consultative Committee which met in Kathmandu also in 1977, King Birendra of Nepal gave a call for close regional cooperation among South Asian countries in sharing river waters.

After the USSR's intervention in Afghanistan, the efforts to establish the union was accelerated in 1979 and the resulting rapid deterioration of South Asian security situation. [9] Responding to Rahman and Birendra's convention, the officials of the foreign ministries of the seven countries met for the first time in Colombo in April 1981. The Bangladeshi proposal was promptly endorsed by Nepal, Sri Lanka, Bhutan, and the Maldives but India and Pakistan were skeptical initially. The Indian concern was the proposal's reference to the security matters in South Asia and feared that Rahman's proposal for a regional organization might provide an opportunity for new smaller neighbors to re-nationalize all bilateral issues and to join with each other to form an opposition against India. Pakistan assumed that it might be an Indian strategy to organize the other South Asian countries against Pakistan and ensure a regional market for Indian products, thereby consolidating and further strengthening India's economic dominance in the region.

However, after a series of diplomatic consultations headed by Bangladesh between South Asian U.N. representatives at the UN headquarters in New York, from September 1979 to 1980, it was agreed that Bangladesh would prepare the draft of a working paper for discussion among the foreign secretaries of South

## *South Asian Association for Regional Co-operation & its Contribution to the South Asian Politics and Economy*

Asian countries. The foreign secretaries of the inner seven countries again delegated a Committee of the Whole in Colombo on September 1981, which identified five broad areas for regional cooperation. New areas of cooperation were added in the following years. In 1983, the international conference held in Dhaka by its Ministry of Foreign Affairs, the foreign ministers of the inner seven countries adopted the Declaration on South Asian Association Regional Cooperation (SAARC) and formally launched the Integrated Program of Action (IPA) initially in five agreed areas of cooperation namely, Agriculture; Rural Development; Telecommunications; Meteorology; and Health and Population Activities. Officially, the union was established in Dhaka with Kathmandu being union's secretariat-general. The first SAARC summit was held in Dhaka on 7–8 December 1985 and hosted by the President of Bangladesh Hussain Ershad. The declaration signed by King of Bhutan Jigme Singye Wangchuk, President of Pakistan Zia-ul-Haq, Prime Minister of India Rajiv Gandhi, King of Nepal Birendra Shah, President of Sri Lanka JR Jayewardene, and President of Maldives Maumoon Gayoom.

### **3. Observers**

States with observer status include Australia, China, the European Union, Iran, Japan, Mauritius, Myanmar, South Korea and the United States.

On 2 August 2006, the foreign ministers of the SAARC countries agreed in principle to grant observer status to three applicants; the US and South Korea (both made requests in April 2006), as well as the European Union (requested in July 2006). On 4 March 2007, Iran requested observer status, followed shortly by Mauritius.

### **4. Potential Future Members**

Myanmar has expressed interest in upgrading its status from an observer to a full member of SAARC. Russia has applied for observer status membership of SAARC. Turkey applied for observer status membership of SAARC in 2012. South Africa has participated in meetings.

### **5. Secretariat**

Secretariat of the South Asian Association for Regional Cooperation in Kathmandu, Nepal

The SAARC Secretariat was established in Kathmandu on 16 January 1987 and was inaugurated by Late King Birendra Bir Bikram Shah of Nepal.

### **6. SAARC Disaster Management Centre**

South Asia Association of Regional Cooperation (SAARC) Disaster Management Centre (SDMC-IU) has been set up at Gujarat Institute of Disaster Management (GIDM) Campus, Gandhinagar, and Gujarat, India. Eight Member States, i.e. Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka are

expected to be served by the SDMC (IU). The SDMC (IU) is entrusted with the responsibility to serve Member States by providing policy advice, technical support on system development, capacity building services and training for holistic management of disaster risk in the SAARC region. The centre also facilitates exchange of information and expertise for effective and efficient management of disaster risk.

## **7. Political Issues**

Lasting peace and prosperity in South Asia has been elusive because of the various ongoing conflicts in the region. Political dialogue is often conducted on the margins of SAARC meetings which have refrained from interfering in the internal matters of its member states. During the 12th and 13th SAARC summits, extreme emphasis was laid upon greater cooperation between the SAARC members to fight terrorism.

The 19th SAARC summit scheduled to be held in Pakistan was called off as India, Bangladesh, Bhutan and Afghanistan decided to boycott it. It was for the first time that four countries boycotted a SAARC summit, leading to its cancellation.

## **8. South Asian Free Trade Area**

### ***8.1. Countries under the South Asian Free Trade Area***

SAFTA was envisaged primarily as the first step towards the transition to a South Asian Free Trade Area (SAFTA) leading subsequently towards a Customs Union, Common Market and the Economic Union. In 1995, Sixteenth session of the Council of Ministers (New Delhi, 18–19 December 1995) agreed on the need to strive for the realization of SAFTA and to this end, an Inter-Governmental Expert Group (IGEG) was set up in 1996 to identify the necessary steps for progressing to a free trade area. The Tenth SAARC Summit (Colombo, 29–31 July 1998) decided to set up a Committee of Experts (COE) to draft a comprehensive treaty framework for creating a free trade area within the region, taking into consideration the asymmetries in development within the region and bearing in mind the need to fix realistic and achievable targets.

The SAFTA Agreement was signed on 6 January 2004 during Twelfth SAARC Summit held in Islamabad, Pakistan. The Agreement entered into force on 1 January 2006, and the Trade Liberalization Program commenced from 1 July 2006. Under this agreement, SAARC members will bring their duties down to 20 percent by 2009. Following the Agreement coming into force the SAFTA Ministerial Council (SMC) has been established comprising the Commerce Ministers of the Member States. In 2012 the SAARC exports increased substantially to US\$354.6 billion from US\$206.7 billion in 2009. Imports too increased from US\$330 billion to US\$602 billion over the same period. But the intra-SAARC trade amounts to just a little over 1% of SAARC's GDP. In contrast to SAARC, in ASEAN (which is actually smaller than SAARC in terms of the size of the economy) the intra-bloc trade stands at 10% of its GDP.

## *South Asian Association for Regional Co-operation & its Contribution to the South Asian Politics and Economy*

SAFTA was envisaged to gradually move towards the South Asian Economic Union, but the current intra-regional trade and investment relation are not encouraging and it may be difficult to achieve this target. The SAARC intra-regional trade stands at just five percent on the share of intra-regional trade in overall trade in South Asia. Similarly, foreign direct investment is also dismal. The intra-regional FDI flow stands at around four percent of the total foreign investment.

The Asian Development Bank has estimated that inter-regional trade in SAARC region possessed the potential of shooting up agricultural exports by \$14 billion per year from existing level of \$8 billion to \$22 billion. The study by Asian Development Bank states that against the potential average SAARC intra-regional trade of \$22 billion per year, the actual trade in South Asia has been only around \$8 billion. The uncaptured potential for intra-regional trade is therefore \$14 billion per year, i.e. 68%.

### ***8.2. SAARC Visa Exemption Scheme***

The SAARC Visa Exemption Scheme was launched in 1992. The leaders at the Fourth Summit (Islamabad, 29–31 December 1988), realizing the importance of people-to-people contact among SAARC countries, decided that certain categories of dignitaries should be entitled to a Special Travel document. The document would exempt them from visas within the region. As directed by the Summit, the Council of Ministers regularly kept under review the list of entitled categories.

Currently, the list included 24 categories of entitled persons, which include dignitaries, judges of higher courts, parliamentarians, senior officials, entrepreneurs, journalists, and athletes.

The Visa Stickers are issued by the respective Member States to the entitled categories of that particular country. The validity of the Visa Sticker is generally for one year. The implementation is reviewed regularly by the Immigration Authorities of SAARC Member States.

## **9. Awards**

### ***9.1. SAARC Award***

The Twelfth Summit approved the SAARC Award to support individuals and organizations within the region. The main aims of the SAARC Award are:

- 1) To encourage individuals and organizations based in South Asia to undertake programs and activities that complement the efforts of SAARC.
- 2) To encourage individuals and organizations in South Asia contributing to bettering the conditions of women and children.

- 3) To honor outstanding contributions and achievements of individuals and organizations within the region in the fields of peace, development, poverty alleviation, environmental protection, and regional cooperation.
- 4) To honor any other contributions and achievement not covered above of individuals and organizations in the region.

The SAARC Award consists of a gold medal, a letter of citation, and cash prize of US\$25,000 (₹15 lakhs). Since the institution of the SAARC Award in 2004, it has been awarded only once and the Award was posthumously conferred upon the late President Ziaur Rahman of Bangladesh.

## ***9.2. SAARC Literary Award***

### **9.2.1. Recipients of SAARC Literary Award 2013**

The SAARC Literary Award is an annual award conferred by the Foundation of SAARC Writers and Literature (FOSWAL) since 2001 which is an apex SAARC body. Shamsur Rahman, Mahasweta Devi, Jayanta Mahapatra, Abhi Subedi, Mark Tully, Sitakant Mahapatra, Uday Prakash, Suman Pokhrel and Abhay K are some of the prominent recipients of this award.

Nepali poet, lyricist, and translator Suman Pokhrel is the only poet/writer to get this award twice.

## ***9.3. SAARC Youth Award***

The SAARC Youth Award is awarded to outstanding individuals from the SAARC region. The award is notable because of the recognition it gives to the Award winner in the SAARC region. The award is based on specific themes which apply to each year. The award recognizes and promotes the commitment and talent of the youth who give back to the world at large through various initiatives such as Inventions, Protection of the Environment and Disaster relief. The recipients who receive this award are ones who have dedicated their lives to their individual causes to improve situations in their own countries as well as paving a path for the SAARC region to follow. The Committee for the SAARC Youth Award selects the best candidate based on his/her merits and their decision is final.

## ***9.4. Previous Winners***

- I. 1997: Outstanding Social Service in Community Welfare – Mohammed Sukur Salek (Bangladesh)
- II. 1998: New Inventions and Shanu — Najmul Hasnain Shah (Pakistan)
- III. 2001: Creative Photography: South Asian Diversity – Mushfiqul Alam (Bangladesh)
- IV. 2002: Outstanding contribution to protect the Environment – Masil Khan (Pakistan)
- V. 2003: Invention in the Field of Traditional Medicine – Hassan Sher (Pakistan)

*South Asian Association for Regional Co-operation & its Contribution to the South Asian Politics and Economy*

- VI. 2004: Outstanding contribution to raising awareness of TB and/or HIV/AIDS – Ajj Prasad Poudyal (Nepal)
- VII. 2006: Promotion of Tourism in South Asia – Syed Zafar Abbas Naqvi (Pakistan)
- VIII. 2008: Protecting the Environment in South Asia – Uswatta Liyanage Deepani Jayantha (Sri Lanka)
- IX. 2009: Outstanding contribution to humanitarian works in the aftermath of Natural Disasters – Ravikant Singh (India)
- X. 2010: Outstanding contribution for the Protection of Environment and mitigation of Climate Change – Anoka Primrose Abeyrathne (Sri Lanka)

## **10. Anthem**

SAARC does not have an official anthem like some other regional organizations (e.g. ASEAN). [61] A poem by poet-diplomat Abhay Kumar spurred a search for a better SAARC anthem. Nepal's foreign minister has expressed the need for an SAARC anthem to connect SAARC nations. Nepal at the 18th summit in Kathmandu in November 2014 planned to introduce proposal for an SAARC Anthem in the agenda of summit when heads of all member states meet here.

## **11. Conclusion**

The South Asian Association for Regional Cooperation (SAARC) is a regional body of representatives from eight countries to promote mutual assistance in economic, agricultural, environmental, etc sectors. In the 1970's then president of Bangladesh, Ziaur Rahman proposed creating a trade bloc of South Asian countries. In 1981, at a meeting held in Colombo, India, Pakistan and Sri Lanka accepted the proposal. In August 1983 the leaders accepted the Declaration on South Asian Regional Cooperation. Finally, on December 8th, 1985 heads of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka met and signed the charter instituting SAARC. In 2007 Afghanistan also joined as a SAARC member. In 1987 SAARC established the SAARC secretariat which resides in Katmandu, Nepal. The role of the secretariat is to monitor and ensure the implementation of the SAARC activities, advise the meetings of the association and correspond with international organizations.

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*South Asian Association for Regional Co-operation & its Contribution to the South Asian Politics and Economy*

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