

Regional Cooperation in South Asia

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Over the last 60 years, Regional Trading Arrangements have proved to be effective catalysts for accelerating economic integration and growth of some regions. These have come with attendant benefits like increased employment opportunities for the people of the region, reduction in poverty levels, improvement in the welfare of the people, etc. Such cooperation leads to the creation of regional value chains, expands the markets available for a country's products, and also makes available raw materials and other inputs which are not to be found locally. Regional cooperation poses challenges to countries outside these arrangements. However, involvement in these arrangements can help members withstand competition, and make their products globally competitive.

At the inaugural session of the Kathmandu Summit in November 2014, Prime Minister Modi said,

...in the life of an individual or a nation, a good neighbourhood is a universal aspiration. Where does South Asia wish to stand in this world? Nowhere in the world are collective efforts more urgent than in South Asia; and, nowhere else is it so modest. Big and small, we face the same challenges — a long climb to the summit of development. Yet, when we speak of SAARC, we usually hear two reactions — cynicism and scepticism. This, sadly, is in a region throbbing with the optimism of our youth.¹

These words reiterate the need for regional cooperation, particularly in South Asia; they also highlight the current state of cooperation in this region. Regional cooperation generally leads to peace, prosperity, and stability which are essential for focusing on development related issues. There are several organizations in this region, with overlapping responsibilities and membership. The important four are: SAARC, BIMSTEC, BBIN and SASEC.

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SAARC

South Asia was one of the most integrated regions 70 years ago. The political boundaries drawn in 1947 divided the people and made most linkages inoperative. This made the region one of the least economically integrated ones. Today, the endeavour is to re-establish these earlier linkages. Such efforts were at bilateral levels till 1985 when India, Bangladesh, Bhutan, Nepal, Maldives, Sri Lanka, and Pakistan decided, in Dhaka, to establish SAARC (the South Asian Association for Regional Cooperation). Afghanistan joined SAARC in 2005. SAARC has 9 observers, including the EU, the USA, China, and Japan.

When SAARC was launched, the leaders drew inspiration from successful regional organizations like ASEAN, EEC (later EU), and NAFTA whose initial main focus was promoting intra-regional trade and investment. This was facilitated by Article XXIV of GATT which accorded legitimacy to Regional Trade Agreements, providing for concessional duty on imports from RTA partners without having to extend the same concessional facility for imports from other countries as required under the Most-favoured-nation (MFN) rule which is the fundamental principle of GATT. Over a period of time, the Focus of EU and the ASEAN has extended beyond intra-regional trade and investment.

The objective of SAARC, as stated in the preamble to the SAARC Charter, is to promote peace, stability, amity, and progress in the region. SAARC was tasked to promote the welfare of the people of the region, improve the quality of their life, and promote and strengthen collective self-reliance among members, all eminently laudable objectives. Members were battling similar problems: widespread poverty, inequality, underdevelopment, social and political tensions, extremism, etc. SAARC is a grouping of countries that are large and small; they have different political systems and different approaches to economic development. It was the hope of leaders that, through cooperation at the regional level, they would be able to promote peace and stability in the region by focusing on mutual understanding, accelerated development, and by addressing the problems of malnutrition and poverty. Keeping in view the serious political issues dividing them, Members decided that all decisions in SAARC will be unanimous and bilateral, and contentious issues would be excluded from SAARC fora. South Asian States are linked through history, geography, and a shared cultural heritage, but are divided by politics which is seriously inhibiting the realization of the objectives that Member States set for themselves in the Charter.

A major development in SAARC was the conclusion of the preferential trading agreement, SAPTA, in 1995, to promote trade, cross border investments, and economic integration. The Agreement had only a marginal impact in promoting trade, as Members were reluctant to open up their markets. Further, India already had Free Trade Arrangements with Nepal and Bhutan, and later, concluded a FTA with Sri Lanka, in December 1998. A bolder step was taken by SAARC in 2006, when the Member States concluded the South Asian Free Trade Agreement (SAFTA).² This was a carefully crafted agreement that factored in the differing levels of the development of Members. India, Pakistan, and Sri Lanka committed to bring down their tariffs to less than 5 percent by 2013, while the others which were Least Developed Countries (LDC) were given an extra three years to reduce their tariff to similar levels.

The Agreement has, however, not resulted in any dramatic increase in intra-SAARC trade, with trade among SAARC countries being US \$27 billion in 2014 - that is just around 6 percent of their total external trade. An UNESCAP study of 2017, titled 'Unlocking the potential of Regional Economic Cooperation and Integration in South Asia',³ estimated the potential for intra-regional trade in SAARC in 2014 at US \$81 billion. The same study concluded that the potential could more than double to US \$172 billion by 2020. Even if the UNESCAP assessment of potential for trade among SAARC countries is somewhat optimistic and assumes an ideal set of rules and conditions, it cannot be denied that there is immense potential for significantly increasing intra SAARC trade.

Trade among SAARC countries compares poorly with other regions that have concluded FTAs. Intra-regional trade is about 26 percent in ASEAN, 65 percent in EU and 51 percent in NAFTA. India granted duty free access to its market for five LDC Members of SAARC in 2008 and this became fully operational in 2012. However, this did not lead to any significant increase in their exports to India, since the export baskets of the LDCs were small and not diversified. The low level of integration in the markets is an important reason for the low level of cross border investment in the region. Thus, the main cooperative effort that has the potential to increase economic activity in the region and contribute to poverty alleviation and people's welfare has largely not delivered the hoped outcome.

The reasons for this are many. Firstly, none of the Members were keen to open up their markets to even regional competition. Goods of interest to them were placed in the negative list on which duty concessions were not available. Secondly, SAARC economies, being from the same agro economic

and climate zone, are parallel economies, growing/producing and exporting the same, or similar, products. These include, garments, tea, rice which are produced and exported by many Members. To that extent, the scope for trade among the Members is somewhat constrained. Further, poor infrastructure at the border, TBT (Technical Barriers to Trade) measures, and the high costs of intra-regional trade are not conducive to promoting trade. National priorities and inadequate cross border connectivity have been the prime determinants for the development of infrastructure. Politics has weighed heavily in Pakistan's decision not to extend MFN status to India, despite their legal obligation to do so under WTO rules and regulations.

At the 18th Summit in Kathmandu in November 2014, SAARC Leaders, *inter alia*, took the following decisions:⁴

- Renewed commitment to achieve a South Asian Economic Union in a phased and planned manner through a FTA, a Customs Union, a common market, and a common Economic and Monetary Union;
- Committed to enhance support for LDC and landlocked Member States in their development efforts;
- Renewed commitment to substantially enhance regional connectivity in a seamless manner, and emphasized the need for linking South Asia with contiguous regions;
- Directed relevant SAARC bodies and mechanisms to identify regional and sub-regional projects in the areas of power generation, transmission, and power trade, and implement them with high priority;
- Unequivocally condemned terrorism and violent extremism, and directed respective authorities to ensure full and effective implementation of the SAARC Regional Convention on the Suppression of Terrorism.

Progress, if any, on the above decisions has been minimal and very slow, prompting many informed observers to question the effectiveness of SAARC as a forum to address the common problems of the Members. The 19th Summit was to be held in Islamabad in 2016, but has not been held so far due to Pakistan's continuing support and direct involvement in cross border terrorist attacks against Indian targets. India has said that talks and terrorism cannot go together. Pakistan has also been obstructing progress on economic issues, like trade, transit, infrastructure development, etc., and stalling progress in various SAARC programs. Meetings do take place between officials, Parliamentarians, etc.; but Summit level meetings are essential to lend momentum to the activities.

Some of the more recent successes of SAARC are:

- The South Asian Agreement in Services (SATIS), that entered into force in December 2012; even this limited ambitions agreement has not been implemented properly, with leaders calling for early operationalisation of SATIS at their Kathmandu Summit in 2014.
- The SAARC Framework Convention on Energy Cooperation to facilitate cross border trade in electricity was signed in Kathmandu in November 2014. The Convention is yet to contribute to regional efforts towards trade in electricity. Some Members have bilateral arrangements for trading in electricity.
- Some SAARC institutions have taken off, but have not reached their full potential as yet. These include the SAARC Development Fund in Thimphu, the South Asian University in New Delhi, the SAARC Regional Standards Organization in Dhaka, and the SAARC Arbitration Council in Islamabad.
- The SAARC Motor Vehicles Agreement and the Railways Agreement were finalized well in time for their signature in Kathmandu. This could have been a significant achievement; however, Pakistan's reservations at the last minute stood in the way of the signature of the Agreements. (Officially, Pakistan said that they have not been able to complete their internal procedures). The Agreement was later signed by 4 Members (Details of this are in the section on BBIN below).

Given its size, population, market, GDP, and location at the centre of SAARC, India has a critical role in the success of SAARC and regional development. Conscious of this, it has taken several initiatives that go beyond the agreed joint programs of SAARC. Its focus has been on trade, connectivity, trade facilitation, and people to people contacts. Apart from its assessed contribution of US \$89.9 million to the SAARC Development Fund for its economic, social, and infrastructure programs, it has made a voluntary contribution of US \$100 million to SDF. India has contributed US \$530 million to various SAARC institutions. Most importantly, India has extended duty free access for 99.7 percent of the products of five LDC Members of SAARC. It has provided nearly US \$8 billion assistance to South Asian countries over the past decade. It also provides short term foreign exchange liquidity requirements of other Members through the currency swap Agreement. However, India has to keep the sensitivities of the smaller neighbours in view and tread the path cautiously.

At the 2014 Kathmandu Summit, Prime Minister Modi noted that less than 5 percent of the region's global trade takes place between SAARC Members. Of this, less than 10 percent of the region's internal trade takes place under SAFTA. Less than 1 percent of investments by Indian companies flow into the region. He observed, "As SAARC we have failed to move with the speed that our people expect and want. Some argue that it is because of the region's development gap. But, that should actually spur us to do more."⁵ He asked if Members were stuck behind the walls of differences and hesitant to move out of the shadows of the past. This, he said, won't resolve differences, but will certainly deprive the region of opportunities. He added India's vision for the region rests on five pillars: trade, investment, assistance, cooperation in every area, contacts between our people - and, all through seamless connectivity. While clearly identifying what ails SAARC, Prime Minister Modi indicated India's readiness to address many of the problems; but this would require cooperation from other Members, as well as and their joint efforts. At Kathmandu, India offered to provide vaccines, build a SAARC satellite, liberalise the visa regime for business travellers and those needing medical care, share its knowledge and expertise on disaster management, and to increase cross border physical and digital connectivity. It further suggested a regional Air Services Agreement.

It is often said that India being the largest country in the region, should walk the extra mile, and offer unilateral concessions to our neighbours. What this fails to recognise is that India has been doing this for many decades. The trade and economic arrangements we have with Nepal and Bhutan are the most liberal anywhere in the world. India's FTA with Sri Lanka provided for a much longer phase in period for Sri Lanka. It has given duty free access to 99.7 percent of the products of the five LDCs in SAARC, unilaterally. A large number of people from the neighbouring countries seek jobs in India. However, it has not taken action against people who enter India through irregular means. It also provides essentials to countries like Bhutan and the Maldives even when there is a blanket ban on the export of these items because of a shortage in India. India has also extended MFN status to Pakistan, despite the latter not extending reciprocal MFN status, as required under WTO rules.

Why has regional cooperation under SAARC framework not taken off in South Asia? An important reason for the lack of progress in SAARC is the political tension between India and Pakistan, because of which Pakistan is standing in the way of greater economic cooperation. This is so even when such cooperation would be in the interest of the people of the region. The unanimity rule for decision making, while intended to reassure India's smaller

neighbours, also comes in the way of faster decision making. Pakistan has made full use of this. A good example is the Motor Vehicles Agreement (MVA), which it blocked at the last minute in Kathmandu. Greater economic integration and intra-regional trade would be facilitated if there is cross border investment and value chains. This would require FTA to cover services apart from goods. Trade in goods would be greatly facilitated by a liberalised regime in services. To some extent, India has succeeded in this at the bilateral level; but the potential for this at regional level is enormous. Our neighbours have much to gain from India's growth, and many in those countries acknowledge this. There is, however, continuing reluctance on the part of our partners to move in this direction due to a trust deficit - no doubt due in some measure to India's size and dominance in the region. Poor border infrastructure, trade facilitation, and the high cost of intra-regional trade have also acted as dampeners. Neighbours also have the tendency to play the China card, which they see as an insurance against the domination of the region by India.

SAARC needs to step up efforts on trade and investment flows, trade facilitation, border infrastructure and transportation, all of which can deliver meaningful economic results to the people and thus win over their support. Meaningful cooperation in less contentious areas - such as disaster management, environmental issues, pollution, etc. - would also help in winning over people's support. The quest for an economically integrated South Asia has remained largely elusive, and the momentum is flagging. What is needed, but is lacking, is a strong and consistent political will among all Members to make the SAARC experiment a success. The lack of progress in SAARC is one of the main reasons for the other regional cooperation initiatives, like BBIN, BIMSTEC and SASEC.

BBIN

The lack of meaningful progress in SAARC prompted some Members to come together and explore the possibilities of establishing a complementary forum for regional cooperation. SAARC Summits in Male (1997), and Colombo (1998) endorsed sub regional cooperation - that is, cooperation among three or more members on issues of interest to them. One such initiative is BBIN - an informal grouping of Bangladesh, Bhutan, India, and Nepal. They have identified trade, transit, water, and energy as the areas on which they will focus.

The failure to sign the SAARC MVA during the Kathmandu Summit in

November 2014 (due to Pakistan springing a surprise in the last minute), prompted Bangladesh, Bhutan, India, and Nepal to explore a sub-regional agreement to facilitate the seamless and faster movement of persons and goods. The MVA that was supposed to be signed in Kathmandu was signed in Thimphu, Bhutan, by BBIN Transport Ministers in June 2015. The Ratification of the Agreement, however, ran into problems in Bhutan, although Bhutan stood to benefit the most from the Agreement. The remaining three countries are moving towards implementing the Agreement. Earlier this year (2018), they have agreed on operating procedures for passenger vehicle movement, and are expected to sign the passenger protocol soon. It is surprising that this has taken so long, as both Nepal and Bangladesh already have agreements with India on the movement of passenger vehicles. The implementation of the MVA will facilitate trade, and strengthen people to people contacts.

The failure of Bhutan to ratify the MVA led to questions being raised on whether BBIN can succeed where SAARC has not delivered expected results. The BBIN is a more compact grouping, and Members have come together to cooperate in specific areas in which regional cooperation would be in their interest. The political atmosphere in BBIN is conducive to regional cooperation. Contrast this with SAARC, where one member stands in the way of greater regional efforts for common benefit. Domestic political compulsions may occasionally pose challenges, but are unlikely to hamper cooperation. Each Member stands to benefit from cooperation in the four identified areas. It is important to ensure that BBIN remains a flexible forum that would permit willing Members to move forward even if one Member has reservations.

Of the four subjects, trade is the focus of BBIN. However, all the Member States are also members of South Asian Free Trade Agreement. It is doubtful if there will be any further progress on tariff. Incremental benefit can come through addressing Technical Barriers to Trade. Transit across the region will facilitate exports to other Members as well as outside the region. Trade and transit would be greatly facilitated by the up-gradation of roads and the improvement of infrastructure at the border. Some projects are already underway under the aegis of SASEC.

There is immense potential for mutually beneficial cooperation in the related subjects of water and hydropower. More than half a billion people of this region are dependent on the waters of the Ganga-Brahmaputra-Meghna basin. With the growth in population and the improving standards of living, the demand for water is bound to go up in this region in the years ahead. Planning at the regional level will help in addressing the problems of water

shortage and the uneven flow of water. It will help in the more optimum use of the available water, and contribute to the water and energy security of the region. This would require the storage of water upstream to even out the flow of water, and thus improve water availability in the dry season. This will be possible if the countries on whose land reservoirs need to be built are adequately compensated for making land available for dams, and for contributing to flood control measures. They would also benefit from hydropower generated from the waters of such reservoirs. Immediate benefit can be derived from cooperating in such areas as flood forecasting and control, improving the quality of ground water by addressing the problem of arsenic contamination, as well as inland navigation.

The energy sector offers enormous prospects for cooperation among BBIN countries. There is potential for the joint exploration for natural gas and crude in the Bay of Bengal. India meets the entire requirements of Nepal and Bhutan for POL products. Further, it imports 1000MW of power from Bhutan during the wet season. It exports 750MW to Bangladesh and 380MW to Nepal. Differences in peak demand hours, and the weekly and seasonal holidays among BBIN countries offer possibilities for balancing the load across the region. Nepal and Bhutan can monetise their running water resources by going in for hydropower projects. They can export surplus power to India and Bangladesh where there is shortage of power. Despite the churn in the power market in recent times (due to availability of highly subsidised solar and wind power), there will be demand for clean hydropower for grid balancing and stability. What is needed urgently is clear rules at the regional level for cross border trade in electricity.

Cooperation within the BBIN framework offers several advantages. Members can participate in establishing regional value chains, which can help in increasing their exports and attracting foreign investments. Improved connectivity to the ASEAN market would be facilitated through Northeast India. It will be possible to get funding for improving border infrastructure and connectivity since multilateral institutions (like the ADB) prefer to fund infrastructure projects promoting connectivity between countries. The ADB has extended assistance for various steps taken so far to implement the BBIN MVA. Several bilateral agreements exist among BBIN Members to facilitate multi modal transport which could promote exports from the region. These could be consolidated, and a regional agreement worked out. The smaller members would find this reassuring.

However, it is to be noted that BBIN is an informal sub-grouping, which

meets mostly at the level of senior officials. Unlike SAARC, it does not have a charter, and their leaders do not meet regularly to decide on the program. But it offers great potential for mutually beneficial cooperation in areas which would directly benefit the people, and contribute to their economic and social welfare. The success of BBIN will have a positive effect on SAARC programs as well. Keeping this in view, Members should consider moving towards a formalised structure and meetings at the Summit level. This would give BBIN a higher profile, and facilitate speedier implementation of its programs. Otherwise, it runs the risk of slipping into a morass.

BIMSTEC

The Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation or BIMSTEC, established in 1997, comprises 5 countries from South Asia: India, Bangladesh, Bhutan, Nepal, and Sri Lanka as well as Myanmar and Thailand from Southeast Asia. All Member States are in the littoral or adjacent areas of the Bay of Bengal, and are contiguous. The objective behind setting up of BIMSTEC was 'to harness shared and accelerated growth through mutual cooperation in different areas of common interests by mitigating the onslaught of globalisation and by utilising regional resources and geographical advantages'.⁶ BIMSTEC was envisaged as an addition to, and not a substitute for, bilateral, regional, or multilateral cooperation involving Member states.

BIMSTEC has a sector-driven approach. In 1997, six sectors were identified: these were trade, technology, energy, transport, tourism, and fisheries. In 2008, 9 more sectors, including agriculture, poverty alleviation, and counter-terrorism were added to its agenda. A paper on BIMSTEC brought out by FICCI suggested that trade and investment should be the focus of the organisation. The paper suggested conclusion of a Free Trade Agreement, Trade Facilitation measures, the strengthening of regional connectivity, and creating energy linkages.

India is the lead country for transport and communications in BIMSTEC. In this sector, FICCI had suggested conclusion of a Motor Vehicles Agreement to facilitate the free movement of vehicles, improving air connectivity, and concluding a regional Agreement on Coastal Shipping. The focus could be on physical connectivity projects under implementation for some years. These include the trilateral highway project connecting India, Myanmar, and Thailand, and the Kaladan multimodal project that will connect India's Northeast with Myanmar, and provide a new and more convenient avenue for the export of

products of the Northeast. These projects will act as a bridge between South Asia and South East Asia. An ADB funded study, conducted over a decade ago on BIMSTEC transport, infrastructure, and logistics, identified 160 projects to significantly upgrade connectivity. Of these, 65 were prioritised.

An area that offers immense potential for cooperation is energy. Hydropower, Renewable energy, cross border trade in energy (including of Gas from Bangladesh and Petroleum from Myanmar) are areas that should be accorded highest priority.

At the third BIMSTEC Summit held in Myanmar in 2014, the leaders agreed to move forward towards the finalisation of a draft Agreement on Trade in Goods and of the Agreement on Cooperation and Mutual Assistance in Customs Matters. They agreed to enhance cooperation in expanding the skill and technology base of Member States, and underlined the need for expanding regional cooperation in the energy sector. They also agreed to implement the BIMSTEC Plan of Action on poverty, aimed at eradicating poverty in the region by 2030.

BIMSTEC achieved a high profile status when India took the initiative to invite its leaders for a meeting with BRICS leaders in Goa in October 2016. Among BIMSTEC meetings in the past 2 years, the important ones have been the meetings of the NSAs, the Ministerial meeting in Kathmandu (where a purposeful action plan was finalised) and the first annual Disaster Management exercise was held.

The delayed Fourth BIMSTEC Summit was held in Kathmandu, Nepal on 30-31 August 2018. In his address at the Summit, Prime Minister Modi recalled the centuries old linkages among Member States, and remarked ‘that the culmination of both India’s Neighbourhood First and Act East policies happens in this region of the Bay of Bengal’.⁷ He stressed that, in today’s interconnected world, Members have to work on Trade, Economic, Transport, Digital, and People to People connectivity.

The Summit reiterated the strong commitment to combat terrorism, and called upon all countries to devise a comprehensive approach in this regard. It called for the early adoption of the BIMSTEC Master Plan on Transport Connectivity, and reiterated the resolve to establish seamless multi-modal transportation linkages and smooth and simplified transit facilities. On energy cooperation, the leaders agreed to expedite efforts to develop a comprehensive plan. They desired the early conclusion of FTA negotiations. They also decided to establish a Working Group to deal with Information Technology and Communications related issues. These are important decisions which, when

implemented, will deliver significant economic gains and contribute to the goal of eradicating poverty in the region by 2030.

Areas of immediate focus should be Trade, Trade Facilitation, Connectivity, and Energy. Agreements on Trade Facilitation and Coastal Shipping as also the MVA have been finalised, and the FTA and Customs Cooperation Agreement are close to finalisation. In a region where hammering out such agreements take an inordinately long time, these are significant developments - even if delayed they would contribute to the greater economic integration of the region. However, the success of BIMSTEC would also depend on whether it can go beyond economic issues. The expanding influence of China and the long term impact of Chinese BRI projects are matters of concern to many Members. Can BIMSTEC Members come up with a common response that will protect their interests? Can BIMSTEC agree on concrete steps to combat the global scourge of terrorism?

There is a tendency to view BIMSTEC as a competitor to SAARC which has not moved forward as it should have. It should be recognised that both the organisations have their role and importance. But BIMSTEC can be a more active institution because it is not inhibited by any major political differences. What is needed urgently is to impart greater momentum to projects already agreed upon, and conclusion of FTA covering both goods and services.

SASEC

The South Asian Growth Quadrangle was formed in 1996 by Bangladesh, Bhutan, India, and Nepal for increased cooperation in environment, energy, power, transport, trade, investment and tourism. The ADB (Asian Development Bank) was requested for assistance in promoting economic cooperation in the region. This led to the creation of SASEC (South Asian Sub-regional Economic Cooperation) in 2001. Maldives and Sri Lanka joined SASEC in 2014 and Myanmar in 2017. SASEC is a forum of senior officials and the ADB, empowered to approve projects that are eligible for ADB assistance in the form of grants, loans, and technical assistance. Unlike SAARC, SASEC's areas of focus are limited, and clearly defined.

Transport, energy, and trade facilitation were the priority areas identified by members in 2005. In 2016, a 10 year operational plan was approved by Members and, in this the development of an economic corridor was identified as the fourth priority sector. Compared to other regional cooperation efforts in South Asia, SASEC has been more successful. A part of the reason for this

is that there is no constraining political factor. Also, it is a lot more focused in its efforts than other organisations. Since 2001, members have either implemented or are implementing 40 regional projects worth over US \$10.7 billion in the identified priority sectors and ICT, with the transport sector attracting the maximum investment.⁸

Conclusion

Views on the progress of regional cooperation efforts in South Asia vary from broad optimism based on some of the important decisions taken by SAARC to cynicism and pessimism arising from the slow and tardy progress in taking and implementing certain decisions. We need to be realistic in our ambitions, keeping in view the political environment. Despite the evident advantages in regional economic cooperation and the urgent need for it, politics and emotions have stood as barriers in South Asia. One had thought that, over a period of time, the wounds of the partition of the Sub-continent would heal, and that the countries of the region would move towards normal relations. Sadly, this has not happened in our region. Progress in SAARC has undoubtedly been slow. But let us not forget that it took more than 40 years for the European Coal and Steel Community to transform into the European Union, adding members along the way and expanding the range of subjects to be dealt with at the regional level. Brexit has come as a surprise, but it does not mean the unravelling of the Union built up patiently, accommodating interests of Members.

Should India take the lead in these regional organisations? Beyond a point it would be counterproductive because there is so much lack of trust and suspicion among some members about India's intentions. Some find India's size intimidating. Trust needs to be built up patiently and, over a period of time. In the meantime, India should do whatever is possible from its side. This is not to suggest abandoning of our responsibility and leaving the pace of progress to be determined by Pakistan's whims. Other available options should be explored.

We can strengthen cooperation through other regional organisations that have responsibilities in the same areas as SAARC. For example, the subject of trade is dealt with by 3 of the 4 sub-regional organisations discussed above. The subjects of energy and connectivity, including transport and border infrastructure, are dealt with by all the 4 organisations. Wherever possible, we should move forward with our partners in these organisations, where the Pakistan factor is absent. SASEC has been doing

commendable work. BBIN offers great potential in the energy and water sectors and can deliver concrete results in the medium term. BIMSTEC can be a useful forum for furthering connectivity, in collaboration with SASEC, and also focus on trade and investment. Progress in these areas would win the support of the people for regional cooperation, and perhaps act as a catalyst for progress in SAARC as well.

Notes :

- ¹ <https://www.mea.gov.in/outgoing-visit-detail.htm?24321/Prime+Ministers+speech+at+the+18th+SAARC+Summit>, accessed 20 September 2018
- ² <http://commerce.nic.in/trade/safta.pdf>, accessed 20 September 2018
- ³ <https://www.unescap.org/publications/unlocking-potential-regional-economic-cooperation-and-integration-south-asia-potential>, accessed 20 September 2018
- ⁴ https://www.mea.gov.in/Uploads/PublicationDocs/24375_EIGHTEENTH_SUMMIT_DECLARATION.pdf, accessed 20 September 2018
- ⁵ Ibid., p. 1
- ⁶ More details available at: https://bimstec.org/?page_id=189, accessed 20 September 2018
- ⁷ http://www.mea.gov.in/Speeches-Statements.htm?dtl/30332/Translation_of_Prime_Ministers_Statement_at_BIMSTEC_Plenary_Session_August_30_2018, accessed 20 September 2018
- ⁸ For more details, see: <https://www.adb.org/countries/subregional-programs/sasec>, accessed 20 September 2018
