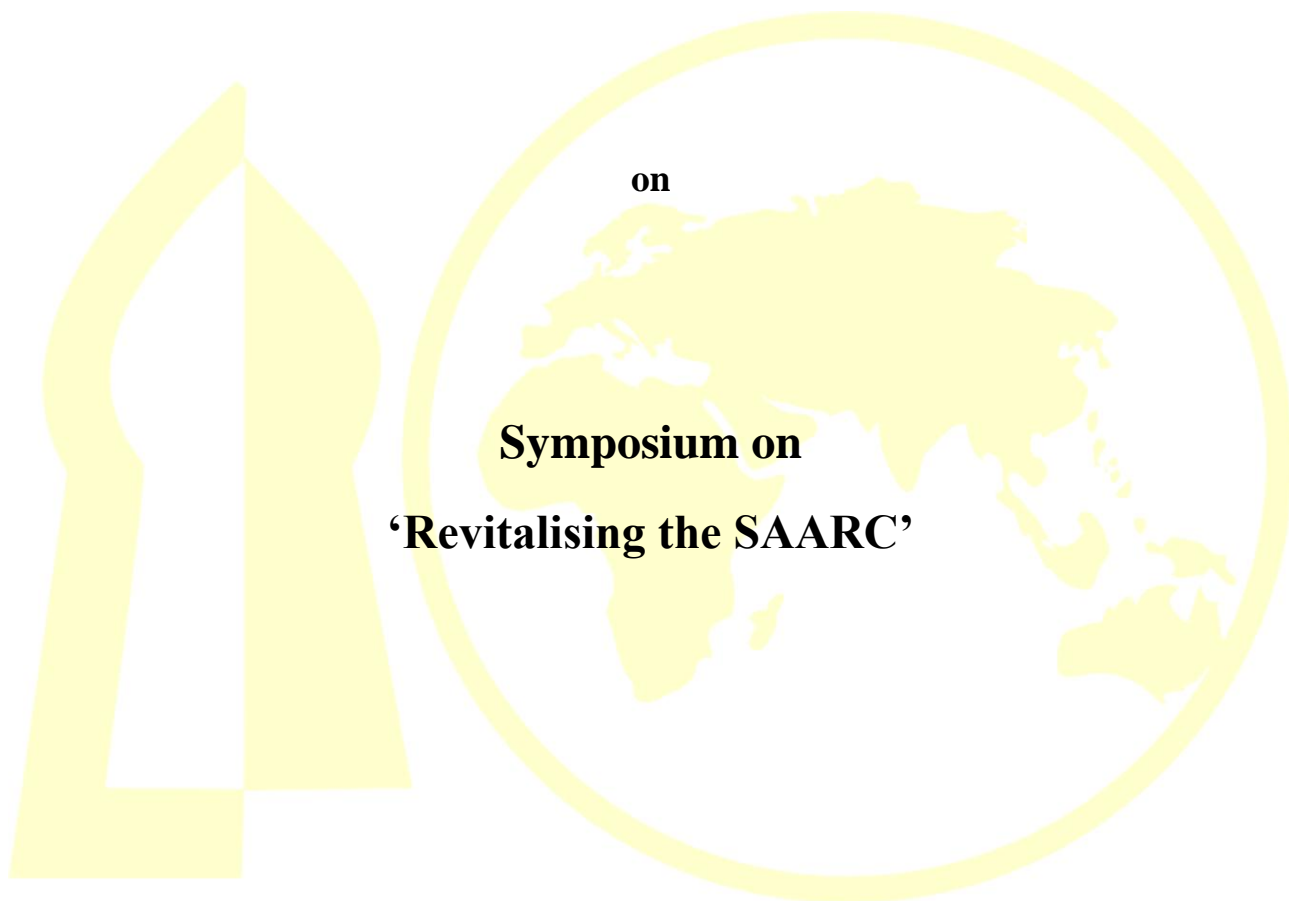




**Indian Council of World Affairs**  
**Sapru House, Barakhamba Road**  
**New Delhi**

**ICWA Sponsored**  
**Event Report**



**at**

**Sapru House, New Delhi**  
**29 September 2014**

At the inaugural session, the Director General (DG) ICWA, while welcoming the gathering pointed out the significance of symposium on SAARC and said that this was a relatively new era in Indian foreign policy as governance and foreign policy were moulded by a strong decisive Prime Minister of India. In this context, he raised three fundamental questions on SAARC: (a) How should the balance sheet of SAARC be prepared and what were the achievements and shortcomings?; (b) How SAARC should be viewed in the context of India's national and regional interests, and address scepticism and contradictions effectively; Could India become a truly great power even if there is no peace at regional level?; and (c) lastly, how SAARC should relate to extra-regional powers presence in the region?.

Key note address was delivered by Ambassador Eric Gonsalves while delivering the key note address reflected upon the shortcomings of SAARC. He expressed that despite large number of committees and meetings under SAARC, the organisation was not alive because there was no economic and social convergence among member states. Unless all the SAARC governments systematically address barriers such as visa and market access, there would be problems. Lack of economic and social development in India was also acting as a barrier which needed to be addressed domestically.

Mr. Ajay Gondane, JS, SAARC in his special remarks opined that SAARC since 1985 may not have been a bright star, but has made gradual progress in terms of institutional arrangements and fostering dialogue among member states. He informed the audience about the role of official processes such as Expert groups, Eminent Persons Group, Regional Centres of Excellence etc and to accelerate the working of SAARC in 2007 it was decided to put more thought, emotion and energy to revitalise the SAARC. He talked about consolidation of the trade, financial and cultural architecture along with accelerating the dialogue for Free Trade Area, South Asian Economic Union, Mutual Legal Assistance, and South Asian Security Architecture. Home Secretary meetings, Police Chiefs meeting, and People to People contact at SAARC level are progressing at an even pace. He also talked about the SAARC Visa stickers schemes AND expressed that it was working despite anomalies. He stressed on connectivity and opined that SAARC as a region was well connected in the past than it is now. He hoped that enhanced connectivity would improve Intra Regional Trade (IRT) within the region.

The **First Session on Three Decades of SAARC** was chaired by Ambassador Sheel Kant Sharma and the panellists were Prof. M. P. Lama and Prof. Saroj Mohanty. In the session, Ambassador Sharma expressed that under the new leadership in India, there was a possibility that the SAARC would be revitalized. However, the SAARC has not focused much on cooperative endeavours. Prof. M.P.Lama expressed the view that SAARC as an institution has failed to achieve the goal of poverty eradication in South Asia by 2012 even though this particular goal was high on the social agenda of SAARC since the 6<sup>th</sup> Summit in Colombo in 1991. He added that lack of commitment to meet the deadlines and lack of mechanisms to regulate the implementation process led to this failure.

Prof. Saroj Mohanty said that even though South Asia was deeply affected by the global recession, it was likely to grow fast in coming years as its share in global GDP was increasing. Small countries of the SAARC have very high stakes in the region and he said that overall trade of the region is growing and IRT is maintaining same pace with overall trade. He stressed that five percent IRT ratio was critical to the region and change in the structure of economies might also bring change in the IRT ratio. He stated that the region has not done much to mobilise regional investment.

### **Recommendations**

- Implementation of two or three projects at the regional and sub-regional level on a specific time frame;
- Appointment of Independent agency to oversee implementation of projects;
- South Asia's regional investors should be tapped;
- Improving activities in Global Value Chain can improve regional integration in South Asia;
- Focus should be on harnessing available resources within the region.

**Second sessions on Economic Co-operation: Intra Regional Trade, Investment and Connectivity** was chaired by Dr. Nagesh Kumar and the panellists were Dr. Nisha Taneja, Dr. Amita Batra and Mr. Bipul Chatterjee. Dr. Nagesh Kumar said that most of the South Asian countries have uncertain economic outlook, and mega regional trade blocs need to be exploited for regional integration.

Dr. Nisha Taneja was of the view that the Regional Trade Agreements (RTAs) and Tariffs need to be studied further. India has offered market access at a maximum of 5 % customs duty and should down customs duty to Zero for all new LDCs. She reflected upon the fact that India and Pakistan are the only two countries in South Asia who are members of International Laboratory Accreditation Cooperation (ILAC) and other countries need capacity building to become members. However, she opined that setting regional standards was not feasible as India was fast aligning to global standards. Dr. Taneja stressed that restriction on transnational movements of goods particularly at Indo-Pakistan border was an issue which needed to be addressed. In South Asia, land ports were less effective than sea ports therefore maritime connectivity needed attention to improve trade.

Professor Amita Batra said that economic integration in South Asia could be possible by addressing issues such trade and conflict relationship. The best example was India and Pakistan's actual and anticipated conflict which has caused 65% loss of bilateral trade. She stressed that democratic regimes have 25% more bilateral trade. Reflecting on tensions between India and Pakistan she expressed that India's trade in parts and components has declined from 17.2 percent in 2000 to 12.4 percent in 2010. In comparison, 28.4% of China's total trade in parts and components increased 22 percent in 2010. Even though there are reservations about including China as a member in SAARC, India and China were coming together in other regional formulations.

Dr. Bipul Chatterjee stated that East African community was better connected. One of the reasons, he said was the leadership of those countries. In many countries in East Africa, he said that there was a Ministry of Coordination which was facilitating regional coordination process. He explained that the volume of trade in South Asia has decreased with the coming up of Integrated Check Posts (ICPs) and there was a lack of financial connectivity at borders.

### **Recommendations**

- Institutional changes were required such as adopting International Road Transport (TIR) convention. Afghanistan was already a member and India and Pakistan were trying to become members
- There was a need to introduce a Regional Business Travel Card.
- Large trade imbalances could be addressed through investment and easy VISA procedures.

- SAARC needed to look into the basis of accepting extra regional powers as observers.
- There was a need for trade facilitating policy in South Asia.
- Sub-regional transport facilitation agreement was also required.

**Session Three on Social Interactions and Co-operation** was chaired by Dr Ash Narain Roy and the panellists were Mr. Prashant Jha, Dr. Smruti Pattanaik, Dr. Medha Bisht, and Dr. Priyanka Singh.

Ash Narain Roy was of the view that SAARC progress was slow because individual members prefer to walk alone rather than exploring new opportunities for engagement. The engagement between communities living on the border area has increased due to communication networks and non-SAARC initiatives.

Mr. Prashant Jha said that two to three million Nepalese citizens were working in India and social and political relationship was very deep and growing. India and Nepal model can be replicated at the SAARC level. He opined that social media such as Face book, twitter etc have both positive and negative impacts. But these mediums have also brought people together. Organic processes are happening such as book festivals which are more effective in engaging people and have supported people to people interactions.

Dr. Smruti Pattnaik remarked that non-official interaction between the countries was happening such as Business forum etc but there were no opportunities for the academicians and students to interact with each other. She suggested increased interactions among South Asian communities, promotion of cultural activities and programmes but this was not feasible until and unless travel restrictions were removed.

Dr Medha Bisht opined that strategic logic was preeminent in guiding institutional and economic integration in South Asia. Governments need to focus on ecological issues such as climate change in South Asia, because it will have serious consequences on agriculture and food security.

Dr Priyanka Singh stated that social interaction was effective in creating positive atmosphere. To optimise social interaction, cultural continuity was a must and social interactions need to be more inclusive. This was possible through right kind of representation, equal opportunities and engagement with border communities. She also said that India and Pakistan need to look at the bilateral issues in the prism of SAARC.

### **Recommendations**

- The ecological idea need to be deliberated upon if the regional integration has to fructify.
- Visa regulations need to be eased for non-institutional interactions at SAARC level.
- Nurture peace constituencies in the region and invest in social capital

Session Four focussed on **Future Prospects** which was chaired by Ambassador I. P. Khosla. Ambassador K. K Bhargava, former Secretary General, SAARC addressed the gathering through Skype from Ottawa, Canada. Other panellists in this session were Ambassador Sheel Kant Sharma and Mr. Tridivesh Singh Maini.

Ambassador Bhargava said that the situation in South Asia is marginally different from when SAARC was born in 1985. The possibility of intra-regional trade has increased and there is a marked change in the field of investment and has better prospects. SAARC has many achievements to its credit and he expressed that ‘One-size-fits all’ approach was not required. He opined that trade and tourism in South Asia has great potential, and sub-regional level cooperation on areas such as tourism, energy, food, water and environment should be promoted. The gap between policy formulation and implementation has to be narrowed.

Ambassador Sharma said that SAARC’s revitalisation was in the country’s interest and India should work towards it. Sub-regional exchanges have not accelerated and China’s engagement in the region needs to be critically looked into. Mr. Trividesh Maini said that human resources were needed to improve performance of SAARC. Further improvement and progress in domestic political and economic systems in South Asia also need to be looked into. He also said that regional cooperation was never on the agenda of high table politics.

### **Recommendations**

- South Asia forum should be started and ICWA should take an initiative in this regard.
- Address trust deficit issue in South Asia on a priority.
- Work towards more interconnected and inclusive growth.
- Develop a cohesive approach to enhance regional connectivity.
- Growing importance of observers in SAARC need to be looked into.
- Bilateral, regional and multilateral agreements have to be consistent with each other.
- Include few Central Asian countries in SAARC.
- For infrastructure development more than two countries need to be involved in the project phase.
- Need for high level group to review SAARC.

Ambassador Rajiv K Bhatia, DG,ICWA expressed the view that that there was a need to address China's increasing interest in SAARC and its promotion of Maritime Silk Route (MSR) in Indian Ocean and what were the options for India. Exploring possibilities of engaging with China without disturbing regional peace was another concern expressed. He also said that there was economic, social and strategic aspect to SAARC progress and for regional integration. In response to this question, there were mixed responses from the panellists and the audience. Ambassador Bhatia thanked the participants for their participation in the symposium.

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*The Report is prepared by Dr. Mallempati. Samatha & Dr. Amit Ranjan, Research Fellow, ICWA.*