

Regionalism in South Asia and Role of SAARC

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Abstract

Regionalism has become an imperative phenomenon in international relations in post Second World War. The era of 1950s and 1960s observed the intensification of several regional grouping in diverse regions of the world. After the cold war, regionalism received a transformed motivation with the push of globalization. It enhanced the development of interdependence and provided more incentive to the process of globalization. Subsequently, late 1980s the process of regionalization began to re-emerge in different regions of the world and this process was coincided with the rise of globalization. Regionalization and globalizations both lead to integration but these are not essentially supplement nor contradict with each other and both are operated at different levels.

The present study is an attempt to highlight the politics of regionalism in South Asia and to focus on the role of SAARC (South Asian Association for Regional Cooperation) in the region. The hostility between Pakistan and India has been the main obstacle in the progress of this organization.

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Despite having several problems, SAARC provides regional identity and discourse to small countries of South Asia. This paper explains all the factors contributing to the regionalism in South Asia.

Introduction

Regionalism is as such a manifestation of particular regional arrangements in various economic, social, cultural and political groupings to facilitate regional cooperation. These regional associations are becoming effective; creating a new milieu for the political world as well as for economic interaction across the globe. Regional integration provides in a well-defined geographic region and techniques of conflict resolution and possibilities of pursuing common foreign policy objectives within a regional context. It also provides a mechanism for integration and unification leading to community building.¹ However, the economic aspect holds the pre-eminent position for interdependence among the member countries of a regional arrangement.

The concept of regionalism is most dominating trend in the contemporary world. The significance of regional arrangement has been increased for politico-economic interaction of the world. Regional bodies in the world provide platforms to the nations for increasing their influence in the world affairs. European Union (EU) as a success story for European regional arrangement and regional economic integration give inspiration to other regional bodies of the world. South Asian Association for Regional Cooperation established in 1985 for promotion of regional cooperation in South Asia, and the importance of regionalism has been increased since its inception. The main idea behind its formation was the promotion of socio-economic and political interaction among its member countries.²

1 B. Mohanan, *The Politics of Regionalism in South Asia* (New Delhi: Atlantic Publishers, 1992), 27.

2 Michael Schulz, *The EU and World Regionalism: The Marketability of Regions in the 21st Century* (UK: Ashgate Publishing Company Ltd., 2016), 3-4.

The regional organizations, through the collective struggles, are made to establish economic and social development. By undermining the long standing issues among the states, the regional organizations are proposed to facilitate each other in social and economic aspects. Such example is European Union.³By attaining the strengthened economy and beyond the cooperation the integration of European nations established. Following the model of EU, the South Asian countries are intended to integrate themselves through looking forward to the European model by holding back their individual identity under the shadow of South Asian Association for Regional Cooperation.

Concept of Regionalism

A region can be defined with definite indices that endorse its existence. The countries which have close geographical contiguity with one another can be categorized as the 'region'.⁴ Firstly, it is essential that countries might share certain commonality of national interests. These interests should be based on whole gamut of political, cultural, historical and socio-economic perspective. Secondly, these countries are enough mature to give the priority of cooperation over the conflict while in the conducting of interstate relations. There must be collective desires and goals to attain the regional cooperation. This kind of arrangement binds people together through social and common cultural exchange due to shared commonality which ultimately derives the states to extend their same spirit at the state level.

In the international politics the regions are described as "a limited number of states linked by a geographical

3 Robert Gilpin, Jean M.Gilpin, *Global Political Economy: Understanding the International Economic Order* (Princeton, NJ: Princeton University Press, 2001), 19.

4 Mario Telò, ed., *European Union and New Regionalism: Regional Actors and Global Governance in a Post-Hegemonic Era* (Hampshire: Ashgate Publishing, Ltd., 2007), 56.

relationship and by a degree of mutual independence".⁵ The agreements which are made by formal or informal marked by "implicit and explicit principles, norms, rules and regulations, decision making procedures around the expectations of the actors in the international system".⁶

Regionalism is the process of integration among the two or more states on geographical proximity basis. In 1970, Ernst B. Haas explained that the regional integration comes through more and more interactions among the political forces like the political parties, governments, interest groups and international agencies.⁷ However, the nation states pursue different tactics to address political conflicts among them. Basically, concept of regionalism got significance in the post-cold war era. The scholars of international relations contended the regional approach to settle the international crisis. Regionalism is the political process which contributes integration process in a geographical region.

A number of scholars made good attempt to analyze the level of regionalism in South Asia like Bjorn Hettne and Fredrik Soderbaum. Hettne applies the term "region-ness" to identify the integration level in a geographical proximity. He comprehended five levels of "region-ness". First, the region which is in a unit in term of geography; secondly, the social set-up a region or regional complex; thirdly, transnational cooperation in a regional society; fourthly, a region with regional community and civil society as well, and lastly, a region as "region state" based on all these five levels of region-ness for the socio-economic development and security. Moreover, the regionalism may be classified in three different categories: firstly, the core regions which are politically and economically strong and dynamic; secondly, intermediate regions, thoroughly related with certain other

5 Muhammad Jamshed Iqbal. "SAARC: Origin, Growth, Potential and Achievements," *Pakistan Journal of History and Culture* 27, no. 2 (2006): 127-140.

6 Iqbal, "SAARC:

7 Arne Niemann, *Explaining Decisions in the European Union* (New York: Cambridge University Press, 2006), 333.

core regions; thirdly, peripheral regions, which are weak in economy and politics.⁸

After the Second World War the concept of regional cooperation was seen as an effective way for achieving peace, security and development in Europe. The major incidents in the world like the end of cold war, disintegration of Soviet Union and the rise of new economic powers in Europe and Asia created more autonomous regional spheres to emerge. The major powers would continue to influence the regions for the attainment of their interests. However, security related issues might be seen as regional in scope. Therefore, it can be analyzed that the concept and process of regional cooperation has assumed a new significance in this current era.⁹

David Mitrany gives priority to economics including the social needs over the politics. According to him, the socio-economic needs and welfare of the people are most imperative. He highlights the common needs of the people in a significant way. Mitrany believes, "functionalism is a working peace system" because it stresses on the common index of the needs of people. Setting up joint agencies across national boundaries can help in dealing with these common needs.¹⁰ The vision of functionalism would rule in creating strong network among the nations through the process of integration for the interest of all the nations.

Functionalism attempts to lessen the conflicts in inter-state relations. The regional conflicting issues should be managing with cooperation at regional level. It is the socio-economic welfare of the people which matters a lot and passing the state boundaries. The similar activities devoted by the international organizations for the welfare of people,

8 Francis Baert, Tiziana Scaramagli, eds., *Intersecting Inter-Regionalism: Regions, Global Governance and the EU* (New York: Springer Science & Business Media, 2013), 97.

9 Bharti Chibber, *Regional Security and Regional Cooperation: A Comparative Study of ASEAN and SAARC* (New Delhi: New Century Publication, 2004), 9.

10 David Mitrany, *A Working Peace System*, 51.

peaceful settlement of disputes and to satisfy the socio-economic needs of human beings.

In South Asia, SAARC adopted a functionalist approach to cooperate in social and cultural areas and other non-controversial areas. The level of regionalism in South Asia under the SAARC forum often criticized for its less effective role and failures. The major impediment in the progress of regionalism in South Asia is interstate conflicts among the member states. Most important there is existing indo-centric strategic perception in the South Asian region, conflicting Indo-Pak relationship, mistrust among the elites of South Asia.¹¹ SAARC also adopted functionalist approach and the hope was that in true sense this forum would provide greater regional cooperation for the fulfillment of welfare of the people.

Formation of SAARC

After Second World War, South Asian region did not have any prior experience of regional association. Some political conferences can be mentioned here which took place in 1940s and 1950s but they did not lead to the establishment of permanent institutions- the Asian Relation Conference New Delhi 1947, and the Conference of Asian Australian Middle Eastern Nations on the Indonesian questions New Delhi 1949. One can also mention 'Colombo Powers' which originated in a conference of the five Asian Prime Ministers in 1954. Pakistan, India, Ceylon, Burma and Indonesia were its members. They believe, "in settling Asian problems, the interests of the Asian as perceived by Asian, nor the interest of the global strategy or conflicting ideologies should play the decisive part".¹² These attempts were mainly dominated by the politico-strategic consideration of decolonization and Asian resurgence.

The idea of SAARC was primarily encouraged by the President of Bangladesh Zia-Ur-Rahman in 1980. The main

11 Mitrany, *A Working Peace System*, 51.

12 Samit Ganguly, *India as an Emerging Power* (London: Frank Cass Publishers, 2003), 205.

objective was to engage South Asian countries for the promotion of mutual cooperation and welfare of the people living in this region. He contended that if regional cooperation was implemented in real sense it will increase economic cooperation and the political differences would be reduced.

Regional organizations are considered as most effective means to stabilize the relations among the partners and to channelize the good will gestures into the right way. The regional arrangement could also improve the sense of security among the members. In 1985, SAARC was formed to enhance the socio-economic relations and to correspond the South Asian regional equation. There were seven members of SAARC including Pakistan, India, Bangladesh, Maldives, Sri Lanka, and Nepal. After the inclusion of Afghanistan, its strength has been raised to eight members.

It was determined by South Asian leaders to institutionalize the SAARC for collective cooperation to resolve the problems of the region. It was also decided that all the members would create mutual trust and understanding with shared benefits in spirit of friendship. The core objective of the organization was to increase the socio-economic growth among the members through the agreed areas of cooperation.¹³ In 1985 Dhaka Summit concluded the implementation of the SAARC Charter and it was a worthy sign of the precedence and the purposes consigned to it.

The decision-making process of SAARC has been a matter of debate. It is so formulated by its founders only to avoid political tussles within the newly evolved organization. There is a need for review its institutional mechanism and its performance and decision-making process.¹⁴

The exception of contentious and bilateral issues from the horizon of SAARC deliberations has not only made it a

13 Ganguly, *India as an Emerging Power*, 176.

14 Kishore C. Dash, *Regionalism in South Asia: Negotiating Cooperation, Institutional Structures* (New York: Routledge, 2008), 104.

non-starter but also brought in a situation of a *status-quo* in the conflict-ridden relations among the south Asian states.¹⁵ The members of SAARC may now think in terms of extending its areas of cooperation to all issues and activities including those matters which may prove to be contentious. SAARC should consider introducing a mechanism of check and balance within its system to avoid misunderstandings and controversies. Differences may surface from time to time but escaping from reality is not going to help in strengthening regional cooperation. In fact, it is not appropriate to expect from SAARC to achieve a breakthrough in regional cooperation, peace and prosperity in South Asia without removing the bilateral differences among the member states.¹⁶ In this connection it may be worthwhile to establish a regional conciliation committee or arbitration mechanism to sort out the bilateral problems among the members.

The unanimity principle in decision-making is also going to cause an aggravation in the regional organization in future. This may be substituted with a requirement of definite quota of votes in favour and the right of negative vote (veto) may also be given to all members. This will ensure a check on hasty and controversial decisions, at the same time making it possible to take quick decisions whenever needed.¹⁷

There have been dissimilarities of proposals between Pakistan and India on the query of inclusion of Afghanistan in SAARC. Though India reinforced it and Pakistan's opinion was different on the plea that the Kabul government is not a free and stable government. It was certainly resolved that lingering issues not to be highlighted on this forum by keeping in view the contradictory position of mutual relationship of the regional countries. Nonetheless, on the

15 Lawrence Saez, *The South Asian Association for Regional Cooperation (SAARC): An Emerging Collaboration Architecture* (New York: Routledge, 2012), 17.

16 Rajiv Kumar, Omita Goyal, *Thirty Years of SAARC: Society, Culture and Development* (New Delhi: SAGE Publications India, 2016), 32.

17 Dash, *Regionalism in South Asia*, 27-28.

sidelines of the association the member countries would informally discuss conflicting issues. On November 13, 2005 at the behest of India, Afghanistan was added in SAARC.¹⁸ Afghanistan became permanent member of SAARC on April 3, 2007.

SAARC Role in Regional Cooperation

Regional cooperation is significantly important in political and economic areas. In the political sphere, the foremost purpose of regional cooperation is to enhance a sense of common interest which is necessary to prevent external intervention. It can create friendly environment and promote trust among the regional countries to make the war unconvincing and unlikely mechanism in future conflicts. Moreover, if there is a political stability in the region it gives energy to individual state for the effective governance and development task. On the economic sphere, the regional cooperation could lead to higher level of economic growth and improves the matters of economic management with enlarging market economy. A regional integrated arrangement provides better opportunities to collectively deal with the economic issues of the member countries in good faith.

Regional cooperation is an attempt to attain a better condition in world politics; the international system which continues to be inequitably structured. Regional cooperation could be social, cultural, and politico-economic or it can be security oriented.¹⁹ Regional cooperation can be promoted with the shared factors like ethnic and linguistic, socio-economic and politico-historical. The more the countries interact with each other the better they engage in regional arrangements and the endeavours and success would be enlarged. Although the South Asian countries had shared commonalities and variations, but still there is slow progress of regional organization. Consequently, regional and global

18 Ramesh Trivedi, *India's Relations with her Neighbours* (New Delhi: Gyan Publishing House, 2008), 2.

19 Chibber, *Regional Security and Regional Cooperation*, 9-10.

associations are playing their imperative role for the effective interaction among nations. The states interact with each other to pursue their interests in political and economic terms. Regional blocs of nations now provide opportunities for its members to recognize themselves in the global affairs. Today, there are two main categories. First and foremost is the world power whose influence goes beyond a specific region. Secondly, the regional power whose influence is confined to a specific region.

The South Asian countries have learnt lesson when Soviet Union intervened in Afghanistan and they realized to engage in regional cooperation.²⁰ They have also recognized the need of cooperation for the future progress. Actually, a number of factors gave attraction to states to cooperate with each other regionally.

Firstly, the increasing rivalry among major powers USA, Soviet Union and China encouraged outside powers to intervene in South Asian affairs. Certainly, there exists tension in relationship between Pakistan and India as well as with Afghanistan. These three countries have hostile relationship with each other, and therefore USA was able to interfere in these countries. Resultantly, the South Asian states realized that they must cooperate with each other to prevent interference by the outside powers.

Secondly, this region is economically backward and the countries recognize to improve relations with advanced countries in economic matters vis-à-vis the developed countries. This can only be achieved when the nations strive to achieve self-reliance through mutual cooperation, as this is necessary for the new international economic relations.

Thirdly, the strategic issues are imperative such as the naval forces of European powers in the Indian oceans had also posed a threat to this region.

Composite dialogue between India and Pakistan in January 2004 improved the bilateral relations and a large

20 Shahid Javed Burki, *South Asia in the New World Order: The Role of Regional Cooperation* (New York: Taylor & Francis, 2011), 39.

number of Confidence Building Measures (CBMs)²¹ were introduced as a follow up to this decision. The prospects of regional cooperation enhanced to a greater extent, but so far this dialogue process has not resolved any contentious issue between the two countries.

Due to trust deficit among the member states, several initiatives have been taken up by the ineffective administration of the SAARC e.g. SAFTA after all members realized the first reduction from July 01, 2006.²² Nevertheless Pakistan and India have not permitted one another to be assisted under this agreement. There exists a blame game between India and Pakistan over this SAFTA. Consequently this is not only in case of India and Pakistan at the SAARC platform. There have been abundant occurrences when the countries discussing contentious issues and intently postponing the real application of the peace and regional cooperation areas.

Problems for Regionalism in South Asia

Interstate conflicts pose direct danger to the concept of regionalism, and therefore, regional cooperation in its real sense cannot be attained unless all the SAARC members shed their differences and set clear terms of engagement to resolve their simmering issues. At times, the member states agree on particular issues at the regional platform, but soon their intents behind the determination and concept of regionalism leftovers reveals something dissimilar. Conversely, this mindset generates obstacles to the improvement of whichever kind of regional cooperation.

Apart from the regional political differences in South Asia, there has been a vital concern of the presence of big powers which have dominant positions in the regional setup,

21 E. Sridharan, "Improving Indo-Pakistan Relations: International Relations Theory, Nuclear Deterrence and Possibilities for Economic Cooperation," *Contemporary South Asia* 14, no. 3 (2005): 321.

22 Yasir Hussain, *SAFTA: Potential and Challenges* (New Delhi: Epitome Books, 2009), 21.

particularly India.²³ The imbalance of power structure between India and other countries of South Asia leads to a natural concern of other small powers. India have more than one billion people strength and powerful military might with its hegemonic role in the region as it keeps its dominance in the internal affairs of small nations. In the comparative study of South Asia, there is a dominant role of big powers in Pakistan and India. Small countries are influenced by the fear around India which is a factor of the persistence of political differences and the bilateral disputes.²⁴

Constant increase of military expenditures in South Asia is also creating instability in the region. Despite having regional cooperation, countries are busy in acquiring more and more lethal weapons creating environment hazards among the states. This phenomenon has been challenging the efficiency of the regional forum to a great extent and sabotaging its serious commitments. It has been producing unnatural environment for the human development and also resulting in more regional conflicts. Even on this SAARC forum there is a trust deficit among the countries. This type of arms race and heavily spending on military might is aggravating the internal as well as external disputes. The increased defence spending in South Asian region is exacerbating the human security. It is a bitter reality that the people of South Asia have been living below the poverty line while the states are pursuing defence might and expending billions to acquire lethal weapons in the name of security.

The history of South Asia is full of antagonistic issues and the interstate conflicts. These contentious issues are in wide range and may be classified in five categories. First and foremost category deals with the product of colonial legacies as British rule in South Asia led to several contentions in the region. Border disputes between Pakistan and India as well as the Kashmir issue is the bone of

23 D. K. Giri, *Contemporary Europe and South Asia* (New Delhi: Concept Publishing Company, 2001), 225.

24 Rajpal Budania, *India's National Security Dilemma: The Pakistan Factor and India's Policy Response* (New Delhi: Indus Publishing, 2001), 15.

contention. Over Kashmir, both countries have fought three wars and the war of Kargil in 1999. India has certain conflicts with Nepal and Sri-Lanka and with other bordering countries.

The second category deals with the issues which are political and ideological in nature. India has political differences with all its neighbours. During 1980s, India supported the cause of Tamil in Sri Lanka which led to enormous ethnic conflicts and tension. Since 1990s, with the withdrawal of Indian peacekeeping forces from Sri Lanka, the relations between both countries improved enough. The ties between Nepal and India faced difficulties over the issue of 'open border and free movement of men and material'. India has also political differences with Bangladesh over the issue of Chamka refugee problem and Farakka barrage.²⁵ Due to these differences, SAARC as a regional organization could not increase its relevance in the region.

Third category deals with issues of strategic conflicts and military balances which has caused much confusion in South Asia. The smaller countries of SAARC feel marginalised because of Indian hegemony in the region, and now they are reviewing their bilateral relations with it. After nuclearization of the South Asian region, the threat of conventional war is less.²⁶ Nuclearization of South Asia is also a big challenge for SAARC, as the region cannot afford any misadventure between Pakistan and India. The phenomenon of terrorism is also creating strategic conflicts and it has become the central focus in South Asia. The fourth category deals with the internal turmoil leading to spill-over effect in the whole region. The South Asian region had faced various internal problems and it created more political

25 Reetika Sharma, Ramvir Gorla, and Vivek Mishra, *India and the Dynamics of World Politics: A Book on Indian Foreign Policy, Related events and International Organizations* (New Delhi: Pearson Education India, 2011), 78.

26 Rajiv Sikri, *Challenge and Strategy: Rethinking India's Foreign Policy* (India: SAGE Publications India, 2009), 26.

tension viz-a-viz refugees difficulties, financial and administrative problems.²⁷

The last category deals with the continued conflicts over the resources and the developmental issues. The member countries of SAARC have conflicting relations over the sharing of water resources like India, Nepal and Bangladesh. Pakistan and India have clashes over the Indus waters conflict and the recent Baglihar dam is also causing tension. S.D. Muni argues that the demographic explosion is also increasing in the South Asia and it will lead to the scarcity of resources. Because of it, new conflicts would be arising in this region. There are certain motives i.e. political, geographical and environmental to address these issues. Without the mutual collaboration among the South Asian countries, SAARC could not address these grave challenges alone.²⁸

There is stark divergence of perceptions between Pakistan and India on certain issues of geo-politics of South Asia. Therefore, same differences are existed on regional arrangement and regional cooperation in the region. There are historical, cultural and social cleavages between the two countries. In fact, Indian perception is based on its self-image and dominating country treating South Asia, as it keeps its aggressive approach in the domain of politics and culture as well as through the economic collaboration. It believes that without settlement of outstanding issues with Pakistan and also not solving the strategic discords between other South Asian nations, the process of regional cooperation and peace collaboration can proceed.²⁹

Indo-Pak tangle had become complicated and cold war attitudes were reasserting. India's involvement in Pakistan's internal matters made it all the more serious and it is posing

27 Kamal Matinuddin, *The Nuclearization of South Asia* (Chicago: Oxford University Press, 2002), 17.

28 T.V. Paul, ed., *the India-Pakistan Conflict: An Enduring Rivalry* (UK: Cambridge University Press, 2005), 57.

29 Muhammad Shoab Pervez, *Security Community in South Asia: India-Pakistan* (New York: Routledge, 2013), 7.

serious threat to SAARC objectives. Since the substantive dispute between Pakistan and India now stood on a different and virtually non-military footing, it requires statesmanship from both sides to work for reconciliation. Eventually, it would scale down the level of armaments in the subcontinent. This had been almost a political precondition for the success of regional cooperation. It was imperative to move forward for greater harmony and cooperation in the region. The most serious impediment to greater cooperation in South Asia was the lack of consensus about the future shape of the region. The smaller states favoured a regional arrangement which guaranteed equality to all states and did not restrict their options of conducting relations with the rest of the world. This framework came in conflict with India's perceptions of South Asian power structure. The ruling elite of India were of the opinion that, given the size, resources, and military power of India, it should be recognized as the 'principal power' in South Asia.³⁰

The United States and the Soviet Union maintained interests in the region because of its strategic location and rich resources. Each of the two superpowers attempted to cultivate these states in order to exclude the rival power from the region and extend its orbit of influence. These states of South Asia particularly Pakistan and India had individually relied on the political support and military supplies from the external sources (mainly the super powers) to strengthen their interactions as these powers could hamper or promote harmony and cooperation.³¹ It would, therefore, be erroneous to assume that the South Asian states could promote harmony without taking cognizance of the impact of international environment.

The involvement of outside powers in the subcontinent played a role in poisoning the mutual relationship between Pakistan and India. The United States interference in Pakistan made a substantial impact on Indo-Pak relations

30 Pervez, *Security Community in South Asia*, 125.

31 P. R. Chari, 'Indo-Soviet Military Cooperation: A Review,' *Asian Survey* 19, no. 3 (1979): 230-244.

and in the formulation of Indian security perceptions of South Asian as a region. One of the most serious obstacles in the way of promoting Indo-Pak *détente* in recent years was the complex phenomenon of security perceptions coupled with mutual suspicion and an arms build-up. The quest for peace through acquisition of armaments had complicated the actual security problems between the two countries.³²

Indian intellectuals and political elite are of the opinion that India should play its dominant role in South Asia and it must recognize its military strength, huge population and resources in material terms and should not deviate from its agenda of hegemony in the South Asian region. This kind of aggressive attitude is questioned by South Asian countries especially Pakistan. The small countries argue that regional order of South Asia must be based on non-intervention in each other states, equality of all sovereign states, and there must be freedom to perform its national and foreign policies matters. They also contend that there must be a regional consensus among the stakeholders of the region.³³ While determining the South Asia strategic profile, Indian political elite and influential circles are not willing to compromise on its threatening designs in the region. They also contradict the domestic and foreign policy choices of small countries.

SAFTA introduced in 2006 for the economic and trade activities and had faced a number of challenges. There are flaws in its list of items and many expectations had attached with this economic protective treatment.³⁴ There is unsatisfactory regional economic progress on the relations between Pakistan and India because of certain regional disagreements and conflicting issues and both the countries are also creating restrictions for SAARC to perform actively in the agreed areas of cooperation. Political tensions and cold behaviour among the members of the SAARC have

32 Moonis Ahmer, "Security Perception in the Indo-Pak Relationship", *Pakistan Horizon* 37, no.1 (1984): 101-104.

33 Shanthie Mariet D'Souza, *Perspectives on South Asian Security* (Singapore: World Scientific, 2013), 57.

34 Praful Bidai, "Breathing Life into SAARC", *The News*, November 19, 2005.

been creating negative implications on the regional organization since its inception. There is lot of political disagreements among the countries and due to some contentious issues SAARC summits have been interrupted often. Therefore, SAARC should consider the political issues for its effectiveness. Unfortunately, India the key player in the region has been continuously following a suppressive policy in the name of cooperation and turned its military might to bully smaller countries in South Asian region.

Prospects for Peace

The benefits for the peace greatly outweighed the advantages of rigid positions taken by the establishments of both the countries on the core issues.³⁵ Peace would redirect the energy and resources towards human development and also will help reduce the danger of a nuclear holocaust in South Asia. Averting a nuclear war at all costs should be an essential issue to be discussed in the process of re-engagement between Pakistan and India.³⁶

Bilateral trade between the two would give a boost to the economy in the South Asian region. Without doubt, the multitude of stumbling blocks needs to be demolished for meaningful progress. However, at the heels of the Lahore Declaration in February 1999, Lahore Chamber of Commerce and industry (LCCI) and Confederation of India Industry (CII) constituted a Joint Task Force to promote bilateral trade and economic cooperation. The report of this Task Force concludes: "The scope for expanded economic relationship is unlimited. It would be imperative of approaching the new millennium, in the interests of mutual prosperity and growth. The cost of non-cooperation could be easily understood to be very high".³⁷

35 Major General Mahmud Durrani, *India and Pakistan: The Cost of Conflict and Benefits of Peace* (Karachi: Oxford University Press, 2001), 69.

36 Durrani, *India and Pakistan*, 70-71.

37 Chatterjee Aneek, *International Relations Today: Concepts and Applications* (Delhi: Pearson Education India, 2010), 222.

Both countries remained stuck to their inflexible traditional positions until January 2004, when following a summit meeting between Pervez Musharraf and Atal Bihari Vajpayee, Islamabad and New Delhi issued a joint statement on January 6, 2004 on their decision to resume bilateral talks under the composite dialogue process. The process included discussions on eight core subjects: Confidence Building Measures (CBMs), trade and economic cooperation, friendly exchanges and people to people contacts, Siachen issue, Sir Creek and Wullar Barrage, peace and security and Kashmir.³⁸

The significance of the joint statement was the fact that it acknowledged Kashmir as one of the disputes to be settled through bilateral talks. Previously, India had been reluctant to include Kashmir in the composite dialogue process, insisting at other measures for normalizing relations between the two countries. There were other Kashmir related issues such as Siachen, Wullar Barrage or Tulbul Navigation Project, Baglihar Dam and Kishanganga Hydropower Project that were also covered by the composite dialogue process. The dialogue completed its four rounds of talks in May 2008. In a meeting between the two foreign secretaries on May 20, 2008, the progress made under the fourth round of talks was reviewed and expressed satisfaction.³⁹ It was, however, disrupted by the Mumbai attacks on November 27, 2008 and since then the dialogue process shattered.

The peace process initiated in early 2004 had two parts: CBMs and dispute resolution. While considerable progress had been achieved under CBMs, yet no major breakthrough especially on Kashmir was made despite four rounds of discussions. Although differences on Siachen and Sir Creek were considerably narrowed down, the both countries had so far failed to affix their signatures to the final settlement of these disputes. In case of Kashmir, the results of more than

38 Robert G. Wirsing, *Kashmir in the Shadow of War: Regional Rivalries in a Nuclear Age* (London: M.E. Sharpe, 2003), 17.

39 Sumit Ganguly, *Conflict Unending: India-Pakistan Tensions Since 1947* (Columbia: Columbia University Press, 2013), 65-68.

four years of peace process were even more discouraging. In the January-6 Joint statement, India had accepted Jammu and Kashmir as one of the outstanding disputes to be resolved through bilateral talks with Pakistan.

Under the composite dialogue process, Kashmir issue was reviewed but these discussions did not move beyond reiteration of their respective traditional positions. The Indian government had so far refused to budge from its repeated stand that Kashmir is its integral part. It had shown its willingness to discuss the issue with Pakistan and find an out of the box solution; but Manmohan Singh had in a number of statements ruled out any change in the geographical borders. Thus, the stalemate still persists.

On the other hand, lot of progress had been achieved on the confidence building measures front. There were now five land routes, two rail and three bus services connecting Pakistan and India. There had been considerable expansion of people to people contact between the two countries. The two way trade, although still carried on the basis of positive list, had witnessed manifold increase since the beginning of the peace process. Under the 2008 trade policy announced by the Government of Pakistan, India had been allowed to send its commodities to Pakistan through Wahga land route. More importantly, for the first time since the mid-fifties Kashmiris with divided families had been allowed to visit their relatives across the line of control (LOC).

In April 2007, the then Foreign Minister of Pakistan, Khurshid Mahmud Kasuri disclosed that Pakistan and India since the start of the peace process in January 2004 had made movement towards the settlement of the Kashmir issue.⁴⁰ He called that progress irreversible. The progress, according to him, was the product of realization by both countries that war could not bring any solution to Kashmir or any other issue being discussed by the two countries.

40 Khurshid Mahmud Kasuri, *Neither a Hawk Nor a Dove: An Insider's Account of Pakistan's Foreign Relations Including Details of the Kashmir Framework* (London: Oxford University Press, 2015), 76.

Conclusion

The concept of regional economic cooperation has been assuming increasing significance among the developing countries to accelerate the pace of socio-economic development and by the regional harmony. The formation of South Asian Association for Regional Cooperation has helped the member countries to attain collective self-reliance and economic growth through mobilization of their resources and by reducing the dependence on world's developed economies. But the regional cooperation has been hampered by either political and economic constraint or conflicts. India and Pakistan have been trading charges over the question of regional security, or terrorism or Hindu-Muslim riots; India and Bangladesh have accused each other over the question of insurgencies along the borders; India and Nepal face problems over trade and transit right and cross national migration; and India and Sri-Lanka have a perceptual gap with regard to the Tamil ethnic question.

Politics of regionalism in South Asia is merely a new concept in comparison to other regional groupings of the globe. SAARC is extending its scope by increasing its institutional activities and to substitute regional development and cooperation. There has been slow progress of SAARC since its inception as most of the times its activities and actions are only limited to conduct seminars, workshops and conferences only. The member countries have political differences and trust deficit. It is high time that Pakistan and India step forward and sincerely make efforts to resolve their political differences as it will make SAARC more effective and action oriented. Despite conflicts, SAARC offers identity and status to the smaller countries of South Asia and it is hoped that it would work with more zeal to address the issues like poverty, unemployment, terrorism, extremism, population, etc. to provide a better living environment to the poverty-ridden masses of South Asia.

SAARC: The South Asian Association for Regional Cooperation (SAARC) is an economic and geopolitical organization of eight countries including India, Pakistan and Sri Lanka that are primarily located in South Asia or the Indian subcontinent. The SAARC Secretariat is based in Kathmandu, Nepal. Import: Import means a good or service brought into one country from another. SAFTA: The Agreement on the South Asian Free Trade Area (SAFTA) is a trade agreement to promote trade and economic growth in South Asia by reducing tariffs for intra-regional exports. The South Asian Free Trade Area includes the