



Why is SAARC Perennially Gridlocked and How can it be Revitalized?

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On 8 December 2010, the South Asian Association for Regional Cooperation (SAARC) celebrated its twenty-fifth Charter Day. Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka established SAARC in 1985 'with the objectives of promoting welfare of the peoples of South Asia and improving the quality of their lives through acceleration of economic growth, social progress and cultural development'. Afghanistan joined SAARC as a member in 2007 and Myanmar applied for membership in 2008. Recent SAARC summits have attracted observers as diverse as the United States and Iran. More recently, SAARC was accepted as an observer at the United Nations Climate Change Conference in Cancun (2010). In short, not only is SAARC growing, but it is also being accepted at multilateral forums as a representative of its member states. But unfortunately, unlike its older cousins the European Union (EU) and the Association of South-East Asian Nations (ASEAN), SAARC has never managed to take off fully and continues to be a nominal entity. The slow progress on the SAARC Free Trade Area (SAFTA) is a case in point. Even more serious is SAARC's inability to galvanize action on the rapidly deteriorating ecological situation in the region, which is home to around half of the world's poor. While it is common to lay the blame at the door of Indo-Pak rivalry, the reasons for SAARC's failure are, in fact, deeper and structural in nature. A constellation of geographical, ethnic, historical and political factors has gridlocked SAARC, as discussed below. The gridlock will persist unless India adopts proactive confidence-building measures. India can, and should, act.

The Importance of India

A key reason for SAARC's failure is that one of its members is much larger than all of SAARC's other members put together. India accounts for at least three-fifths of SAARC's area, population, GDP (on a purchasing-power parity basis, or PPP), foreign exchange (forex) and gold reserves, and armed forces. The enormous resource and power differentials naturally translate into an acute sense of insecurity in the neighbourhood. Unsurprisingly, smaller countries seek to ally themselves with 'outsiders'. Furthermore, SAARC's second largest country—Pakistan—is not that small either, which results in polarization instead of regional harmony. Pakistan, in fact, is among the world's most populous countries and a nuclear-weapon state.

<i>Region</i>	<i>Area</i>	<i>Population</i>	<i>GDP (PPP)</i>	<i>Forex and gold reserves</i>
SAARC	64.07 (4.13)	73.82 (6.62)	80.72 (7.92)	90.39 (19.95)
SAARC + Myanmar	56.60 (4.13)	71.42 (6.62)	79.69 (7.92)	89.34 (19.95)

India's Percentage Share in the Region (with Pakistan's Share in Parentheses). Source: The World Factbook 2010

India's central location within SAARC also accentuates the effect of its size. Given its enormous geographical expanse, India shares a land and/or maritime boundary with all other SAARC countries,

while they (except for Pakistan and Afghanistan) do not share boundaries with each other and have India as their sole South Asian neighbour. International borders in South Asia are still not all settled beyond dispute, and conventional conflicts are not decreasing in shared border areas. India, as the largest SAARC country, finds itself entangled in conventional conflicts with almost all other SAARC countries, which accentuates their sense of insecurity and pushes them to ally themselves with outsiders.

Hindrances to Regional Cooperation

Geography severely limits regional cooperation in South Asia and, in fact, promotes conflicts. The insecurity of smaller countries engenders demand for external intervention in South Asian conflicts. South Asia'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.



Map of the SAARC Region. Source: World Bank 2010

But geography is not the only culprit. Differences in political systems also make regional cooperation difficult. Except for India, none of SAARC's members have a stable, secular democracy. Unfortunately, the convergence of political systems is unlikely in the near future. The problem was aggravated in the past because of India's pro-democracy rhetoric. In recent times, however, this problem has to some extent changed, because on the one hand India has toned down its rhetoric, and on the other democracy has begun to put down roots in SAARC countries such as Bangladesh, Bhutan and Nepal, while Sri Lanka is actively encouraging its Tamil minorities to participate in the democratic process.

Furthermore, historical differences add to the intractability of disputes among SAARC's members. Countries that came into existence after the bloody Partition of British India continue to define their relationships in terms of the unfortunate formative experiences and unresolved Partition disputes. Inter-state conflicts in SAARC are relatively unmanageable, also because the majority ethnic community in each of India's neighbours is a minority in India. The problem is aggravated by the Islamic rhetoric of Pakistan's foreign policy.

How to Revitalize?

In short, the extreme power differential and political, ethnic and historical factors have engendered intense distrust within SAARC. The smaller countries try to bandwagon with external powers or to balance between India and outside powers. Unsurprisingly, regional cooperation is not only hampered by local factors, but is also thwarted by external powers that exploit local fault lines. But is there a way out?

There are two alternatives. First, like-minded SAARC countries could form a sub-group and move along. However, cooperation within any sub-group that includes India will be limited by the very factors that limited cooperation within SAARC, whereas any sub-group that does not include India will suffer from lack of contiguity and capacity constraints. Second, one or more members can take initiatives to reduce the trust deficit and to rejuvenate SAARC. India is the only SAARC country that can afford unilateral measures. This is true not only because of its large economy, but also because of the multiple levels on which it operates. If, for example, Bangladesh unilaterally reduces tariffs on imports, its domestic industries will suffer in the short run. However, if India takes such a step, its industries will not be affected given the size of the domestic market as well as their global competitiveness. If such a step helps in reducing regional tensions, then India gets an additional bonus from being able to concentrate on its global agenda, which in turn reduces 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, and therefore should, bear the cost of rejuvenating SAARC. Otherwise India will remain tethered to South Asia because of regional conflicts.

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