

SAARC - model of Regional Integration

SAARC is a regional organisation of South Asian Nations; came into existence 8th Dec, 1985.

- high time of
on politics

STATUS - as a regional Organisation:

- It is a weakest example of regional integration & no where near level of integration as compared to EU & ASEAN.
- SAARC is even no where near to African Union, which has made concrete efforts towards building a pan-African identity; AU has -
- Contributed for strengthening democracy & Economic development in partnership with India, China. It is playing a role in resolving crisis in Somalia, Sudan, & was successful in resolving political crisis in Libya.
- SAARC movement's achievements are not comparable to APEC & NAFTA. SAFTA has not come into existence.

- diversified from 1.
- threat to each other
- protectionist economy

FACTORS - responsible for poor performance of SAARC

- Comparative Analysis on Integration of Other Regions

1. Historical Factor

In EU different countries had their own estb. identity & wanted to develop Collective Identity. South Asia represents case of 'Reverse Regionalism', formerly known as 'Indian sub-continent', was an integral entity in terms of culture & way of life. Since 1950s, EU moved towards common identities, since 1940s, South Asia moved towards developing independent & compartmentalised identities. They justify their difference from India rather assert a common identity. Hence there is no momentum for S. Asian identity. It is said -

'South Asia' is a name, looking for ^{place} location on map.'

2. SAARC is a regional organisation with a negative mindset, formed by smaller neighbours of India to form a coalition against India; and to oppose India.

3. There has been huge asymmetry in terms of size & power among members, which is not found in other regional cooperations.
4. There has been no External supportive factor as in case of EU & ASEAN, where the integration was supported due to External threat, whereas in SAARC countries take each other as threat to each other.
5. India-Pakistan rivalry is major reason for failure of SAARC to emerge as Economic Unit.
6. Economies were inward looking, they are supplementary rather than complementary.
7. India's actions like - intervention in East Pak, creation of Bangladesh, India's Rajiv Doctrine, intervention in SL, economic blockade of Nepal, failure to resolve border & water issues have also acted as impediments.
 - eg textile producing.
 - integration of sikim
8. SAARC was formed in hey days of CW when region was polarised.
9. SA leadership lacked vision & will for this exercise, as shown by leaders of France & Germany. The leaders have not been sensitive to needs & requirements of people.

- SA is home to largest number of poor, destitutes, malnourished people. All countries are vulnerable to natural & social disasters. No country can handle this alone. Thus, there is a disconnect b/w political elites & aspirations of people. Thus there are vested interests in all countries benefitting out of present situation.
- There is a failure of experiment of democracy, in countries of SA, except India, is also responsible for state of affairs.

ACHIEVEMENTS OF SAARC

- so far 14 irregular summits have taken place.
- institutionalised platforms - SAARC Technical Committee
DM, Agriculture, Disarmament
- SAARC development funds
- SAARC film festival, culture, craft festival
- SAAFMA - federation of Media Association
- Quadrilateral Milk grid - linking Bangladesh, Bhutan, Nepal & India
- SAARC regional food bank.
- South Asian University
- SAARC integrated programme of action

OBJECTIVE OF SAARC

- Peace & Prosperity for people of South Asia

Approach - respecting territorial integrity & sovereignty, all decisions by consensus.

- functionalism is the approach.

FUTURE OF SAARC

- Acc. to Kaushik Basu, SAARC did not have a promising childhood but can expect a better adulthood, the reason is environment is changing

- Economies are opening up
- Democracy is taking roots.
- located near economically vibrant region
- India is taking steps to normalise relationships
- Civil society is strengthening;
- since, India & Pak acquired nuclear weapons, International community is getting serious w.r.t. normalisation of India-Pak relations.

- Acc. to some, even small achievement in SAARC is a big achievement.

- Acc. to Man Mohan Singh, it depends on how we look at SAARC, we can look at a glass, either as half-full or half-empty.

SAFTA

- It is a FTA that emerged in 2004 as agreement
- SAARC countries agreed to create SAFTA at Islamabad Summit in 2004.

OBJECTIVES - ISLAMABAD DECLARATION

- i) commitment to create SAFTA
- ii) commitment to fight terrorism
- iii) commitment on poverty alleviation
- iv) cooperation on Energy & Environment

HISTORY

Before SAFTA, South Asian countries entered into SA Preferential Trading Agreement SAPTA, 1995.
Ten years after SAARC.

Objective of SAPTA - poverty alleviation through intra regional trade

Achievement - none in increasing intra regional trade or poverty alleviation

Q7

Even at present, intra regional trade is stagnated at 5% of total trade, these countries have with other regions.

FAILURE of SAPTA

- South Asia is region where politics take the front seat & economy the back seat
- It is the least ambitious trading agreement.
- It had gone for positive list.
- There were no binding commitments or time bound agreement
- The items in positive list were hardly traded
- No targets for tariff reduction, it was a completely voluntary arrangement

Countries could go for bilateral agreements, if they can't arrive on multilateral agreement

No clarity on rules of origin.

No dispute settlement mechanism

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Features of SAFTA

- shift from positive list to 'sensitive list'
- each country has to review sensitive list regularly to bring significant reduction.
- Countries have to reduce tariff of time limit & get them b/w 0-5%.
- for LDCs of SAARC - they'll reduce tariff by 2016
- non LDCs by 2013.
- in case of rules of origin if product has 60% of imported goods, it'll get benefit. It should not be more than 60%; In case of LDC, 10% additional concession is given.
- It creates SAARC Dispute Settlement body
- It also has a clause for compensating revenue loss incurred by LDCs in form of developmental aid.

NOTE: SAFTA came into agreement - 6th 2006
& ^{had to} come into force by 2016. i.e. in 10 years.

India, Pak
ex. SL

In recent years, many countries have become interested in SAARC - US, EU, China, Japan, SK, Mauritius & Myanmar are observer states.

Nepal & SL want China should be given full membership; but China India is reluctant.