

SAARC and the Male Summit

Synopsis: This is the age of regional economic cooperation and SAARC has become the latest such forum. Now it is 12 years old but has not much to boast of. Its Eighth Summit was held in New Delhi in 1993 which, among other things, urged dismantling of non-traffic barriers to increase exports from developing countries. The Ninth SAARC Summit was held recently in May 1997 at Male which urged its member nations to have more frequent informal bilateral talks among themselves, and decided to advance the date of SAFTA from the year 2005 to 2001. These are welcome steps. India being the biggest country and economy in the group has to take a lead by removing non-traffic barriers on many items of trade and import. The Ninth Summit also endorsed the sub-regional grouping like "Growth Quadrangle." It decided to introduce direct flights among the seven SAARC nations and resolved to continue cooperation in fighting terrorism. Now, it needs to expand its activities appreciably and emulate ASEAN. It should try to have meaningful interaction not only with ASEAN but also with Japan, a major world economic power on the Asian belt.

This is an age of regional groupings and economic alliances, globalization and liberalizations notwithstanding. Many countries in the same area are coming closer in many ways for mutual economic growth, industrial development, poverty alleviation and business-integration. These strategies have become crucial in order to serve further the individual national interests collectively and severally. There has been European Union since 1957 and European Free Trade Association (EFTA) was formed in 1960, which was later merged into the European Free Trade Area. Similarly, Malaysia, Indonesia, the Philippines and Singapore formed the ASEAN (Association of South East Asian Nations) in 1967 and Brunei joined it in 1984. In our own region was formed the SAARC (South Asian Association for Regional Cooperation), however, belated by India, Pakistan, Bangladesh, Nepal, Bhutan, Sri Lanka and Maldives in 1985.

The first SAARC Summit was held in Dhaka on 8th December, 1985. Now the SAARC is 12 years old and during this period SAARC has made some progress though not spectacular. The Eighth SAARC Summit was held in New Delhi in December 1994. The Summit urged the liberalization of world trade and dismantling of artificial barriers which impede exports from developing countries. It also focused on known areas of concern like terrorism, increasing trade in narcotics, environment protection, empowerment of women and children. Poverty alleviation and global nuclear disarmament. It also

expressed confidence that the momentum given to SAPTA during the summit was bound to be carried forward with even greater vigor in the coming years. When asked what SAARC had to boast of its 10 years' existence. The then Union Minister of Commerce, P/ Chidambaram, said," SAARCH may not exactly have to boast of by way of achievements in its 10 years' of existence, at the same time it cannot be belittled. SAARCH has been able to establish a strong base of regional cooperation in several areas such as agriculture, communications, education, environment, drug-trafficking, rural development, etc. But is unfair to compare SAARC with ASEAN or European Union which have been much longer in existence.

India being the biggest partner and economy in the group has to play more responsible role in the development and success of the SAARC. The Gujarat Doctrine of the present Prime Minister Mr. L. K. Gujral is likely to further inspire and increase this responsibility.

The Ninth South Asian Summit was held in May 1997 at Male. During the summit these South Asian countries moved a step closer towards interaction among themselves by agreeing to have more frequent informal consultations. At the conclusion of the Summit it was declared that the aim of promoting peace, stability and amity and accelerated socio-economic cooperation might be best achieved by fostering good neighborly relations, relieving tensions and building confidence. The leaders agreed that the process of informal political consultations would prove useful in the matter.

The Maldives President and the Chairman of SAARC Maumoon Abdul Gayoom, at the end of the Summit, said in a press conference that the Group had accepted his proposal of political dialogue among the leaders. His suggestion that this might lead to a SAARC Declaration of the Principle of Political Cooperation and Stability might be accepted at a later stage.

During the Summit, the SAARC leaders had been holding informal bilateral talks and discussions in the intervals between formal meetings. The leaders also agreed to transform the South Asian region into a free trade area by the year 2001. This can be said to be one of the biggest achievements of this Summit because the new target date of 2001 represents a four year advance over the original deadline of 2005. It will prove a big boost to intra-SAARC trade which is currently very low at 3 per cent in comparison to other regional groups like ASEAN etc. There is a vast possibility of regional integration, of trade and investment among the member States in such vital infrastructure sectors as roads, transport, communication and power. Increased integration and cooperation will

also allow business and industry to take more advantage of a larger regional market.

India stands to gain because being a biggest economy in the region with about 60 per cent of its total import to this region. Greater cooperation among member nations also means greater collective strength to foil protectionist measures in the guise of environmental and labour standard justification by the developing countries. Obviously, much spade work needs to be done by the group countries individually and collectively to make SAFTA a success. The transition from SAPTA to SAFTA pre-supposes an implementation of an action plan involving tariff cuts which has so far been a major road-block in increasing the intra-SAARC trade. India being the largest country and economy has to take a lead in the matter by removing the non-tariff barriers on many items and commodities. Though SAFTA idea is just 2 Summits old and yet the above decision to advance the target date by 4-5 years marks a good progress. Undoubtedly, SAFTA will benefit all the member nations immensely if the preparatory work is done honestly and expeditiously. For poverty alleviation programme and empowerment of women and children it is imperative that defence expenditure is appreciably reduced and the funds are utilized for literacy and other welfare schemes. The member countries, particularly Pakistan and India have to agree to cut their defence spending and decide the road-map for future prosperity and growth.

Another highlight of the Summit was the endorsement of sub regional cooperation grouping. It agreed that sub-regional cooperation and grouping did not go against the SAARC Charter. Thus, the "Growth quadrangle" floated by Bangladesh, Bhutan, Nepal and India, was given approval though Pakistan had earlier opposed it saying that it was volatile of the SAARC Charter as it tended to isolate certain member countries. India countered the Pakistan stand by pointing out that four member countries of the "Growth Quadrangle" were geographically contiguous and that cooperation among them for development would be facilitated by this move. And so ultimately, Pakistan had to agree that sub-regional grouping was no longer an issue and member countries could do so bilaterally. The constructive bilateral meeting between the Prime Ministers of India and Pakistan, Mr. I.K. Gujral and Mr. Nawaz Shariff, was also very satisfying. The Summit decided to introduce direct flights among the seven SAARC countries. The Summit also resolved to continue to fight against terrorism and called for urgent measures to halt activities which helped terrorist groups to collect funds in South Asia.

The next SAARC Summit is scheduled to be held in Colombo (Sri Lanka) in 1998. It will coincide with the 50th Independence anniversary of the island nation. Now, SAARC should expand its activities to increase intra-regional trade to high levels. It should try to have interaction with ASEAN and emulate the forum. Both the for a can very easily undertake third country technological venture and increase their area of business and marketing. SAARC can also have interaction with Japan located on the Asian belt and a major world economic power.