

**SOUTH ASIAN REGIONAL COOPERATION**  
**A STUDY OF ITS BACKGROUND**  
**AND POTENTIALS**

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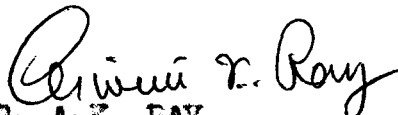
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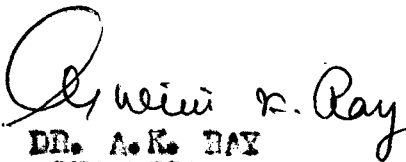
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## DECLARATION

Certified that this dissertation is approved for submission to the examiners in Partial Fulfilment of the requirements for the degree of Master of Philosophy. The material in this dissertation has not been previously submitted for a degree of this or any other University.

  
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## INTRODUCTION

The aftermath of the Second World War witnessed many creative and varied attempts at cooperation, by groups of nations sharing geographical, historical and other links. With growing awareness of the benefits of regional cooperation in an increasingly interdependent world, regional organizations proliferated all over the globe. Moreover, the inequity of the existing international economic system increasingly underlined to the smaller nations of the South, the imperative need for lessening their dependence on the North, both individually and collectively. Regional cooperation has gained importance as an alternative strategy of the South to reduce the relative level of dependence on the North, by collective self-reliance.

In contrast to other areas of the developing world where such organizations like the Association of South-east Asian nations (ASEAN) in South-east Asia, or Organisation of African Unity (OAU) in Africa, gradually took shape, the level of organisational or institutional interaction in the South Asian region has been minimal. Countries in this region, which has one-fifth of the

world's population and a fourth of the peoples of all developing countries, have not evolved common political institutions, defence plans, growth strategies, or foreign policy perspectives. Although these nations have been getting together bilaterally as well as regionally at such world fora as Non-Aligned gatherings, United Nations, and Commonwealth, these contacts have not led to the creation of a viable political or institutional framework for full exploitation of the vast potential of cooperation for their mutual benefit, either in the bilateral sense or in terms of collective regional cooperation.

Regional cooperation, it has been aptly pointed out, "is not simply all economic aspirations and rationally designed State actions. It is an outcome of a number of complex and mutually incompatible political, strategic and diplomatic initiatives, responses and interests amongst the States and their managers in a given region."<sup>1</sup>

Pointing out that Regionalism is a new concept mid-way between Nationalism and Universalism, and depending on

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1. Muni, S.D., and Muni Anuradha, Regional Cooperation in South Asia, National Publishing House, Delhi, 1984, p. 5.

a certain degree of shared economic, political and ideological interests, one author observes that once the process of integration has started in a particular region, it serves as a feedback and strengthens its own roots.<sup>3</sup>

On the underlying 'unity' of the States of South Asia, another eminent author wrote, "....India, Pakistan, Ceylon and Nepal belong to the same civilization area. One or more of the recognized languages of India are also the languages of Nepal, Ceylon and Pakistan. Both Nepal and India are predominantly Hindu; the Hindus constitute the most important single religious minority in Ceylon and Pakistan. Pakistan is predominantly Moslem but there are more Moslems in India than in West Pakistan, Ceylon has a small but vigorous Moslem Minority. Mohenjo Daro and Harappa are as much a part of India's cultural heritage as Delhi, Lucknow, and Aligarh are of Pakistan's; Tamils of Ceylon are in many ways linked with their ancestors in South India, and even the Sinkalese claim that they migrated from Bengal."<sup>4</sup>

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3. Varma S.P., "South Asia as a Region - Problems and Prospects," pp. 341-355 in Varma S.P., and Misra K.P. ed., Foreign Policies in South Asia - issues, models, and methods, Orient Longmans, New Delhi, 1969.
  4. Gupta, Sisir, "Power structure of South Asia," The Round Table, April 1970, pp. 135-136.

A broadly accepted view of 'region' highlights such factors as geographical contiguity, socio-cultural similarities evolving from shared historical experiences, perception of the regional states as belonging to it, and the recognition of such a perception by states outside the region.

Even within the limited focus of geographical unity, South Asia has been variously regarded as comprising of different states - sometimes extending to Afghanistan in the West and Burma in the East. Though they have some common features with the countries of South Asia, Afghanistan and Burma are usually included by most of the accepted classifications in West Asia and South-east Asia respectively.

Geographical compactness and contiguity, added to the common legacy of British rule giving birth to similar political and legal systems, and administrative institutions and the overlapping of religions and languages cutting across their respective territorial boundaries, make the core countries of South Asia indistinguishable from each other. On this basis, we may regard the South Asian region as comprising of the States of India, Pakistan, Bangladesh, Sri Lanka, Bhutan, Nepal and Maldives. Anyhow, it is these nations which have come together for the South Asian Regional Cooperation

on the basis of a proposal mooted in 1980 by the then President of Bangladesh, Ziaur Rahman.

These countries have experienced generally a similar processes of historical evolution. For instance, though colonialism that gripped India, Pakistan, Bangladesh, Sri Lanka and Maldives left Nepal and Bhutan formally unannexed, but in effect, these Himalayan Kingdoms could not escape most of the undesirable influences and implications of colonial rule. The most adverse legacy was the artificial isolation of the peoples of the region from one another and the absence of active ties among them. The economy of each dependent territory, and their polity, were inextricably linked to the Metropolitan political economy in the West. The new elites were more familiar with the language and culture of the 'Mother Country', as well as its political institutions. As a result, the concept of a regional identity could not develop to any great extent, with each colony either looking inwards or to the colonial power for social and cultural interaction.

However, the shared historical heritage of British colonial rule, and common ethnic, linguistic, cultural, and religious traditions, make the South Asian region a distinct sub-system. Economically, notwithstanding the differences in the levels of poverty and deprivation, the

whole of South Asia is underdeveloped, all the nations being low-income countries and affected adversely by the unfavourable international economic climate.

The single most important characteristic of the region is its Indo-Centric character, not only because of India's geographical location and contiguous land-boundaries with almost all its neighbours, but also because of its advantage with regard to economic resource-base and growth potential, military strength, and viability of its constitutional, political, and administrative structures.

This fact had been noted by Nehru and articulated by him shortly after independence. He said:

"India is very curiously placed in Asia and her history has been governed a great deal by geographical factors plus other factors. Whichever problem in Asia you may take up somehow or other India comes into the picture....Whether it is a problem of defence or trade or industry or economic policy, India cannot be ignored. She cannot be ignored because, as I said, her geographical position is a compelling reason. She cannot be ignored also because of her actual or potential power and resources. Whatever her actual strength may or may not be, India is potentially a very powerful country...there can be no doubt in anyone's mind that India's potential

wealth will become actual and that in not too distant a future."<sup>5</sup>

In fact, the South Asian Region is marked by power disparity between India on the one hand, and her neighbours on the other. Except during the 60's when she suffered humiliation by the other Asian Giant - China - India's primacy in the region has been a fact and indications were available, when, for example, India assisted Sri Lanka against the insurgency threat in April 1971 and the role it played in the emergence of Bangladesh later in that year. The emergence of Bangladesh firmly established India's credibility as a purposive regional power. The implosion of a peaceful nuclear device in May 1974 further reinforced these indications of India's position as a regional power.

The geo-political centrality of India in the region has created some apprehensions among the other states that their identity may be eclipsed by the "Indian giant". Therefore, they have time and again

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5. Nehru Jawaharlal, "Independence and After," New Delhi, The Publications Division, Government of India, 1949, p. 232.

adopted a somewhat anti-India stance and looked to outside powers to counter the natural power-hierarchy in the region. Further, a sense of insecurity has often led the ruling elites in these countries to subtly feed anti-Indian feeling in order to seek political support and consolidate their hold on the internal power structure. It will be examined in depth later how the domestic compulsions of the foreign policies of the various countries in South Asia affects cooperation in the region. An awareness of the nature of the problem has led to the cautious approach adopted by the Member-States for furthering South Asian Regional Cooperation (SARC).

The problems of diversity in the South Asian political system and internal instability in some of the nations in the region, it may be contended, are not unique to South Asia. Nor the Indo-Centric factor in the region need to be over-emphasized. For India's non-expansionist history and its policy of non-alignment counters the negative impact of its perceived dominance.

Therefore the question arises why, inspite of a shared history, geographical contiguity, cultural links and vast potential gain from cooperation, attempts at cooperation have been so elusive in this region? What are the factors which impelled other nations to come



together to evolve a structure of cooperation? To what extent have institutional arrangements facilitated the process? What are the factors which make such cooperation viable? Answers to these questions would be attempted only after a study of the development and functioning of regional groupings in other areas of the world.

CHAPTER I  
MODELS OF REGIONAL COOPERATION

The processes leading to cooperation among the states of a particular region are, in a sense, unique. They are often responses to the compulsions and constraints faced by countries of the region, and generating its own dynamics of conflict-resolution. Yet, underlying all efforts at regional cooperation, is the shared conviction in the long-term gains of a collective endeavour for reducing gaps in mutual perception, identifying issues of common concern, and opening up opportunities for the people of all countries of the region.

Such cooperative efforts inevitably grow out of a larger vision, rising above short-term gains or losses, and taking up bold initiatives for evolving appropriate programmes and institutional arrangements to conform to changing conditions. Often the immediate impetus for cooperation may be provided by some overriding immediate concern, as for example security. But when such cooperation grows steadily on the basis of shared needs and the institutions evolve according to such needs, the results are likely to be more enduring, enabling cooperation to strike deeper roots and become more rewarding.

A study of the formation and functioning of such organizations is of immense importance for the South Asian region. It may enable us to identify the factors and forces generally inhibiting cooperative arrangements, and their relevance to this region. It may also throw some light on why individual countries in any region does not perceive regional cooperation as the best means to achieve their social and economic goals or for better utilisation of their individual resource potentials.

The present chapter focuses on the regional efforts undertaken in three areas of the globe - South-east Asia, Association of South-East Asian Nations (ASEAN); West Africa, Economic Community of West African States (ECOWAS); and Europe, Nordic Cooperation. Each of their experiences have some relevance to the South Asian Region. A study of the European Economic Community (EEC) which presents a unique model of successful regional economic and political cooperation, has not been undertaken because the circumstances in which it was created and the situation in which it functions, is very far removed from the context in which the South Asian nations operate.

The LEC was designed to enable the West European powers to regain their position in the international

economic power balance, for it was clear to each of them that their nation-states and their institutions, in their post-war versions, were no longer adequate to equip any of them to play a worldwide role to which they had all become accustomed for more than two centuries. Comprising ten highly developed industrialised states of Western Europe, it is a veritable super economic power, with a forty per cent share in world trade. But it is not a supra-national formation - it is a community of states which have of their own will created a trans-national structure with a view to realising specific goals,<sup>1</sup> which were no longer attainable through national endeavour. Therefore, the EEC started off with fairly ambitious aims, hardly comparable to SARC. The advanced level of cooperation within the EEC has created institutions like the European Parliament, unique in its kind, although its views are not binding on Member-States. Though lacking unitarian political focus, the continuous economic upswing of all its members and the resultant increased influence in the international system has continued to provide the raison d'etre for its durable existence.<sup>2</sup>

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1. Promotion of mutual economic development and the consequent collective global political influence.

2. See Chopra, H.S., "Internal Relations", World Focus, October 1981, p. 11.

The problems currently being faced by the EEC are also not relevant to the developing nations of SARC. For it is essentially the problem of large production surpluses being faced by the EEC countries and the strain of supporting farmers as a result of the Common Agricultural Policy (CAP) which already absorbs the largest part of the EEC budget.

Finally, the activities of the EEC, unlike what could be visualised for SARC, have a bearing on global politics, for the region covered by the EEC is a vital part of the Atlantic Alliance. Membership of the Alliance has a profound impact on community thinking and actions - for example, regarding Afghanistan - under pressure of the US administration, the EEC not only condemned the intervention of USSR but also had to join in imposing trade sanctions against the Soviet Union. This was inspite of reservations among some of the members who also have considerable trade with the Eastern bloc. Yet the EEC had to submit to the position taken by the US in the super power politics, and, as a group, constitutes an important plank of US global strategy vis-a-vis its super power rival.

In close proximity to the South Asian region, the ASEAN countries, starting out with well-known

differences in interests and perceptions, have been able to forge one of the few 'success stories' of cooperation in the third world. The factors which made Indonesia, Malaysia, Philippines, Singapore, and Thailand (and Brunei, recently admitted as the 6th Member) discover commonality of interest, despite their different political systems and the absence of economic complementarity, will facilitate our understanding of the essential ingredients of regional cooperation. A perusal of its genesis, structure, and operational mechanism, may be instructive for the nations of South Asia on this score.

The single most important factor impeding regional cooperation in South Asia, as has been pointed out by most scholars, is the Indo-Centric nature of the region - India standing head and shoulders above the other six nations in the region by almost any reckoning, and thereby generating fears of an identity-crisis among the smaller states. A study of the ECOWAS becomes specially significant for this very reason. Not only are its member-states among the poorest of the third world, but also Nigeria is the dominant power in the region comparable in its size and potential in the region to India's position in South Asia. Yet, it has been possible for the ECOWAS to forge bonds of unity. The role that Nigeria plays in this direction within the

community is of special interest to us.

A relatively less known case of regional cooperation is that among the Nordic countries - Sweden, Denmark, Norway, Iceland, and Finland. These nations no doubt belong to the developed world and have relatively advanced economies. However, the unique model of cooperation they have evolved through informal mechanisms, stressing more on social, cultural, technological and scientific activities, and on people-to-people cooperation, is of particular interest for the South Asian region. Few other regions of the world offer greater opportunities for wide-ranging interchange at the level of the people to provide the source and inspiration of cooperation among governments.

An analysis of these regional organisations will, therefore, be made to highlight how, in different regions, there has been step-by-step evolution leading to the emergence of institutional arrangements. It will be seen that a favourable climate for regional cooperation has invariably grown out of years of efforts towards mutual exchange and collaboration, thereby overcoming inhibitions and suspicion against such cooperation.

The process through which such models of cooperation have evolved could provide useful guidance to the

countries of South Asia. For instance, how these countries have reconciled the rival economic claims, or those of national political and security concerns, and the perceptions of the different national leaders on these scores, at the regional plane to promote mutual cooperation.

Thus, the ASEAN nations have more often than not, taken a collective stand on international political issues based on 'consensus', in spite of differences among them on specific aspects. In fact, when the idea of South Asian Regional Cooperation (SARC) was being conceived, it was emphasized that internal political issues would be kept out of the purview of regional consultations. In the case of ASEAN, this very approach has served to reinforce mutual respect and consideration among members so that they can disagree without being disagreeable. At the same time, extensive consultations at the regional level has become the normal practice at the governmental and senior officials' levels. Similar trends are visible in the ECOWAS as will be examined shortly. On the other hand, a unique system of sector-by-sector approach has been evolved by the Nordic Community.

Finally, the shape that cooperation takes is closely linked to the institutional arrangements evolved,



on the basis of the objectives of regional cooperation and the visualised areas of development. In this respect, each region have special features of their own, depending on the relative stages of development of the different countries of the region, their needs and resources, the available infrastructure and management potential etc. However, the scheme of regional cooperation has been generally designed keeping in view both short-term and long-term possibilities, with regard to promoting complementarity among the countries of the region.

Keeping these aspects in view, an attempt has been made here to examine the genesis and evolution of these regional organizations, with special reference to the role played by the respective major regional power, the scope of these regional cooperation, attitudes, perceptions, the institutional framework, and funding modalities of these models of regional cooperation.

ASSOCIATION OF SOUTH-EAST ASIAN NATIONS (ASEAN):

The idea of regional cooperation among the States of South-east Asia dates from the early days of post-colonial independence in this region. In Malaya, the British had successfully fought local communist guerillas engaged in the war for national liberation against colonial rule. They had also helped in the creation of a federal

polity by 1955 with Tunku Abdul Rahman as its head. However, some of the guerillas had found refuge in the areas around the border with Thailand. Therefore, closer collaboration with Thailand was needed to eliminate the guerilla menace. A proposal to this effect by the Malayan Prime Minister in 1959 was warmly welcomed by the Philippines and, shortly afterwards, by Thailand, both of which had already joined the Western Military Alliance system as members of SEATO. Burma and Indonesia, the other countries in the area, cold-shouldered the idea.

In 1960, the three interested states set up a working group to lay plans for an Association of South-east Asia (ASA). The following year, this organisation formally came into being for the ostensible purpose of establishing a firm foundation of common action to promote economic and social progress in South-east Asia.<sup>3</sup> Ironically, it was developments within the region which wrecked the ASA. The Philippines and Malaysia suspended mutual diplomatic relations in 1963 when their dispute over North Borneo or Sabah reached a fever-pitch. Changed circumstances were responsible for reviving South-East Asian regionalism in 1966-67. The pragmatic regime of President Suharto,

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3. Armstrong, D., Rise of International Organisation, London, Macmillan Press, 1984, p. 113.

which had taken over from President Sukarno, who had been pursuing a policy of 'confrontation' against Malaysia, expressed interest in reconciliation with the latter. Similar moves were made to heal the Malaysia-Philippines rift. The Vietnam war underlined the vulnerability of all South-East Asian nations - Thailand feared it could be the next 'domino' to fall should the Communists achieve victory in South Vietnam. The radical phase of the Cultural Revolution in China, which had always been regarded with suspicion in South-east Asia, made it a source of regional instability as well. Moreover, the rise of Japan's economic power provided an economic motivation for cooperation. The three original states, now numbering four, since Singapore had ceded in 1965 from Malaysia to become a sovereign independent state, plus Indonesia in its radically changed political ideology, met at Bangkok in August 1967 at the Foreign Ministers' level.

It was at this meeting that the formation of the ASEAN was declared. The five states announced their determination to "ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples." In accelerating "economic growth, social progress, and

cultural development" in the area through joint endeavour, ASEAN hoped to strengthen the foundations for a peaceful, stable and prosperous community.<sup>4</sup> It is interesting that numerous references were made to South-East Asia as a region, "ties of history and culture," "existing bonds," "Mutual interests," and "Common problems".

However, to begin with, no permanent machinery was established to oversee the implementation of the Bangkok Declaration. Five National Secretariats of ASEAN in the capital of each of the participating state were instituted. There were periodical meetings at the ministerial level. Through a system of ad-hoc and permanent committees, ASEAN did evolve a degree of cooperation and coordination among the five states. But the arrangements remained on an ad-hoc basis as ASEAN essentially marked time, thereby earning for itself the criticism of being a club of foreign ministers. The founding members prudently engaged themselves in pursuing "safe" or non-controversial projects and activities that

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4. Fifield, R.H., "National and Regional Interests in ASEAN," Occasional Paper, No. 57, Institute of Southeast Asian Studies, 1979, p. 7.



would enable them to overcome mutual suspicions arising from historical circumstances, and to know and understand each other.

The US defeat in Vietnam in 1975, gave a significant momentum to the ASEAN, leading to the first Summit of the five Heads of Government at Bali in February 1976 and the second at Kuala Lumpur in August 1977. At the former, two treaties were approved - the ASEAN Treaty of Amity and Friendship, and the ASEAN Concord - binding the five into a Union of political, social and cultural cooperation, and laying down a blueprint for economic integration. What brought the five together were more political rather than economic considerations, though consultations over the years had generated a momentum of its own which contributed towards sustaining the cooperation. According to one author, the popular image of ASEAN being an organisation focussing on economic, social, and cultural activities, reflects the origins of the institution in 1967, for only by stressing on these aspects could the five members have found a common denominator for membership.<sup>5</sup>

At the outset, the cooperation was more in form than in substance. In spite of the shared strong

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5. Fifield, R.H., "ASEAN: Image and Reality," Asian Survey, v. XIX, No. 12, December 1979, p. 1200.

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anti-Communist ideology, differences and prejudices amongst the five persisted. In the Kuala Lumpur meeting, they agreed that the "neutralization of South-East Asia" was a "desirable objective," and that they should "explore ways and means" of realizing it. The five countries, they said, were "determined to exert initially necessary efforts" to bring about the "recognition of, and respect for, South-East Asia as a Zone of Peace, Freedom and Neutrality." At the same time the five leaders stated that countries in South-East Asia should make "concerted efforts" to widen areas of cooperation contributing to "strength, solidarity and closer relationship."<sup>6</sup> The underlying view was that if the members were at peace with one another there would be no provocation for outside interference in the region.

A singular achievement of this meeting and of ASEAN was the decision of President Marcos of Philippines to withdraw the Philippine claim to Sabah. It dispelled the skepticism concerning the viability of ASEAN and also the capacity of its member states to sacrifice aspects of national interest to promote regional amity, harmony and cooperation.

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6. Text in Malaysian Digest, 30 November 1971, v. 3, No. 21, p. 4.

Decision-making in ASEAN is by consensus. The effect is to slow ASEAN's progress to the least enthusiastic member at the time. It has contributed to the survival of ASEAN, and seems to be an essential condition for enhancing the stature and role of the organisation in the immediate context.

The experience of the last fifteen years has shown the difficulties in building up economic cooperation among the five States. Apart from Singapore, the countries are rich in natural resources, and have mainly rural-based economies, exporting similar commodities. This strong element of economic competitiveness hinders progress towards cooperation. The hesitancy of ASEAN countries to reach a consensus on a regional trade liberalization programme, such as a free trade area, has to be found in the differences in the level of industrialisation, and fear of unequal distribution of welfare gains, a problem, similar to that faced by the EARC nations. Over the years, however, a system for limited preferential trading arrangements has been devised.

What sustains the cooperation of the ASEAN nations is probably the realisation that the cooperation is mutually beneficial, especially in dealing with other international organizations and aid-giving agencies.

The ASEAN has, in fact, established formal relationship with the various UN agencies and EEC, etc. The ASEAN-Japanese agreement to restrain Japanese production of synthetic rubber is an example of the collective effort to promote and protect important ASEAN exports.

Joint approaches by ASEAN to various UN bodies has already paid dividends. In 1972, it applied for technical assistance from United Nations Conference on Trade and Developments (UNCTAD) to assist it in General Agreement on Tariff and Trade (GATT) negotiations, resulting in the project 'Cooperation Among the Countries of the ASEAN in the Field of International Trade and Trade Policy relating to multilateral negotiations in GATT'. The Food and Agriculture Organization (FAO) has also assisted ASEAN through its experts to develop an ASEAN project proposal and integration of the agricultural sector in the ASEAN region. ASEAN also invited United Nations Development Programme (UNDP) to send a mission to outline a comprehensive programme for further UNDP assistance and to promote social and economic development within the region. The ASEAN has achieved remarkable success in the field of coordinated aid-seeking, which the SARC countries could emulate for the benefit of the entire region.



The ASEAN has set up an institutional structure that is largely decentralised. The annual ministerial meeting is attended by Foreign Ministers of the member countries. Of late, periodical meetings of the Ministers dealing with such fields of activity as trade, finance, education, tourism, and energy are also held. Preparatory work for the Ministerial Meeting is done by a Standing Committee composed of senior officials. A Secretariat has been set up at Jakarta.

Besides, each member-country has its own national ASEAN secretariat which hosts the Standing Committee when it prepares for the Ministerial Meeting scheduled to take place within that country; otherwise, it coordinates work on behalf of the ASEAN. The major tasks of ASEAN are carried out by some fifteen Permanent Committees and half a dozen Ad-hoc Committees. Each state is committed to set aside one million in its national budget for ASEAN expenditure, and funds are disbursed from this account only when all the states agree. In 1969, the ASEAN Joint Fund (initial amount: US Dollar 5 million - Dollar 1 million each) was established.<sup>7</sup> But in practice very little fund has been sanctioned. The Finance Committee has been more

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7. Nishikawa, J., Asean and the United Nations System, New York, UNITAR Publications, (Regional Study No. 9), p. 5.

successful in attracting outside funds for ASEAN-approved projects from, for instance, Asian Development Bank (ADB), UNDP etc. The meetings of the Economic Ministers has become an important input in the affairs of ASEAN, contributing to the network of public and private consultation mechanisms. However, progress in economic cooperation and trade liberalization among the members, has been very tardy.

Although not officially a subject of multilateral cooperation, security cooperation has been on the agenda of ASEAN. The ASEAN, was in fact facing a paradox, which as Singapore's Foreign Minister said was that of "co-existence with its Communist neighbours," and yet "building up stability and security from within" by continuing to fight Communists at home, because "the people" have made it "abundantly clear" that Communism is "not for them."<sup>8</sup> ASEAN members have evolved informal arrangements to coordinate their security such as exchange of intelligence, joint military operations on the border between Thailand and Malaysia, and between Indonesia and Malaysia, and naval exercises involving various participants like Indonesia, Singapore, and Malaysia.

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8. The Straits Times (Singapore) 6 July 1977, Speech by Foreign Minister, S. Rajaratnam.

Over the years, ASEAN countries have shown some political cohesiveness in international politics. Earlier, in 1971, these countries voted differently on the question of Republic of China. Similarly, the Kuala Lumpur Declaration was subjected to a variety of interpretations by the five partners. However, of late they have aired similar opinions in international forums as, for example, on the Afghanistan issue.

Yet, differences among the five members continue. With a majority of its population of Chinese origin in Singapore, the treatment meted out to the Chinese population of Malaysia as second class citizens, remains a constant irritant. Thais and Malaysians are still accusing each other of providing sanctuary to Thai insurgents and Malaysian guerillas around their common border. The five also have differences on the Kampuchea issue. Thus such irritants among nations is not necessarily a major stumbling-block for regional cooperation.

While in the case of ASEAN, the perception of a common external threat helped strengthen the bonds of regionalism, in SARC the varying perceptions of the member-states may pose a hurdle in the way of regional cooperation with the smaller states always seeking to induct external powers in the region to counter India's dominant position. Unlike ASEAN, the countries of South

Asia are not to be the same extent motivated for the preservation of a particular ideology.

In spite of the creation in 1969 of the ASEAN Joint Fund of US Dollars 5 millions, in actual fact, the ASEAN is overwhelmingly dependent on external sources of finance for its regional projects. In SARC, the contribution of each member-state has so far been voluntary and decided upon through negotiations. While external sources of finance has been forthcoming for some projects from the EEC, International Telecommunications Union (ITU), etc., it is yet to be seen to what extent SARC would be dependant on such sources of finance.

Compulsions among the member-states for the formation of ASEAN were varying, and it is with time that programmes for economic cooperation have developed and an institutional framework evolved. "Perhaps ASEAN'S greatest asset today is its spirit of cooperation. This spirit, like nationalism, is a feeling, a psychological dimension that does not lend itself easily to quantification. But it is the cement that is helping to associate national interests and regional interests. Furthermore, this spirit of cooperation is growing, reaching out from governing elites to influential groups in business, the professions, and the media. The use

of the ASEAN label is popular...."<sup>9</sup> The point, therefore, is that problems are bound to exist and cannot be glossed over, but an awareness of the benefits of cooperation at a regional level can contribute to an environment where cooperation will be possible.

ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS):

A study of how the ECOWAS was formed, how it functions, and with what degree of success, is especially relevant in the context of South Asian Regional Cooperation. Since apart from the fact that their member-states belong to the developing world, in the ECOWAS, Nigeria, like India in South Asia, stands out larger than all the other states in the region. Therefore, the role that Nigeria has played in ECOWAS is of more than passing interest for us.

Emerging from colonial domination, the newly independent African states realised the imperative of regional cooperation to ensure their independence in the face of neo-colonialism. However, it was only in October 1966, at Niamey that fourteen independent West African States met for the first time.

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9. Ibid, No. 3.

The next year, at Ghana, they signed an article of Association and formed an Interim Council of Ministers. The latter prepared the ground for the Heads of State meeting in Monrovia in 1968 which led to the establishment of the West-African Group. Nigeria and Guinea were to prepare priority studies on areas of cooperation; Senegal and Liberia were to draft the treaty of the organisation. All these efforts led to fruitful results in May 1975 when fifteen African States met in Lagos and signed a treaty establishing the ECOWAS.

The objectives of ECOWAS - to foster a homogenous society ultimately leading to the unity of West Africa through cooperation and harmonization in the fields of agriculture, industry, transportation, telecommunications, energy, natural resources, commerce, monetary, financial, social and cultural matters with a view to freeing the movement of persons, goods, and capital across national borders - was geared for development and stability within a region, traditionally characterised by fragmentation and conflicting interests.<sup>10</sup>

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10. Zageris, Bruce, "Ecowas: An analysis and prospects", Case Western Journal of International Law, 10(1) Winter 1978, p. 93.

The Community embraces 12<sup>4</sup> million people from the fifteen countries, consisting of Liberia, Guinea Bissau (which became independent from the Portuguese only in 1975), the four former British colonies Ghana, Nigeria, Sierra Leone, and Gambia, eight Members of the former Federation of French West Africa - Mauritania, Senegal, Upper Volta, Ivory Coast, Guinea Dahomey, Niger and Mali and finally, the former German possession Togo, which was subsequently administered by France and Britain.<sup>11</sup>

Nigeria, aware of its economic status among the countries of the region, along with Togo, played an important role in the creation of the community. Mr. Edwin Ogbu, who was later Nigeria's Permanent Representative to the UN, had pointed out that if Nigeria was not conciliatory to the other countries of the region, they might seek support from outside Africa. Eventually, this would threaten Nigerian security, dragging her in an arms race she could ill afford, and which could jeopardise the development of its resources.<sup>12</sup>

Whatever may have been the motivation of Nigeria in the creation of ECOWAS the key role it has to play for the

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11. Kumar, Ashok and Osagie, Eghosa, 'Problems of the ECOWAS', Nigeria and the World: Readings in Nigerian Foreign Policy, ed., Akinyemi, A.E., NIIA, 1981, p.61.

12. Ibid.

success of the community is a fact growing out of the attributes it possesses which gives it an edge over other Members to play the pivotal role.

Not only is Nigeria the most dominant economic power, it is also territorially and demographically, the biggest, and probably, militarily the strongest constituent of ECOWAS. A report of the World Bank held that the Gross Domestic Product of Nigeria stands at US 49 billion Dollars which exceeds even the sum total gross domestic products of the entire Francophone Africa. Yet, Nigeria is unable to exploit her potential resources for the benefit of her own people because of the constraints of international free market forces. Only by following the path of regional cooperation as embodied in the ECOWAS can it make optimal use of its resources.

In fact, Nigeria's interest in ECOWAS is not inspired by any altruistic desire of aiding her poor neighbours, but by enlightened self-interest. It grew out of an awareness of the enormous benefits of regional free trade - trade amongst nations constituting a geographical, cultural, and economic entity - for balanced economic development by providing scope for specialisation, by facilitating the rational and equitable distribution of industries according



to the needs and resources of the area.<sup>13</sup>

The smallness of the domestic markets has been one of the main hurdles in the expansion of industrial undertakings in many West African countries. In this region, Nigeria has almost half of the total regional industrial employment. Therefore, the creation of the Community enables Nigeria to have a wide market for her industrial products. At the same time, it enables the other countries to pay less in comparison with the imports directly from France or England. Besides, it makes Nigeria also a potential market for the products of the other ECOWAS members' products.

The Treaty establishing the ECOWAS provides for the establishment of a Customs Union among the Member-states within a period of fifteen years, and attempts towards 'liberalisation' of intra-subregional trade. The ultimate aim is to eliminate import duties. The ECOWAS treaty also contains provisions designed to prohibit the practice of 'Dumping' to overcome trade imbalances, to cover commercial safeguards and 'most-favoured nation' treatment, to promote

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13. Udoakang, Oken, 'Nigeria and ECOWAS: Economic and Political implications of regional integration,' Nigeria and World: Readings in Nigerian Foreign Policy, ed., Akinyemi, A.B., NIIA, 1981, pp.74-75.

the free transit of goods through the territories of other states, etc.

To facilitate cooperation in monetary and fiscal matters, the Trade, Customs, Immigration, Monetary and Payments Commission is to make recommendations to the Council of Ministers on the harmonization of fiscal policies, on the establishment, in the long term, of a multilateral payments system to be supervised by the Committee of West African Central Banks. The treaty also envisages cooperation in the joint exploration of their natural resources, in the areas of transport, telecommunication, and exploitation of energy.

The imbalances in the existing export-oriented West African economy can be corrected by regional cooperation. For example, Guinea though naturally endowed with potential energy resources provided by rivers, is unable to establish heavy industrial sites due to lack of finance. Nigeria is in a position to finance such projects for mutual benefit. This, in fact, bears a strong resemblance to the South Asian situation where much scope for regional cooperation exists on the basis of positive reciprocity.

But in West Africa, not very much unlike South Asia, genuine cooperation is impeded by the ghost of

colonialism, the artificial barriers between neighbours - of language and boundary. Political fragmentation, the confinement to different monetary zones, and prevalent discriminating duties have hampered inter-state trade among the West African countries, while at the same time enabling foreign multinational firms to exploit these countries. By extracting minerals in one country and processing them in another, some foreign firms have been able to play one state against another. Bauxite mined in Guinea for example, is processed to Cameroon and as a result neither is in a position to bargain effectively with the company concerned, since neither of them have the financial resources to mine or melt the ore. Another significant problem was the dearth of an intra-African communication network which made communication between Nigeria and her neighbours difficult and circuitous as the message had to pass through the ex-Metropolitan cities.<sup>14</sup>

However, active efforts to remove such impediments have been made by Nigeria for instance, by undertaking road-building projects. It has also entered into joint economic agreement with other states. Of great importance

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14. Fajana Olufemi, 'Nigeria's inter-African economic relations: trends, problems and prospects,' Nigeria and the World: Readings in Nigerian Foreign Policy, ed., Akinyemi, A.E., NIIA, 1981, p. 25.

is Nigeria's financial contribution to ECOWAS 'Fund for Cooperation Compensation and Development.' It pledged in 1981, the sum of 18,000,000 Dollars annually to the Community, a figure which represents 31% of the financial requirement of the Secretariat and the Community's fund for cooperation and development.<sup>15</sup>

Obstacles to intra-West African Trade increased following the rapid proliferation of West African currencies.<sup>16</sup> The ECOWAS has to evolve a common currency for different members, and further develop the infrastructure necessary for movement of goods in the region. It is the initiative taken by Nigeria and the other rich member-states as Ghana and Senegal, which will determine the extent of success of the ECOWAS.

It is pertinent to point out here that inspite of being dominant in ECOWAS in terms of size and population, wealth and investment capability and opportunities, Nigeria's own house is far from being in order. In fact, the overthrow of Shagari's government was necessitated, according to General Buhari, because of prevailing economic maladies like rampant corruption. The oil

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15. Ibid, p. 119.

16. There are, as of now, three groups: Franco-zone group, Sterling-Zone group, and a mixed group with links with US Dollar. These differing monetary system inhibit the free flow of goods and services and capital movements.

revenue of the early seventies, which was mainly responsible for boosting Nigeria's economy, generated an attitude of complacency which proved detrimental for it.<sup>17</sup>

Not only was the attempt lacking to promote balanced growth in keeping with the priorities and needs of Nigerian society and economy, but also the 'Petromania' led to a demand for foreign goods which enabled foreign trading firms to flood the Nigerian market. This situation occasioned the comment that "Nigeria is a peripheral enclave economy playing its allotted part within the capitalist world system."<sup>18</sup> The extent to which the colonial legacy works subtly to prevent meaningful cooperation among countries of the region for their mutual benefit, can be gauged.

What is significantly different in the African context from the South Asian region is the impact of Colonialism. For, though the last among the continents to attain political independence, decolonisation in Africa

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17. The report of the 1975-80 Development Plan held that Oil sector is now "the main engine of growth of Nigerian economy." There has been growth but little development as borne out, for example, by the steady decline of food production and increasing dependence on food imports.

18. Chinweizu, 'Two decades of rushing and pushing', South, No. 12, 1981, pp.67-69.

was brought about with an unparalleled speed, exposing millions of people overnight from their tribal way of life to membership of a modern state. In South Asia, the process of transition was relatively slow and gradual. Also, in Africa, colonialism resulted in the resettlement of a large number of Europeans from the Metropolitan countries into the newly conquered territories, e.g., in Southern Rhodesia (Zimbabwe).

The region also suffers from such debilitating liabilities as declining standards in education and social services. Further, instead of the work ethic, there is a 'sloth-and-graft' ethic, leading a newspaper to comment: "Workers of Nigeria Arise. Please work."<sup>19</sup>

To meet the need for social and cultural exchanges, the ECOWAS provides for the Social and Cultural Affairs Commission to examine ways of increasing such exchanges between the member-countries, arrange consultations on these matters and make recommendations to the Council of Ministers.

Finally, there is the question of evolving a continuing process for political accommodation. Political differences exist among the member states and have even led to conflicts, e.g., between Togo and Ghana (1960),

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19. Ibid., p. 69.

Mali and Nigeria (1963-64). In 1979 the member-states adopted what was regarded as the first truly political decision of ECOWAS - a protocol on non-aggression discussed at the Council of Ministers in 1977, under which they undertook to refrain from attacking each other and to recognise as definite the present borders of their territories.

At the Sixth Summit Meeting of the Heads of States held in Freetown in May 1981 many decisions were taken, including adoption of a Defence Protocol, on Mutual Assistance and the establishment of a time-table for trade liberalization. In January 1982, ECOWAS signed a Joint Agreement with SELA (Latin American Economic System) in Caracas on promoting trade between the Member countries of the organizations.

The Treaty which created ECOWAS, spells out the institutional arrangement for cooperation which includes the Authority of Heads of State and Government; The Council of Ministers, The Executive Secretariat, The Tribunal of the Community, The Technical Commissions, The Committee of West African Central Banks; and The Capital Issues Committee. The institutional structure of ECOWAS was strengthened in November, 1976 by the establishment of the Fund for Cooperation, Compensation and Development.

The question of regional inequality, in terms of varying natural resources, cannot be wished away in any region. However, while the economic resources of the larger nations can be put to good use for forging regional cooperation, it also creates suspicions in the other states that it would grab more opportunities because of its better experience in economic management. Doubts of the smaller members that the more developed Nigeria may be in a favourable position to maximise benefits from cooperation also arise because the ECOWAS is a new experiment between states who were neither trading partners nor investing partners. Therefore, the importance of confidence-building measures. This is equally relevant for South Asia.

Fears of the smaller states was manifest, for example, when Senegal insisted that Zaire should be invited to join the Community so as to counter-balance Nigerian dominance. What is crucial is the nature of diplomatic efforts and effective political leadership to accommodate the varying requirements while preserving the solidarity of the community. Differences in perception, arising from diversities are inevitable, but what is important is the ingenuity with which they are dealt with so that the basic structure and unity of purpose of the community is not eroded. In this context, the role of the larger states in the region is crucial, as Nigeria's role in the ECOWAS would bear out.



### NORDIC COOPERATION

A relatively less known case of regional cooperation between the developed nations of the West is among the five sovereign contiguous countries - Denmark, Sweden, Norway, Finland, and Iceland, and three autonomous units, Farou islands and Greenland, both under the sovereignty of Denmark, and Aland Islands under the sovereignty of Finland.

Like the countries of South Asia, Scandinavians have had common history which has been characterised as much by disintegration as by cooperation. For almost five hundred years up to 1945, the Nordic area experienced continual political disintegration, after which the present regional structure of five independent Nordic States emerged.<sup>20</sup> The fear of external intervention in local affairs contributed to a desire to solve serious regional conflicts quickly and peacefully. In fact, the initial driving force behind regional-cooperation in this area has been less a desire to unite the region than a wish to keep it from falling further apart. Efforts were made to bring the Nordic States together, in spite of the formal

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20. A review of the history of the region is found in Scott, Franklin, D., Scandinavia, Cambridge, Harvard University Press, 1975.

divisions created during the past 150 years, as they realised that the limited size and capability of the separate Nordic States make it difficult to solve separately many of the social, economic and political problems of today.

During the post-war era, three different major attempts at long-range, comprehensive Nordic cooperation, have been tried. In 1948-49, efforts to establish a Scandinavian Defence Alliance composed of Denmark, Norway, and Sweden were made. However, no agreement could be reached on the relationship between this Alliance and the larger Western Alliance.<sup>21</sup> Instead, Denmark, Iceland, and Norway joined NATO, Sweden remained neutral and Finland concluded a Treaty of Friendship, Cooperation, and Mutual Assistance with the Soviet Union.

At the annual session of the Nordic Council in Oslo in February 1968, another proposal for economic cooperation initiated negotiations which resulted in the presentation of detailed plans for the creation of a Nordic Economic Union (NORDEK). Again, it failed as developments within the European Community made the Nordek alternative less attractive to some countries and more threatening to others.<sup>22</sup>

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21. For details, please see Sundelius Bengt and Wiklund, Claes, "The Nordic Community: The Ugly Duckling of Regional Cooperation," Journal of Common Market Studies, September 1979, v. XVIII.

22. CWiklund Claes, "The Zig-Zag course of the NORDEK Negotiations," Scandinavian Political Studies, v. 5, 1970, pp. 307-336.

These are examples of the impact of centrifugal forces on cooperation - often because exclusively Nordic solutions are too small to offset more attractive European or international programmes.<sup>23</sup>

However, the major setbacks in Nordic Cooperation have been generally followed by substantial achievements in other areas. Thus, the failure of the Scandinavian Defence Alliance in 1949 contributed to the establishment of the Nordic Council in 1952. In the beginning of the 1960s, the possibility of the Nordic split vis-a-vis the EEC led to a major expression of Nordic unity in the form of the Helsinki Agreement of 1962.<sup>24</sup> The Nordic incident led to the establishment of a Council of Ministers and several cooperation treaties.

The point that is being made and is of significance is that temporary failures have not paralysed the cooperation process. Instead, they have stimulated concerted efforts to overcome these potential threats to regional unity and have been followed by successful new initiatives.

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23. Role of external factors has been discussed by Orvik, Mils, in 'Integration: For whom, Against whom?' Cooperation and Conflict, v. 2, No. 1, 1967, pp. 54-59.
24. Treaty of Cooperation between these five countries. This document provides a statutory basis for Nordic Cooperation.

Drawing from lessons of the past, these nations premised their cooperation on avoidance of the "constitutional" approach, on the understanding that the national structure of the five sovereign states would remain the political basis for regional cooperation, from which, areas with "high" political content as national security would be excluded. The point for the SARC countries to take note of is that resolution of differences of a political nature or of differences arising from varying perceptions of national security need not be a necessary pre-condition for cooperation in economic, social, cultural, scientific and technological activities. Regional cooperation may provide the means of enabling each country to achieve its social and economic goals and realise its own resource potentials more effectively than it might do alone.

An interesting feature of the Nordic cooperation process, in a sense adopted also by the SARC countries, is that of an issue-area approach. For example, tourism, international development assistance, civil rights, have been handled within a joint Nordic perspective.

The main goal of Nordic cooperation is not to merge the Nordic countries into one political unit, but to facilitate constructive and mutually beneficial management

of various regional problems. It has its roots in societal linkages and gradually builds up political mechanism needed to manage problems associated with societal inter-dependence.

Due to the general Nordic preference for knowing all the ramifications prior to undertaking a course of action, Nordic policy are usually reached only after lengthy investigations and deliberations. There have been only a few exceptions to this, e.g., in 1976, a Nordic Investment Bank was quickly established after a firm political commitment by the five Prime Ministers.

The Nordic Council, as presently constituted, is composed of 78 Parliamentarians,<sup>25</sup> enabling consultations among the Legislators of the five countries as well as government representatives in matters involving joint action, for discussing questions of common interest and making recommendations to the governments. These recommendations are not binding, although they are generally accepted by the governments.

The Nordic Council has five standing committees - Legal, Cultural, Social, Traffic, and Economic. The Chairmen of the five delegations, and a President

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25. Out of these, 16 are elected by the Danish Parliament, 17 by the Finnish Parliament, 6 by Icelandic, 18 each from Norwegian and Swedish Parliaments respectively. In addition, the legislators of Faero Island (Denmark) elects 2 and that of Aland 1 delegate.

elected from among the delegates, constitute the Presidium which represents the five countries in between the sessions of the Council. Till the Helsinki Treaty (1971), five small secretariats in the respective national capitals functioned on behalf of the Nordic Council. Since 1972, their work is supplemented and coordinated by the Central Secretariat.

The Presidium functions between the sessions as the Councils' supreme body dealing with the daily business with the assistance of its central Secretariat in Stockholm as well as the National Secretariats. A new institution created by the Helsinki Treaty was the Nordic Council of Ministers, to follow up the Nordic Council's recommendations, and for decision-making at the regional level.

The composition of the Council of Ministers varies, depending on the nature of the questions to be considered at different meetings. The government of each nation has appointed a Minister for Cooperation to be responsible for the coordination of Nordic cooperation, and for setting priorities. Under the Council of Ministers, there are Committees of Senior Officials in the most important areas of cooperation.

The 1960s saw the evolution of a new institution known as the Contact Man System, constituted by Senior Civil Servants in the five national administrations in almost all Ministries. Within each of the National Ministries, a Senior Civil

Servant is designated as the Nordic Contact Man. His responsibility is to coordinate cooperation within the home country and to maintain contact with his counterparts in the other four countries. This has now also been extended to the international field. They investigate, plan and deliberate about identical positions in negotiations in international institutions and jointly prepare for international conferences e.g., the five Nordic Health Departments prepare joint positions on activities in the World Health Organization. This is a valuable example for the SARC countries.

It reflects the importance of cooperative and consultative mechanisms as opposed to centralized institutional arrangements. In fact, one of the most interesting aspects of Nordic Cooperation is the primary role of informal flexible interactions across the various governmental centres in the region.<sup>26</sup> The approach has been to treat Nordic issues more as an extension of domestic policy-making than as relations with foreign powers. Informal means of trans-nordic contacts, such as direct correspondence and telephone calls, have been compared to a cobweb of numerous delicate threads which together make

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26. Analyzed in Sundelius, Bengt, 'Trans-Governmental Interactions in the Nordic Region,' Cooperation and Conflict, v. 12, No. 2, 1977, pp. 63-86.

up a network of considerable strength.<sup>27</sup> These supplement the formal, periodic meetings in the joint organs. Politically sensitive issues are often handled outside the framework of the Council of Ministers to maintain flexibility and discretion.

Among the achievements of Nordic Cooperation are free movement of citizens from one country to another, a common labour market, a common social security system, a common programme for the protection of environment and freer communication systems.

Problems do exist - for e.g., Scandinavian National economies are all heavily dependent on foreign trade, outside the region. However, intra-Nordic trade has progressed to a great degree and tariff barriers for industrial goods have been gradually removed. The Nordic Industrial Fund was set up in 1973 to make funds available for use in technological and industrial development.

Nordic cooperation also includes a network of bilateral and trilateral cooperative arrangements e.g. Aviation Cooperation within the Scandinavian Airlines

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27. The cobweb theory was introduced by Andren Nilc in 'Nordic Integration: Aspects and Problems', Cooperation and Conflict, v. 2, No. 1, 1967, pp.1-25 and criticised in Haskel Barbara, 'Is There an Unseen Spider?' Cooperation and Conflict, v. 2, No.3-4, 1967, pp. 229-234.



Systems (SAS). Nordic cooperation consists of an active interplay between authorities, politicians, associations, and groups representing collective international and private individuals.

Thus, institutions are there to facilitate Cooperation but cooperation is not premised on their existence. Regional conventions and rules are not superior to national laws but are generally enacted through parallel national legislation. The emphasis is on intimate collaboration within the framework of voluntarism. Absence of supra-national pretence generates a sense of security. Governments are aware that they can refuse to support a policy or simply withdraw from negotiations without suffering serious political or economic consequences. "At the same time strong commitments to far-reaching accommodations combined with the dominant norms of consensus-formation and compromise induce the governments to undertake sincere and generally successful negotiations."<sup>28</sup>

The nations aiming at South Asian Regional Cooperation stand to gain a lot if they are able and willing to draw from the experience of these regional groupings. Time is, no doubt, an important factor if a

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28. Sundelius, Bengt, and Wiklund, Claes, n. 20.

strong foundation is to be laid for cooperation among nations in a region, a fact expressed by the Indian delegate at the first SARC meetings: "Rome was not built in a day - neither were other regional groupings established without several meetings and through discussions."<sup>29</sup> The importance of institutional arrangements to sustain cooperation need hardly be emphasized.

While SARC may learn from these models, the eventual shape it will take will be guided by the compulsions of the region, the perceptions of the ruling-elites in these nations. It is clear that objective conditions for SARC exist, but it is the subjective factor that has proved to be the main stumbling block. It is, therefore, necessary to examine this factor in some detail.

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29. Speech of Indian Foreign Secretary, Sathu, Ram, First Meeting of SARC, Colombo, April, 1981.

## CHAPTER II

### THE PROBLEM IN SOUTH ASIA - IMPACT OF DOMESTIC COMPULSIONS ON THE SARC PROCESS

A major factor bedeviling cooperation in the South Asian region is the dominant position of India. The Indo-Centric nature of the region and the asymmetric and hierarchical power structure with India at the top makes India the proverbial Big Brother in South Asia. The centrality of India in any scheme for cooperation in a regional framework is inescapable. In itself, this is not a negative factor, because it is not true that regional cooperation can be successful only among states of the same size and power, but rather that each state is able to contribute in proportion to its potential. Only then can regional cooperation be worthwhile and beneficial to all - each state should feel important and indispensable to the process of cooperation.

In the South Asian context, however, there were hardly any attempts at the outset, to remove the artificial barriers imposed by colonialism among the states, and to work cohesively as a region; rather, there was an attempt to 'correct' the natural power-hierarchy in the sub-continent which inevitably drew in external powers in the affairs of the region. The roots of suspicion, therefore, lie in the past which is necessary for us to grasp if we are to

realistically approach the problem. Since it is largely the perceptions of the ruling-elites in these states which determines the policies they adopt, it is important to study how these are shaped. What is the extent to which the responses of the ruling-elites are guided by domestic politics in these states? Have their perceptions and responses been guided by the nature of their regimes? What are the determining factors in the relationship which the relatively smaller states have evolved with their 'big' neighbour, India? What has been India's response? To what extent is the Indo-Pak equation central to meaningful cooperation in the region?

The nature of the problem can be gauged only after a study of the historical and psychological processes, which have determined the attitudes of these nations towards one another as also their own self-image.

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#### THE INDO-PAK FACTOR

The relationship between India and Pakistan is a crucial variable which would determine the extent to which South Asian Regional Cooperation is able to strike deep roots. It is also a complex issue, the genesis of which lies in the partition of the sub-continent, and Pakistan's search for an identity. The question is not merely one of disputes over issues like Kashmir but, rather, they arise

from a set of conflicts - a conflict over status, a conflict of images, and a conflict generated by the problem of identity of the two new states as two new nations. This largely explains why, in spite of having so much in common, these two countries are bound in a web of mistrust.

It is necessary to recall that the demand for Pakistan was advanced by the Muslim League as a culmination of its demand for parity, essentially parity of status between the 25% Muslims and the rest in undivided India. It is because of the impossibility of solving the status problem in terms of majority and minority, which almost, by definition, determines the status of the two groups, that the two-nation theory was advanced. Even after the creation of Pakistan, it has been unable to reconcile itself to the status of a smaller state in the sub-continent to which it belongs. As a Western scholar observes: "Pakistan reacts hysterically to any suggestion that India outranks her in prestige or status."<sup>1</sup> This is one of the reasons why Pakistan has always needed what

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1. Callard, Keith, "Pakistan's Foreign Policy: An interpretation," Mimeo, N.Y., Pacific Institute of International Affairs, 1957, p. 11.

Bhutto called "a plus factor", for coping with India.<sup>2</sup>

The basic problem stems from the inability of undivided Pakistan to define her individual personality and consciousness of the fact that "geographically, she was never an entity."<sup>3</sup> In the aftermath of partition of the subcontinent, confronted with the difficult task of welding widely differing peoples into a 'nation', Pakistan sought to resolve it in terms of her conflict with India. "The indeterminate character of her own Nationalism," as an author pointed out, "leaves Pakistan with India as the indispensable rallying point for diverse regional and social groups."<sup>4</sup> The emphasis on Islam has possibly come to imply as much of an anti-Indian fervour as a positive Islamic sense of belonging.

In a situation where national energies were not channelised into constructive nation-building activities, the problem of adjustment of a small power living next to a considerably larger neighbour, was aggravated. "Frustrated and at loose ends, Pakistan searches relentlessly and endlessly for a degree of recognition and respect out of all proportion to its size. It huffs and puffs and still finds

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2. Bhutto, Zulfikar Ali, "Political Situation in Pakistan", 1968, Veshsher Publications, New Delhi, p. 25.

3. Hussain, Arif, "Pakistan, its Ideology and Foreign Policy," London, Frank Cass and Co. Ltd., 1966, p.64.

4. Harrison, Selig, "Troubled India and her Neighbours", Foreign Affairs, January 1965, p. 20.

to its understandable despair that India is bigger. Each provocation from Pakistan, each gesture of self assertion and defiance serves to strengthen the demand in India to put Pakistan in its place. The two countries feed each other's obsessions in a vicious circle of challenge and response. It is in the nature of the situation that India as the larger of the two powers would have to be the first to display political maturity and large heartedness in order for a process of accommodation to get under way."<sup>5</sup>

The inability of Pakistan to reconcile herself to geo-political realities comes through in the various Pakistani views articulated on the subject: "Let us clearly understand that the Indian threat will never be averted.... It arises from the physical situation of the two countries ...so long as Pakistan stays within the range of subcontinental gravitation, its position will be precarious."<sup>6</sup> And, "It is generally assumed that the position of a small country around a big country is that of a satellite.... According to this prescription, India could tolerate the emergence of Pakistan only as a satellite."<sup>7</sup>

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5. Ibid. p. 321.

6. Suleri, Z.A., 'Towards Viability,' Pakistan Times, Lahore, 17 July, 1966.

7. Suleri, Z.A., 'Challenge and Response,' Pakistan Times, Lahore, 5 June 1966.

On the one hand, Pakistan's fear of absorption - political, intellectual, and economic - by India, led the ruling elite to nurture myths of "Indian expansionism." And a national identity for Pakistan was sought to be evolved on the basis of negative anti-Indianism. But this was also a ploy to perpetuate the rule of this socially and regionally exclusive power elite. Moreover, the domestic interests of the armed forces establishment in Pakistan is linked to Pakistan's posture of confrontation vis-a-vis India. An inflated military establishment could only be justified in terms of a presumed threat from India. And the former was essential to keep the military top brass in power. This vicious circle has subverted the normal political process in Pakistan and generated tension in Pakistan's relations with India.<sup>8</sup>

Any attempts to improve relations, in this situation, was doomed from the start. Interestingly, the then foreign Minister, Manzur Qadir told Peter Schmid: "even if India were to treat us with yielding love tomorrow we should only regard it as a trap."<sup>9</sup> Ehatte too is on record as having said, when he was Foreign Minister: "We are fully

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8. Aycoob, Mohd., 'India, Pakistan and Bangladesh - Search for New Relationship.' New Delhi, ICWA, 1975, p. 7.

9. Schmid, Peter, India: Mirage and Reality, London, George G. Harrap and Co. Ltd., 1961, p. 205.



aware of the treacherous nature of India and we do not want to endanger the existence of Pakistan in the name of cooperation."<sup>10</sup> The implication is that the normalisation of relation would be counter to the very raison d'etre for partition and would pave the way for Pakistan to be absorbed into India's geo-political orbit.

In the view of Pakistani leaders, of all India's neighbours, Pakistan is the only one to have "the will and the capacity to frustrate her designs." India's attitude is, therefore, represented to be one of "unmitigated hostility" to Pakistan, creating for the latter a grave problem in "India's inability to reconcile herself to our existence as a sovereign, independent state."<sup>11</sup>

Pakistan and India have regarded their status in the region in terms of their differing perceptions. Thus, for Pakistan to accept a lower status in the subcontinental balance of power would amount, in her view, to the negation of her independent existence. On the contrary, the Indian leaders regarded any disturbance of the regional power hierarchy, as a result of Pakistan's alliance with the West, as a source of grave danger to the security of the region.

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10. Times of India, New Delhi, 6 June 1966.

11. Khan Mohd. Ayub, "Friends not Masters: A Political Autobiography", London, Oxford University Press, 1967, p. 115.

Although the theme of 'Indian threat' to the integrity of Pakistan was used whenever the Pakistan ruling hierarchy faced a threat to its power, yet this could not prevent the internal contradictions within Pakistan (as originally constituted) from culminating in East Bengal's struggle for separation.<sup>12</sup> The 1971 war not only disproved the premise on which Pakistan had launched upon the policy of parity-and-confrontation, but also brought home to the Pakistani rulers that in a crisis situation in South Asia, its 'Patrons' from the West could not be entirely relied upon.

The emergence of Bangladesh and the military defeat of Pakistan changed the entire regional context in which Indo-Pakistan relations had been conducted from 1947 to 1971. Certain fundamental assumptions regarding South Asian 'realities' had been successfully challenged. "The entire concept of 'balance of power' in the sub-continent which meant essentially military parity between India and Pakistan was discredited. Since the concept of military parity was linked to the concept of political parity between India and Pakistan, the explosion of this myth also

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12. Mohd. Ayooob, "India, Pakistan and Bangladesh - Search for New Relationship," New Delhi, ICWA, 1975, p.2

reopened the question of the relative political weights of the two countries in the arena of international politics."<sup>13</sup>

An article in the government-controlled Pakistan Times stated: "We on our part have to rid ourselves of the fiction of equality of stature with India....If India plays fair by us, does not seek to weaken or isolate us, we should advance rather than checkmate her legitimate interest."<sup>14</sup> Yet, the fact that there was no basic psychological change in Pakistan's thinking was evident from Bhatto's statement that military parity with India was essential for peace. He was quoted as having said that mutual arms reduction "would have to ensure parity between the two nations",<sup>15</sup> obviously disregarding the fact that India is a bigger country with a larger border.

However, this can be explained, as pointed out earlier, in terms of the domestic compulsions of the ruling-elite. Their need to divert attention from the pressing problems at home, to counter the opposition demand for restoration of democratic liberties impels

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13. Ibid.,

14. Pakistan Times, (Rawalpindi edition), 30 July 1972.

15. Indian Express, 27 September 1973.

them to adopt a confrontationalist stand vis-a-vis India. Kashmir is only the consequence and not the cause of the discord. Its importance lies in the fact that it helps Pakistani leaders to rationalise their hostility to India. It also helps them to contain discontent from within and to divert it to unprofitable channels in order to keep their hold over the masses.

In real terms, the Pakistani search for 'security' against a presumed threat from India has meant a search for political and military support to counterpoise and neutralize Indian power superiority in the sub-continent. Right from the outset, Pakistan turned to forge close ties with the Muslim countries and the British Commonwealth, sought the friendship of China and to some extent also of the Soviet Union which was increasingly getting close to India, entered into a close relationship with the United States and became its 'most allied ally' in Asia. The 'Islamabad-Peking-Washington axis' is also partly explained by Pakistan's search for the 'plus factor'. Pakistani leaders were not favourably disposed to accept assurances of India's peaceful intentions. An interesting remark made by President Ayub was that, "If a big country like India has the capability to attack Pakistan, the intentions (to be peaceful) can always change."

However, Nehru's understanding of the nature of Indo-Pak relations was: "...it is inevitable for India

and Pakistan to have close relations, very close relations, some time or other in the future. I cannot state when this will take place, but situated as we are, with all our past we cannot be just indifferent neighbours....Ultimately, we can only be really very friendly, whatever period of hostility may intervene in between, because our interests are so closely interlinked."<sup>16</sup>

The essence of Indian policy towards Pakistan, after independence, was its attempt to live in peace with its dissatisfied neighbour, to reassure Pakistan of India's peaceful intentions,<sup>17</sup> to make generous concessions to Pakistan on minor matters in dispute, but to make no concession on the one issue which became the focal point of all Pakistan's demands on, and grievances against, India: Kashmir.

The perceptions of the Indian leaders regarding Pakistan were influenced both by the image built during

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16. Jawaharlal Nehru's speeches, September 1946-May 1949, Delhi, Publication Division, edition 2, pp. 252-53.

17. Not only did India offer a no-war declaration, the Prime Minister Jawaharlal Nehru also said in his Press Conference on 6 February 1950: 'We have offered Pakistan a Joint Declaration for the avoidance of war. I am prepared to say that whether Pakistan agrees to that declaration or not, we will not have an aggressive war. We will not have war unless we are attacked.'

the freedom struggle, as well as by pragmatic considerations in the radically altered context after the partition. Revealing in this respect, was a speech by Nehru where he said: "As a matter of fact, it is to India's advantage that Pakistan should be a secure and prosperous state with which we can develop close and friendly relations. If today, by any chance, I were offered reunion of India and Pakistan, I would decline it for obvious reasons. I do not want to carry the burden of Pakistan's great problems. I have enough of my own. Any closer association must come out of a normal process and in a friendly way which does not end Pakistan as a state, but makes it an equal part of a larger union with which several countries might be associated."<sup>18</sup>

This vision was confronted with several obstacles in view of the course that Pakistan's domestic and foreign policy took after freedom - the increasing dependence and collaboration with the West, the eagerness to befriend all India's adversaries, the emphasis on religion in the state ideology of Pakistan, the gradual collapse of democracy in Pakistan and the rise of a military regime in its place, the denial of equal rights to minorities in the Constitution, and the one-track devotion to the cause of limiting and curbing India.

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18. Jawaharlal Nehru's Speeches, September 1946-May 1949, Delhi, Publications Division, 1958, eds. 2, p. 358.

The fact that it was a tripartite arrangement and not a bilateral one between the Congress and the League which had created Pakistan, implied that any Indian action even seemingly violative of the terms of that agreement would have meant incurring great risks for India's future as far as the influence of the third party within India and in the region as a whole was concerned. India's foreign policy was largely aimed at gaining the maximum possible independence of action without losing all friendship and sympathy in the West: learning to live with a hostile Pakistan was an essential condition for the pursuit of this two-fold goal.

The crux of the matter happens to be that in dealing with Pakistan, India is not dealing with a country whose responses and reactions to Indian policies could easily be anticipated. It has always been a serious problem to calculate the possible effects of a policy on Pakistan's attitude to India. The crisis of identity, the status-conflict, and the conflict of images which lie at the root of the Indo-Pak conflict cannot be done away with by mere gestures of conciliation or by concessions in the settlement of disputes. This is obvious enough from the sharp ups and downs to which the quest for peace and amity between the two neighbours has been subjected in recent days.

To cite only one example, while the two countries have been engaged in examining a 'No-War Pact' suggested by Pakistan and the wider 'Treaty of Friendship and Cooperation' proposed by India, General Akram, President of the Institute of Regional Studies in Islamabad, has come up with the thesis that "the present government of India feels committed to the rash ambition of seeking greatness for itself at the cost of the well-being of its neighbours." He writes, "With its image of itself as the greatest power of Asia, eclipsing even China....India seeks to be a great power and wants the world to know it and say so...."<sup>19</sup>

Even if this is taken as only one view, it points out how perilous the path to cooperation is bound to be under a military regime facing massive opposition and constantly searching for legitimacy. A democratic polity in Pakistan is likely to be more interested in peace and development, and the building of bridges of closeness between our two people.

In the prevailing situation, the importance of what we may call a 'working relationship' between these two countries needs to be highlighted. An awareness of this reality is to be found in the process evolved for regional

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19. Akram, A.I., "South Asian Threat Perception", Regional Studies, v. 1(3), Summer 1983, p. 3-13.



cooperation itself. Cooperation can commence only on a low-key on issues where the benefits can be directly perceived. Of course, it would be far better for the peace and stability of the region if India and Pakistan signed a friendship treaty rather than only a no-war pact. The two States need, not only absence of war between them but full scale cultural cooperation to begin with at the level of the two governments, and between people to people.

India's strength, as Chopra writes,<sup>20</sup> lies in the strength of the sub-continent, and of South Asia as a whole. The more these countries are a family the greater their collective strength, and India's with it. But this region will be weaker, and India will be with it, if Pakistan drifts Westwards, Sri Lanka Eastwards, Bangladesh South-Eastwards, and Nepal and Bhutan to the North. India and Pakistan need to move towards each other not only for their own sakes but that of the region's also, because the Indo-Pak equation is the key to the question whether centripetal tendencies will be stronger in this region or the centrifugal.

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20. Chopra, Pran, ed., Contemporary Pakistan, Delhi, Vikas Publications, 1983, p. 19.

### BANGLADESH'S PERCEPTIONS

The emergence of Bangladesh in 1971 altered the existing power-structure in the region and was fraught with significant implications for the whole region. It discredited the two-nation theory which Pakistan held as the raison d'etre of its creation and existence, and saw India emerge as the dominant power in the region. Having played a crucial role in the birth of Bangladesh as a nation, the Government of India lent its resources to help build the wrecked Bangladesh economy, and was the first to recognise it as a sovereign independent country.

Bangladesh is one of the few countries in South Asia which has a foreign country surrounding it on three sides. Geography and history have created psychological complexes both in India and Bangladesh; in the latter, it is a feeling of being stifled by India from all sides, and in India it is of being continuously let down by a country it has helped so much, and to which it has a deep and lasting attachment.<sup>21</sup>

It may be recalled that it was President Ziaur Rahman of Bangladesh who mooted the proposal for Regional Cooperation in South Asia. Yet, Bangladesh too has not

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21. Sen, Samar, "Bangladesh", World Focus, 47-48, p. 86.

been entirely free from the "small power syndrome" and the nature of its domestic politics has also been reflected in its relations with its big neighbour.

The pace for cooperation was set by India, immediately after the liberation of Bangladesh. In the words of Prime Minister Indira Gandhi, "....working together for freedom and democracy, we shall set an example of good neighbourliness which alone could ensure peace, stability and progress in the region."<sup>22</sup> India entered into several bilateral agreements with Bangladesh covering defence, foreign relations and trade. In a unique gesture, Indian troops withdrew from Bangladesh ahead of schedule, when Sheikh Mujibur extolled the Indian Army's "noble role" in the liberation struggle.

It was clear that India had no ulterior motives in helping Bangladesh but it was in her own interest to have a strong and prosperous neighbour. "If we are helping you, it is not because we want to influence you. We are doing so in the spirit of real friendship and brotherliness and the high principles both of us cherish," to quote the Indian Prime Minister. On the lines of the Indo-Soviet Treaty of Peace, Friendship and Cooperation, India and

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22. Lok Sabha Debates, v. IX, No. 17, 6 December 1971, Cols. 16-17.

Bangladesh signed on 19 March 1972, a twenty-five year Treaty of Friendship, Cooperation and Peace, underlining the fact that in the present-day world international problems can be solved only through cooperation and not through conflict. The commitments and obligations undertaken by the two countries are meant to safeguard their mutual interests and are not designed to benefit one side to the disadvantage of the other.<sup>23</sup>

This initially warm cordiality could not, however, prevent a growing anti-Indian feeling in Bangladesh, in large part based on communal and economic factors derived from a long historical process. The people of the erstwhile East Pakistan had lived for twenty-four years in an atmosphere of anti-Indian propaganda by the rulers of Pakistan for their own political ends. Coupled with this, was the worsening economic conditions of the people even after the emergence of Bangladesh, which only fed the perception of exploitation by a powerful neighbour.

The inability of India and Bangladesh to resolve differences on border, maritime, and water diversion issues was reflected in other aspects of their relations. The Indian

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23. Jain, J.P., Soviet Policy Towards Pakistan and Bangladesh, New Delhi, Radiant Publishers, 1974.

proposal to create a jute cartel similar to OPEC, seemed acceptable to Bangladesh in early 1973. However, soon afterwards, Bangladesh officials sought agreements with Pakistan, China, and Western buyers for jute sales on their own terms. In fact, the gap between public postures and the reality has hurt the interests of the countries; for example, while officials were unable to agree on prices for state-controlled trade, illicit trade flourished. As the rhetoric about 'friendship' escalated, negotiations on the Farakka and Maritime boundary talks moved further and further apart. Indian and Bangladesh officials continued to insist that border problems were 'minimal' while refugees streamed into India at alarming rates as the Bangladesh economy steadily deteriorated. In fact, the conflict between India and Bangladesh stems from a complex set of forces seemingly beyond the immediate control of either side.

With the assassination of Sheikh Mujibur Rahman in August 1975, and the overthrow of his Government by a bloody coup, a drastic change in the climate of cooperation and consultation between the two countries took place. Although the new regime reiterated its faith in the basic principles of non-alignment, peaceful coexistence and non-interference in the internal affairs of other countries,

yet from time to time, the orientations of its foreign policy changed subtly, and acquired a pronounced anti-Indian stance.

Dawn in an editorial on "Bangladesh and the outside world" wrote: "Bangladesh whose geopolitical situation renders it vulnerable to foreign influence and infiltration, has for sometime been passing through a phase of political instability though the present government is in effective control. Bangladesh's geo-political compulsions are such that it can ill-afford to ignore its large neighbour with which it shares its entire land frontier except thirty-two miles border with Burma." Criticising the Mujib Government as having been "excessively pro-Indian," the Pakistan daily added: "In this context, the new orientation in Bangladesh's foreign policy which seeks to diversify its external relations and assert its independence is bound to evoke some reaction, overt or covert, in New Delhi." However, it continued, "Any possible Indian attempt to intervene in Bangladesh will affect entire South Asia and will militate against the security and stability of that region."<sup>24</sup>

At that time, Major General Zia-ur-Rahman emphasized in August 1976: "Bangladesh wanted to build up equal

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24. Dawn, Karachi 22 November 1975.

relations with all and strongly disfavours any idea that bigness of a nation makes it more equal than the small ones."<sup>25</sup> The obvious reference was to India's allegedly big-brother attitude towards small nations in South Asia, especially Bangladesh during the time of Mujibur Rahman. Internationalising his country's Farakka problem with India, he asserted that it affected the economic sovereignty of Bangladesh.

In an article in February 1977, published in the Government-controlled press in Bangladesh, a fanatic supporter of the new regime writing about "the politico-military configuration in the South Asian region", called upon all the small nations surrounding India to join hands, for "ultimately Bangladesh should help build a little entente embracing these countries in the sino-Indian periphery which have security problems similar to ours. Efforts in this direction should result in the evolution of a mosaic whereby countries like Nepal, Ceylon, Pakistan, Burma and Bangladesh realise the benefits of cooperation for forestalling the hegemonistic designs wherever they emanate from."<sup>26</sup> This aptly

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25. Bangladesh Observer, Dacca 11 August 1976.

26. Rasul Enayet, 'Our Search for a Foreign Policy: A Policy of Survival', Bangladesh Times, Dacca, 21 February 1977.

indicates how, by the reversal of its secular policy for the sake of some short-term gains, the ruling-elite of Bangladesh is willing to sacrifice the long-term perspective of the nation's interests.

It is interesting to note that the election posters in the 1978 campaign depicted General Zia as "the one who saved Bangladesh from the evil designs of India", and cautioned voters to elect Zia, "lest you turn Bangladesh into Sikkim or Bhutan."<sup>27</sup> In an atmosphere of such distrust, little headway could be made in tackling the wide range of issues outstanding between Delhi and Dhaka, notwithstanding the Janata Government's claim of the success of the policy of "beneficial bilateralism".

Ziaur Rahman's subsequent major concern was financial and material support sufficient to prevent deterioration of the Bangladesh economy and enable it to begin to operate on its own steam. His concept of Bangladeshi nationalism aimed to provide positive goals and values for his people and was also directed at fanning the overriding fear of most of his countrymen that India might achieve such a position of predominance

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27. Sinha, P. B., 'Zia's Post-Poll Problems,' The Tribune, Chandigarh, June 15, 1978.



as to render meaningless Bangladesh's status as an independent and sovereign nation. He feared that the Soviet Union and India may combine to topple his regime.

While much of this fear is unfounded, from New Delhi's perspective, Bangladesh's strategic location and its susceptibility to foreign influence have become all the more important at a time when India is faced with a troubled North-eastern region. The problem has been accentuated by India's compulsions to detect unauthorized Bangladeshi refugees in India. The Bangladesh-India border is not sharply demarcated, and although a number of agreements have been entered into to demarcate their land boundary and police it more efficiently, their implementation has been beset with constant difficulties. The urgent need for greater restriction on illegal immigrants is sought to be dealt with by the proposed fence on the Indian side of the border, but the issue has yet to be resolved to the satisfaction of Bangladesh.

While we cannot here go into all the various bilateral issues between the two countries, the Farakka issue may be referred to as proving till now to be the most intractable. The present standby arrangement on the sharing of the Ganga waters at Farakka has just ended without the two countries being able to come to any

agreement on a long-term arrangement to augment the sparse flow of the Ganga at Farakka during the dry season. Dhaka is opposed to New Delhi's proposal for a link canal between the Brahmaputra and the Ganga for this purpose, insisting instead, on an alternative scheme for building storage reservoirs on the upper reaches of the Ganga, including a large number in Nepal, thus trying to involve a third country in a bilateral issue. Now the issue remains to be taken up by the two Governments at the highest political level. But as long as General Ershad is in serious political trouble at home he is less likely to be inclined to reach a long-term accord. The prospects for a mutually satisfactory long-term accord on Farakka seems to be bleak until Bangladesh has a democratic government with the sanction of public opinion behind it. This once again only goes to show the inevitable linkage between domestic politics and foreign relations.

However, agreements have been made from time to time, for example, in the cultural field, on setting up railway transit facilities, on the setting up of a Joint Economic Commission to narrow Bangladesh's adverse balance of trade position - which have brought the Indian and Bangladesh officials together fairly regularly, enabling them to negotiate through the present difficulties involved in cooperative endeavours.

Bangladesh can hardly afford to ignore for long the implications of its geographical position. Even as Bangladeshi attempts to assert its political identity and cultural particularity, it cannot afford to ignore the economic imperatives of mutuality of developmental interests with India. The security of Bangladesh and India are inextricably intertwined. Without Bangladesh settling down to orderly economic, social, and political progress, Eastern India cannot have any durable security. And antagonising India will never provide Bangladesh with security whichever extra-regional power it may align itself with.<sup>28</sup>

If General Ershad is to be taken at his word, "a cardinal principle of Dhaka's foreign policy is to seek the closest possible relation with our closest neighbours in South Asia....There were a number of issues which still remain unresolved, but the areas of mutually beneficial cooperation between the two countries has been expanding... interaction in many fields, notably in trade and commerce continues....we (Prime Minister of India and General Ershad) shall continue the dialogue to resolve the outstanding issues in a spirit of good neighbourliness...issues like

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28. Mitra, N., "India and its neighbours", Indian Defence Studies and Analysis Journal, v. XIV, No. 3, January-March, 1982, pp. 401-414.

sharing the Ganges water, implementation of the 1974 land boundary agreement, demarcation of maritime boundary, the ownership of the South Talpatty Island were of vital concern to us...these issues should not stand in the way of forging close and mutually beneficial relationship between the two countries."<sup>29</sup>

Given the present political situation in Bangladesh the impending parliamentary and presidential elections and the strength of the opposition seeking a return to democracy, the government will, no doubt, tread cautiously, and India would prefer an agreement that has general public support. A responsible and representative government in Bangladesh can not only truly reflect the sentiments expressed by General Ershad on Bangladesh's relations with India, but will also be of lasting benefit for the region as a whole.

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29. Sen, Samar, "Bangladesh", World Focus, 47-48, p. 86.  
Source: Press Reports.

THE NEPAL FACTOR

As in the case of Bangladesh, because of Nepal's geographical position, socio-cultural affinity, economic dependence, and similar historical experiences, it was bound to be considerably influenced by its gigantic neighbour, India. The security of the two countries is closely linked. Nehru pointed out that the Himalayas have always provided us with the principle barrier to invasion against India. "Therefore, much as we appreciate the independence of Nepal, we cannot allow anything to go wrong in Nepal or permit that barrier to be crossed or weakened because that would also be a risk to our security."

An understanding of this reality by the Ranas in the 1950s, ensured relatively smooth relations among the two and an important role played by India in accommodation of various groups in Nepal's politics. The era of 'special relations' with India continued beyond the rule of the Ranas. With a change in those factors which had made such a relationship possible, the inevitable fear psychosis of a small state vis-a-vis its large neighbour asserted itself. A study of the factors and forces that have been at work in determining the course of their relations, such as the intricate link between domestic politics in the country and the posture adopted by the ruling-elite, will

help us understand the extent to which cooperation is helped or hindered by mutual perceptions.

While the Ranas were ready to accommodate the Indian Government's views concerning the security of the sub-continent, they were opposed to the idea of reorganising Nepal's internal political structure in order to make it more representative and broad-based. The good-will of the Indian Government, however, was necessary for the Ranas to continue in power. They knew well that because of Nepal's geographical juxtaposition, socio-cultural affinity, economic dependence and similar historical experiences, it was bound to be considerably influenced by its gigantic neighbour, India.<sup>30</sup> Therefore, during 1947-50 Nepal's relations with India constituted the most vital aspect of Rana diplomacy and efforts for survival in power against the mounting domestic opposition.

In July 1950, Nepal signed two treaties with India: a Treaty of Peace and Friendship and a Treaty of Trade and Commerce. Under the former, the two Governments in addition to respecting each other's sovereignty and independence, also agreed to consult mutually on matters

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30. Nepalese Ambassador to India, Major General Bijoy Shumshere in a press interview, New York Times, New York, 18 April 1950 - Quoted in Muni S.D., Foreign Policy of Nepal, National Publishing House, 1973, p. 19.

relating to national security. The second Treaty provided for India's direction and guidance in matters of trade and commerce between the two countries. The Prime Minister, Mohan Shumshere remained reluctant, however, to concede to the persistent demand by Indian leaders for the liberalization of the political and administrative structure of Nepal. It was because of this reluctance that inspite of the well-planned and efficiently executed foreign policy, he could not secure India's sympathy for the Ranas in the anti-Rana struggle which broke out later in 1950.

Although wanting democratic processes to be initiated in Nepal, India could not permit the uprooting of an existing order. While claiming 'keen and personal' interests in Nepal's internal conditions, she was inhibited by a sense of international morality from pursuing this interest. India's policy of 'middle-way' which provided a way out and was aimed at pressurising the Ranas as well as the 'revolutionaries', so as to allow accommodation of each other, while also extending support to the King, achieved its immediate objectives. It enabled the Indian Government to play a decisive role as a result of which the concerned parties agreed upon a compromise, proposed under

this policy.<sup>31</sup> "Both the victors - King Tribhuvan and the Nepali Congress, and the vanquished (the Ranas) were apparently delighted to find themselves in the new democratic order created by the good offices of Nehru's 'Middle-way' policy."<sup>32</sup>

Apart from such constant factors like geographical contiguity, strong socio-cultural and ethnic identities between the two countries, and Nepal's excessive economic dependence on India, there were various factors that accounted for 'special relations' between Nepal and India. These were the legacy of the Rana regime and the domestic and external milieus obtaining at that time in the Kingdom. The Ranas had been only too willing to adjust Nepal to suit India's interest in the changed context after India's independence (withdrawal of the British, the Communist revolution in China in 1949, and assertion of Chinese authority in Tibet in 1951). In the domestic political scene after the fall of the Ranas, this pattern of relations was further consolidated as the new Nepali

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31. The compromise plan provided for an amnesty for insurgents, the restoration of King Tribhuvan, the inclusion of popular representatives in the Cabinet on the basis of parity with the Ranas and the holding of elections to a constituent assembly on the basis of universal adult suffrage.

32. Baral, Lok Raj, Triangular Relations, Seminar, June 1982, no. 274, p. 22.



elite was indebted to the Indian Government for facilitating its ascendance to power, apart from the fact of their psychological and political affinity with Indian leaders. The problems created by the new political and social order emerging in the country also compelled the new leadership to look towards India for help and guidance.

An important factor sustaining 'intimate' relations between India and Nepal was the absence of any external interference. China's position in Tibet was unsettled at this time; it was also facing outbreak of hostilities in Indo-China and was, therefore, in need of India's good-will and support. The British, after its withdrawal, had virtually handed over its concern with Nepal to the United States which was mainly interested in keeping off the Communist influence and was giving Nepal economic aid but within "carefully defined limits". Thus the Chinese silence, the tacit approval of Britain and United States, and the domestic factors of Nepal contributed to "very special and intimate" relationship with India.

A change in the nature of this relationship came with the change in the combination of factors which had made the earlier relationship possible. A change in the domestic milieu resulted from the death of King Tribhuvan in March 1955, coincided with a change in the external milieu.

In King Tribhuvan, India had a dependable friend and ally in Nepal. His successor son, King Mahendra, found the Indian influence coming in the way of his strong urge for the exercise of authority. Besides, his supreme position in the power structure of the Kingdom, what facilitated his desire for weakening relations with India was the anti-Indian sentiment in Nepal, expressed in the form of charges that India was interfering in the domestic affairs of Nepal.

The origin and growth of the anti-Indian sentiment may have been an outcome of Nepal's size-psychology, or small power complex vis-a-vis India; but India's Nepal policy with its built-in ambivalence was perhaps also responsible for aggravating this suspicion. For, this policy was based on the contradictory premises that Nepal being a sovereign country, India should scrupulously observe non-interference in its affairs, and that Nepal being strategically important, Indian leaders could legitimately claim 'keen and personal' interest in the affairs of the Kingdom.<sup>33</sup>

Such a policy could hardly succeed in striking a proper balance between the ideological moorings of the

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33. Muni, S.D., Foreign Policy of Nepal, Delhi, National Publishing House, 1973, p. 92.

Indian policy makers and their concept of international morality on the one hand, and vital national interests of India on the other. Further, in the implementation of the policy, the second aspect being operative, it got precedence over the first and added to Nepal's psychological imponderables. Prompted by the second aspect, the Government of India made its advice and help available to preserve domestic peace. It is questionable, however, why it did little to institutionalize democracy in Nepal when its political leverage was high. At the same time, the Indian Government's objective of not allowing any other country to interfere in Nepal or to be more friendly to it as compared to India - led it to prevent Nepal from extending its diplomatic contacts. This resulted in an apparent gap between profession and practice in policy, and made the Indian Government suspect in Nepal and criticism of its 'big brotherly' attitude and paternalistic policy.

What further strengthened such fears and suspicions was the extremist opinion of certain sections in India demanding that Nepal, alongwith Bhutan and Sikkim, should be integrated with their country.<sup>34</sup> Ambivalence in India's

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34. For example such an Idea was expressed by the Deputy Speaker of India's Lok Sabha, Ayangar, A.C., in April 1954, raising a public controversy in Nepal. It was later clarified that what he meant was 'integration' of foreign and defence policies only and moreover, that it was only a personal opinion.

policy, followed by its unsophisticated diplomacy in Nepal gave rise to confusion in that country's attitude.<sup>35</sup>

Whereas the political and economic situation prompted the Nepal government to approach India frequently for consultations and help, the very awareness of this fact pricked the conscience of an emerging nation. Whereas geographical contiguity and socio-cultural affinity between the two countries called for a very close relationship between them, the closeness viewed against the historical background, it was feared in Nepal, would eclipse its entity as an independent sovereign nation, and prove detrimental to the growth of its international personality.

Also, some 'external agents', specially America or Britain was believed to have been encouraging anti-Indian sentiment in Nepal. This was pointed out by Prime Minister Koirala at that time and it was stated in a resolution that the Super Powers were getting active in Nepal to achieve their selfish motives, and were trying to erect a wall between India and Nepal.<sup>36</sup> Thus, the anti-Indian

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35. C.P.N. Singh, the then Indian Ambassador was said to be getting personally involved in Nepal's domestic affairs and his open style of diplomacy was disliked.

36. Nepal Pukar, 13 Chaitra 2009.

sentiment in Nepal was not the outcome of any single factor but the mixed effect of Nepal's size-psychology and its nascent nationalism, India's policy and diplomacy in Nepal, frustration among Nepali politicians, and external influences. It resulted in building up a case for the revision of Nepal's 'special relations' with India.

Indian leaders, apparently sensing Nepal's new mood, showed accommodation to its assertive tone while also reminding Nepal of the intimate ties between the two countries. Former Indian President, Dr. Rajendra Prasad, told his hosts in Kathmandu on a visit there: "We are parts of the same subcontinent, standing together in perpetual amity and friendship. India is vitally interested in peace and prosperity of your great country and I am sure, you are equally interested in ours.... We are faced with common problems and we cherish common ideals. India and Nepal are inseparably linked together by strong ties since time immemorial.... Any threat to the peace and security of Nepal is as much a threat to the peace and security of India."<sup>37</sup>

It should be understood, as Western Scholars point out "that even the most vehement Nepali nationalists did

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37. Text of the welcome address presented to the King in New Delhi, The Hindu, 16 and 28 November 1955.

not imagine that their country could or should be isolated entirely from India; nor did many of them contemplate throwing Nepal into the arms of a third power to spite India, although they occasionally talked in such terms. Their objective was fuller independence, and under existing conditions this could only be achieved by diminishing the intimacy of the relationship with India and concurrently expanding ties with the rest of the world. This frame of reference must be kept clearly in view if the sometimes bewildering twists and turns in Nepali foreign policy in the post-1955 period are to be comprehended."<sup>38</sup>

Nepal's foreign policy initiatives seemed to help its search for identity. India's reconciliation with China over the Tibetan issue had paved the way for Nepal to establish its diplomatic relations with Peking, which Nepal did immediately afterwards, and also diversified its policies with other countries irrespective of their alignments with the global blocs. Nepal's China policy was significant - it considerably reduced India's political leverage in Nepal's domestic and foreign policies. It

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38. Rose Leo E., and Fischer, Margaret W., The Politics of Nepal: Persistence and Change in an Asian Monarchy, New York, Cornell University Press, 1970, p. 152.

activated 'regio-politics' whereby a small country like Nepal, sandwiched as it was between China and India, had to enter into constant interactions with them as well as with others with whom diplomatic relations had been established.

The change in stance was also evident in its non-aligned policy. Non-alignment when first adopted as a basic principle of Nepali foreign policy in 1951, was more an expression of confidence in Indian leadership in international affairs than a clearly-conceived response to Nepal's self-interest. However, "with the Slogan of 'equal friendship for all', non-alignment became both a symbol of Nepal's national sovereignty and a means for guarding its integrity against external influences. This guise has not always been easy for Nepal to maintain."<sup>39</sup> But this guide was successfully maintained under the first and only elected government in Nepal under the leadership of B.P. Koirala. The dismissal of this Government by King Mahendra who took over the government by a royal proclamation, shocked India into describing it as "a setback to democracy". What followed was a strained relationship between the two countries, indicating the correlation that exists between nature of regimes and policies adopted.

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39. Ibid, p. 162.

It is revealing to note what King Birendra, who assumed power after the death of King Mahendra, said in his famous 'on the right path' statement on a state visit to India in October, 1973. Asked to comment on the relationship between India and Nepal before India came 'on the right path,' the King referred to the positive part played by Indians and Nepalese which brought a successful change from the rule of the Ranas. "But, there were hangovers that developed after the Revolution - the Big Brother attitude, and this sort of thing. Perhaps this was inevitable. But we got over that...." Then came the second phase in the 1960s when my father abolished the party system. The repercussions and comments that followed were not what the Nepalese expected from the Indian side. This also created friction. Then again, you know, the Nepalese are quite concerned about projects like Kosi and Gandak regarding which the average Nepali feels that we have been cheated. These are irritants which, I think, must not now be repeated and I think we are on the right path. The greater understanding between us is a good sign...."

It was at the time of his coronation in February 1975 that the King expounded his "Nepal as a zone of peace" concept. This proposal, he said, was not prompted by "fear or threat from any country or quarter, since Nepal



has close ties of understanding with its neighbours, India and China," but by the desire that "our freedom and independence shall not be thwarted." A dialogue with India for "long-term appraisal" of Indo-Nepalese relations and "clarity of perception on both sides" was called for.

In an interview on the "peace-zone" proposal, Prime Minister Giri said Nepal was not only a landlocked country, but it was also "India-locked". "Nepal needs India's cooperation. We expect this cooperation for our development, not for our survival. We need proper understanding from India of our problems and of our attitude. Nepal cannot be used by any country as a base." What Giri evidently had in mind was the 1950 Treaty of Peace and Friendship with India.

The Indian Government's reaction to the proposal was neither very enthusiastic, nor was it one of rejection. The Indian Foreign Minister in the Janata Government made Nepal his first port of call. "This reflecting our unique relations that are founded on history, culture, tradition, religion, social and economic ties," as he put it. Our "earnest desire is that the entire sub-continent should be an area of peace."<sup>40</sup> This view was reiterated by the

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<sup>40</sup>. Quoted in Kumar, D.P., Nepal: Year of Decisions, New Delhi, Vikas Publishing House Pvt. Ltd., 1980, p.210.

subsequent government of Mrs. Gandhi. Beneath the polite euphemisms of official rhetoric different considerations are at work - Nepal trying to maintain a more meaningful policy of equidistance from China and India while promoting a National Identity; and India stating its inability to endorse the "peace zone" proposal because of its security considerations.

India's attitude is of utmost importance for Nepal on almost all major issues affecting the country. As Rishikesh Shaha, a former Foreign and Finance Minister of Nepal put it, "India holds a unique position in the continent of Asia, and strategically she is so situated that her attitude has got to be taken into account in consideration of any major problem relating to defence, trade, industrial or economic policy affecting any group of Asian countries." Further, "Nepal and India have common problems of economic development, and their geographical juxtaposition makes it possible for them to have integrated schemes of economic development on the basis of mutual benefit and cooperation, as for example, in the case of riverine and other multi-purpose projects."<sup>41</sup>

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41. Shaha, R., Nepal and the World, Published by Nepali Congress, Nepal, p. 52.

It is not enough to emphasise ancient ties of race, religion and culture between the two countries. What is needed constantly is to revitalise them according to changing circumstances. For the existing interdependence must be continuously appreciated by both sides before it can contribute to the benefit of the entire region.

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#### THE VIEW FROM SRI LANKA

Referred to as 'the pearl of the Indian Ocean', Sri Lanka has been destined by geography to be India's close neighbour and, so located, its relations with India are crucial. This basic factor has also determined that Sri Lanka will always remain an object of permanent political interest in India, for, the presence of any hostile power in or around Sri Lanka would severely endanger India's security.

Separated from India by a narrow stretch of water, Sri Lanka's location at the southern tip of the Indian peninsula, has constantly exerted a determining influence on the course of the island's history. The majority of the Sri Lankan people, whether they be Sinhala, Tamil or Muslim, belong to the same ethnic stock as India's population;

and cultural affinities extend not only to religion but also to language. Tamil being common to Tamil Nadu as well as North Sri Lanka and Sinhala being related to the North Indian languages such as Hindustani and Marathi.

Also important from the locational point of view is the existence of a strategic harbour at Trincomallee, facing the Bay of Bengal on the island's East coast. India, with no comparable natural harbour on its East Coast, is most concerned about this harbour's potential status and uses. Writing in the mid-forties, K.M. Pannikar had averred that the strategic unity of India, Burma, and Sri Lanka was so obvious that one of the pre-requisites to a "realistic policy of Indian defence" was the "internal organisation of India on a firm and stable basis with Burma and Ceylon."<sup>42</sup> Nehru, himself, had drawn attention to the ethnic, linguistic, and cultural unity of India and Sri Lanka to support the view that the latter would inevitably be drawn into a closer union with India. "Presumably as an autonomous unit of the Indian federation."<sup>43</sup>

Such a view generated fears of Indian interventionism in Sri Lanka. One Sri Lankan Prime Minister went so

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<sup>42</sup>. Pannikar, K.M., "India and the Indian Ocean," London, George, Allen and Unwin, 1945, p. 95.

<sup>43</sup>. Quoted in Wriggins, W.H., "Ceylon: Dilemmas of A New Nation," Princeton, Princeton University Press, 1960, p. 399.

far as to assert, in 1954, that Pannikar's writings were tantamount to an Indian proclamation of a 'Monroe Doctrine' for South Asia.<sup>44</sup> Indian assurance and goodwill notwithstanding, perception of a threat from India was a very real element in the foreign policy of Sri Lanka. Sri Lanka, according to an Indian author, lives in the shadow of the Indian colossus separated only by the Palk straits and it would seem as hard to convince the Sinhalese that India presents no potential threat to them as it would be to persuade South American Governments that they should have no anxiety whatever about American intentions.<sup>45</sup> The people of Sri Lanka have "a sensation of living under a mountain which might send down destructive avalanches" according to a Western author.<sup>46</sup>

India's own strategic concerns regarding the Sri Lankan foreign policy posture and alignments have been continuing. A former Commander of the Indian Navy could write as late as 1974 that "Sri Lanka is as important strategically to India as Eire is to the UK or Taiwan to China....As long as Sri Lanka is friendly or neutral,

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44. Sir Kotelawala, John, Debates, 1954, v. 20, cols.51-52.

45. Coelho, Vincent, Across the Palk Straits: India-Sri Lanka Relations, New Delhi, Palit and Palit Publications, 1976, p. 149.

46. Jennings, Ivor, The Commonwealth in Asia, London, Cambridge University Press, 1951, p. 113.

India has nothing to worry about but if there be any danger of the island falling under the domination of a power hostile to India, India cannot tolerate such a situation endangering her territorial integrity."<sup>47</sup>

Stemming from the vast disparity in the size, population and power of the two countries, a Cardinal principle of Sri Lanka's foreign policy is to cultivate and maintain friendly relations with other countries which are able and willing to restrain India, should the necessity arise. This policy has been variously referred to as a search for counterpoise and counterbalance. In the early years of independence, there was much reliance on forging close links with Britain to deter India, among other powers, from entertaining any aggressive design on Sri Lanka. The latter's pro-West stance from the early years of independence, its defence pact with Britain, its acquiescence in the British policy of keeping their naval base at Trincomallee and air base at Katunayke, and in fact its perception of the Commonwealth as a force which could keep India under restraint reflected to a certain degree its fear of India and the obsession it had of what it regarded as a threat from India.

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47. Kaul, Ravi, "The Indian Ocean: A Strategic Posture for India," in Poulcuse, T.T., Indian Ocean Power Rivalry, New Delhi, Young Asia Publications, 1974, p. 66.

Sri Lanka has always remained on the look-out for a counterpoise against India. Its swing towards China after India's debacle in the 1962 border conflict with China, may also be interpreted as an effort in the direction of "the island's continual search for reinsurance against India."<sup>48</sup> Even the Che Guevarist uprising of April 1971 which was the culmination of a movement launched by young left-oriented adventurists was invested with an anti-Indian bias. After their capture, the insurrectionists were imparted lessons in "Indian expansionism."<sup>49</sup> Besides China, Sri Lanka forged close ties with Pakistan which, alongwith large aid from the United States and firm support from China, was seen as a power in the South Asian region which could militarily be a match for India.

India's treaty with the Soviet Union, its victory in the Indo-Pak war and the emergence of Bangladesh, established India as a 'pivotal' State in South Asia, altering the power structure of the region in its favour.

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48. Kodikara, S.U., "Foreign Policy Making in Ceylon: Some Considerations," Seminar Paper XIV (Mimeo) All India Seminar on Foreign Policies of South Asian States, Jaipur, 1-6 February 1968, p. 2.
49. Halliday, Fred, "The Ceylonese Insurrection" in Robin Blackburn ed., Explosion in a Subcontinent, Middlesex, Penguin Publications, 1975, p. 190.

It is significant that Sri Lanka recognised Bangladesh only after several months of its existence.<sup>50</sup> At the same time, Sri Lanka, already a close ally of China, made a determined bid to improve its relationship with the United States. What comes out clearly is the fact that although there have been changes in the idiom of spelling out the objectives and strategy of Sri Lankan foreign policy under different regimes, India has continued to be the critical variable in the context of the regional power balance. A factor of continuity in Sri Lanka's foreign policy has been its search for allies and, bilateral and multilateral arrangements, to neutralize India's power potential.

All these attempts notwithstanding, for a small country like Sri Lanka with limited industrial and military potential, a powerful and friendly India alone can be the bulwork of its strength and security. Realising this, S.W.R.D. Bandaranaike got the British bases removed from Sri Lanka and believed that friendship with India and closer identification with the neighbouring countries of South and South-East Asia to

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50. For details, see Muni, S.D., and Phadnis, U., "Ceylon, Nepal and the emergence of Bangladesh," Economic and Political Weekly, v. 7, 19 February 1972, pp. 471-76.



be a better insurance against exposure to war.<sup>51</sup>

It will be pertinent here to point out the importance of the personality factor in mutual relations. Perceptions are inevitably influenced by the extent of understanding, or the lack of it, among the ruling-elites of the nations concerned. The United Nationalist Party Prime Ministers such as D.S. Senanayake and John Kotelawala suffered from personal complexes regarding Nehru, and this was reflected in the divergences in the response of the two nations to some of the world issues of the time.<sup>52</sup> S.W.R.D. Bandaranaike who succeeded Kotelawala in 1956 was, on the contrary, a close personal friend of Nehru and like India, he adopted non-alignment as the main strand of Sri Lanka's foreign policy.

Bandaranaike's Sri Lanka Freedom Party identified itself with the lower middle-class rural-based people, who were more tradition-bound and looked to India with a degree of reverence shown usually to a mother country.<sup>53</sup>

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51. Wilson, A.J., Politics in Sri Lanka, 1947-73, London, 1974, p. 276.

52. Harney, R.M., "The Foreign Policy of Ceylon Under Two Premiers", Australian Outlook, v. 14, April 1961, pp. 69-70.

53. Jennings, Ivor, "Politics in Ceylon since 1952," Pacific Affairs, v. 27, December 1954, pp. 338-52.

Prime Minister, S.W.R.D. Bandaranaike generally followed a path of genuine understanding, not seeking to make political capital out of any dramatic confrontation, but rather bent on seeking India's cooperation towards a mutually satisfactory resolution of the problems. A Columnist of Ceylon Daily News wrote, "...the new Government's emphasis is on Cooperation in the East rather than in the West. New Delhi, rather than London or Washington, thus becomes the new centre of Ceylon's future diplomatic activity." The Prime Minister denied that Sri Lanka had any kind of fear from India and was in general agreement with the policy pursued by Nehru, and he was also interested in the Afro-Asian States and their problems.

Under S. Bandaranaike's Premiership (1960-65) it was alleged that Sri Lanka moved closer to China than to India.<sup>54</sup> However, it cannot be said that Sri Lankan policy was anti-Indian. For instance, Sri Lanka gave whole-hearted support to Indian efforts at integrating Goa, Daman and Diu with India, and a common outlook was evolved on many world issues. Dudley Senanayake's Nationalist Government (1965-70) curbed its tilt towards China and

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54. For details, see Muni, A., "Sri Lanka's China Policy: Major Trends," South Asian Studies, v. 8., January 1973, pp. 72-98.

sought improvement in its relations not only with the West but also with India. These efforts were carried on by Sirimavo's United Front Government (1970-77) when efforts were made to settle problems.<sup>55</sup> After the victory of J.R. Jayewardene's UNP Government in the General Elections in Sri Lanka in 1977, it was said that Sri Lanka had no dispute with India, and that India had not interfered in the internal problems of Sri Lanka.<sup>56</sup>

But old problems have often surfaced, for instance, the citizenship status of migrant workers. It may be recalled that this contentious issue was more or less resolved after protracted negotiations when the Sirimavo-Shastri Pact was signed, with Sri Lanka agreeing to grant citizenship to the 'absorbable maximum', and later, when a decision was taken regarding the status of the remaining people. The agreement proved that the Indian Government under Shastri, and later Mrs. Gandhi, was not only willing to understand the domestic political compulsions related to these issues, but was also ready to accommodate the difficulties of the Sri Lankan Government, for which, the problem was of critical consequence.

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55. Coelho, Vincent, n. 38, p. 68.

56. The Hindu, 10 January, 1980.

In fact, this background largely explains the ease with which India and Sri Lanka arrived at agreements on the dispute over Kacchathivu and the Maritime boundary, enabling them to cooperate and exploit for mutual benefit the natural resources of the area wherever possible.<sup>57</sup>

However, recently the Sri Lankan Government has gone back on its agreement by contending that settling the legal status of the remaining 90,000 stateless people of Indian Origin on the island, not covered by the earlier agreements, was its responsibility, and by refusing to confer citizenship on them. Legislation to this effect, it now says, would be the subject of a national referendum which, in the surcharged atmosphere of the present ethnic tension, may be taken to mean that it will not go through. Such backtracking only breeds suspicion.

The Sri Lanka Government is, in fact, blowing hot and cold on other issues apart from the citizenship issue of the 90,000 people. One may cite here the dangerously ambivalent stance it has taken on the Tamil people's question and on India's role in the Tamil-Sinhalese

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57. Muni, S.D., "Kacchathivu Settlement: Befriending Neighbouring Regimes," Economic and Political Weekly, v. 9, No. 28, 13 July 1974, pp.119-22.

dispute. It assures its own Tamil population that their security is its concern, but, as the July Massacre showed, its own policemen and soldiers joined in attacks on Tamils. It says it wants a political solution, but shows reluctance to continue the negotiations. Instead, it undertakes elaborate security operations and passes an array of repressive measures, abruptly suspending the All-Party Talks for a solution. While it has been reiterating its desire for congenial relations with India, statements by Mr. Jayewardene who told a UNP rally recently that "not even a hundred Indians"<sup>58</sup> can subjugate Sri Lanka, seem more calculated to whip up the anti-Indian hysteria.

There has also been some divergence of views between India and Sri Lanka on some of the multilateral issues of relevance to the region. For example, Sri Lanka supported the proposal for a "nuclear-weapon-free zone" in South Asia sponsored by Pakistan. India maintained that in the absence of a commitment on the part of all the nuclear powers to renounce and dismantle nuclear-capability, any isolated nuclear-free zone would result in the concerned

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58. Quoted by Abraham, A.S., "Gathering Sri Lanka Crisis: Colombo's Dangerous Ambivalence," Times of India, 13 April 1984.

states becoming vulnerable to the pressures of the nuclear-powers. In fact, Sri Lanka's relations with third countries and its attitudes towards multilateral issues have often been motivated by its self-perceived need to meet the imperatives of its security; therefore, its search for a wider range of options in foreign policy and for greater flexibility for manoeuvre in the regional and global issues. One such option, kept open, has been its membership of the ASEAN grouping, while participating in talks for South Asian Regional Cooperation. This lack of commitment could hardly be very propitious for SARC. Of late, such an inconsistency is being reflected in the stand taken by the Jayewardene Government towards India, which has kept relations between the two in the twilight of suspicion. A headway in mutual cooperation will, therefore, remain contingent on the generation of a climate of trust and consistency in their relations.

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BHUTAN'S VIEW

Among the smaller neighbours of India, Bhutan's relations with its bigger neighbour have remained on an even keel. It was mainly in the initial phase of its relations with independent India that Bhutan apprehended of being treated as a protectorate as the British Indian Government had done. It feared that India might oppose its emergence as a fully sovereign and independent country. Consequently, Bhutan continued the old 'close-door policy' restricting the entry of Indians into Bhutan and discouraging the establishment of close economic and cultural ties with India. It did not wish to disturb its surface-level stability by inviting "the inroads of republican India in any form with its new-fangled ideas of democracy."<sup>59</sup>

However, India, which entered into a Treaty of Friendship with Bhutan, did not lay claim to any protectorate over Bhutan. Moreover, it made a friendly gesture by returning to Bhutan thirty-two square miles of territory in Dewangiri district of Assam, which the

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59. Rathore, L.D., The Changing Bhutan, New Delhi, Jain Brothers, 1974, p. 64.

Government of British India was not prepared to do in 1919.<sup>60</sup>

Nehru's visit to Bhutan in September 1958 was historic, he being the "first foreign guest" ever to enter Bhutanese territory. After discussions at length on the economic development of Bhutan, Nehru laid stress on the common affinities between the two countries and said that India and Bhutan were both "Members of the same Himalayan family, and should live as friendly neighbours so as to safeguard the freedom of both the countries." Nehru made it clear to the Ruler that India had no intention of interfering in the internal affairs of Bhutan or her "own way of life".<sup>61</sup>

However, China's policy towards Bhutan-her 'Cartographic aggression' by including a part of Bhutanese territory within Tibet - impelled Bhutan to work in close cooperation with India in the interest of their mutual security. Although China did not recognize India's special relationship with Bhutan, Nehru was firm to

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60. Labh, K., India and Bhutan, New Delhi, Sindhu Publications, 1974, p. 209.

61. Rathore, L.S., The Changing Bhutan, New Delhi, Jain Brothers, 1974, p. 64.



maintain it and also held India bound to protect Bhutan against foreign aggression. "The Government is responsible for the protection of the borders of Sikkim and Bhutan and of the territorial integrity of these two states and any aggression against Bhutan and Sikkim will be considered as aggression against India."<sup>62</sup>

The ruthless suppression of the Tibetan revolt by China, the flight of the Dalai Lama, and the assemblage of Chinese troops near Bhutan's Northern border, made a strong impact on the Bhutanese authorities. They realised that their country must be rapidly modernised lest they should meet the fate of the Tibetans. They, therefore, gave up their policy of aloofness and, within a short period, took strides towards modernisation, with India's financial and technical assistance.

India won Bhutan's friendship also by helping it in securing an international recognition of its status as an independent country; with India's sponsorship, it initially became a member of the Colombo Plan in 1962, and of the Universal Postal Union in 1969. Subsequently India sponsored Bhutan's application for membership of

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62. India, Lok Sabha Debates, Series 2, v. 33, Session 8 of 1959, Col. 4801.

the United Nations, and also made every efforts to canvass support for its admission. By securing UN membership for Bhutan in 1971, India dispelled the impression created by countries unfriendly to India that the latter had been standing in the way of Bhutan's aspiration for membership of this global forum. Bhutan was, incidentally, the second country after India to recognise Bangladesh. It was aware that a friendly Bangladesh, in addition to a friendly India, would be of great help to it in developing trade and commerce. A land-locked country, it saw the advantage of another trade-outlet. India has been careful about Bhutan's sensibilities. Thus, it did not station its army in Bhutan, but sent only a few military officers for imparting training to the Bhutanese Army. However, Bhutan being sandwiched between two big countries, is sensitive about its national sovereignty and territorial integrity. For instance, the Bhutanese National Assembly (Tsongdu) while condemning China's cartographic aggression on Bhutan, also took exception to a few Indian maps which depicted the Indo-Bhutanese border in a thin line as an inter-state boundary of the Indian federation, and not in thick line to indicate it as an international boundary. Such misunderstandings, however, have been only temporary. India has clearly stated its interest in

in the independence, stability, and economic viability of Bhutan. India views its own interests and those of Bhutan as not being contradictory, but complementary.

Bhutan can hardly afford to be at odds with its neighbours of "comparable size and degrees of modernity", as India and China. The main thrust of Bhutan's foreign policy has been determined by its location, size and economic needs. Though this "precarious situation has not afforded many foreign policy options, handling of relations with India and China has demanded diplomatic skill lest the unacknowledged imbalance of relationships precipitate a spiral of counter-balancing intrusions."<sup>63</sup>

In the context of the geo-political situation of Bhutan, the latter's policy of Non-Alignment and friendship with all countries simply means friendship for both of its big neighbours, India and China. Although Bhutan, for its own interest, has not yet followed the policy of equal friendship with India and China, it has adopted a relatively more cautious policy towards the latter, while scrupulously keeping aloof from the Sino-Indian dispute.

It has fully realised, comments a western author, that in the ultimate analysis, India is Bhutan's best

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63. Rathore, L.S., The Changing Bhutan, New Delhi, Jain Brothers, p. 98.

bet.<sup>64</sup> Fully conscious of its limitations, Bhutan seeks to play a role in international affairs as a friend and partner of India. At the same time, in order to retain its own independent personality, Bhutan is in the process of establishing bilateral relationship with the neighbouring countries and using regional and international forums, specially SARC, to cautiously and carefully underscore its independence from India. The leadership of King Jigme Wangchuk remains unchallenged at home, and he is largely responsible for the close links and good relations maintained with India as also for Bhutan's struggle for its distinctive identity.

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64. Gibbs, Henry, The Hills of India, London, Farrolde, 1961, p. 189.

THE MALDIVES VIEW

The smallest among the countries aiming at South Asian Regional Cooperation is Maldives, whose contacts with the outside world have been minimal. Its historical insularity is largely explained by its size and relative inaccessibility; for, Maldives is an archipelago of about 2000 coral islands and islets, of which only 210 are inhabited, and stretching over 470 miles from North to South over the Central Ridge of the Indian Ocean. As a tiny country without much of natural resources other than fish and coconut palms, it has a compulsive need to mobilise assistance from all available sources to promote its economic development. This, coupled with the need for security in a vulnerable region, explains its adoption of a cautious policy towards neighbours as well as other external powers.

Although relations with India have been relatively long-standing in terms of cultural interaction, contacts at the State-level were minimal until the 1970s when India made an offer to set up a fish-canning plant. During Mrs. Gandhi's visit to Male in January 1975, Prime Minister Ahmed Zaki expressed the view that India's growing technological capability could be a source of strength to many countries in their efforts to promote development.

They agreed on the need for measures to improve bilateral cooperation in education, fisheries, air and sea communications, and promoting cultural, commercial and other exchanges.<sup>65</sup>

An agreement was signed on the Maritime boundary between two countries which it was hoped would promote not only bilateral contacts but also regional harmony. Mr. Y.E. Chavan, then External Affairs Minister, described the Maritime boundary as "a frontier of Peace and Friendship, a line that does not divide but joins the people in friendly cooperation."<sup>66</sup> He reiterated India's desire to intensify friendly cooperation and assured that whatever expertise and experience India possessed, would be at the service of the people of Maldives.

Because of its geo-strategic importance, Maldives has the potential of being drawn into big power rivalry in the Indian Ocean. Conscious of this fact, the Maldivians think that their best chance of retaining their identity is by steering clear of entanglements with big powers. Maldives has consistently supported the move for making the Indian Ocean a zone of peace and has succeeded in keeping the strategically important Gan island (located

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65. The Statesman, New Delhi, 15 January 1976.

66. The Hindustan Times, 29 December, 1976.

in the Addu Atoll in the South) out of reach of foreign powers. In 1976, Maldives became a member of the Non-Aligned group and, almost simultaneously a Permanent Mission in the UN was opened. The first Permanent Representative of his country in the UN, Maumoon Abdul Gayoom, as the present President, has infused a dynamic world view in a country that hitherto had a inward-looking foreign policy.

As a small developing island-nation with need for sizeable aid, Maldives remains vulnerable to outside interest in its affairs as also in its Marine resources and off-shore sea-bed mineral wealth, by industrialised countries. Uptill now, Maldives has successfully steered clear of power-blocs and has projected itself as a Third World country and a South Asian state. Apart from its long standing bilateral relations with some of the South Asian countries like India and Sri Lanka, in the regional context, right from the beginning of SAARC, Maldives has not only supported the idea but actively cooperated in its proceedings. The next meeting of the SAARC foreign ministers is to be held in July, in Maldives for the first time.

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IMPERATIVES OF COOPERATION

From the foregoing discussion, it is possible to draw certain inferences. India, being the hub of South Asia, evokes both respect, admiration as well as fear, and awe amongst her neighbours. Such a fear-respect complex is a byproduct of historical linkages - political, social, cultural, and economic - which transcend the national frontiers, its size and geopolitical location in the region, and its potential power. Such linkages have sometimes tended to push India and her neighbours close to each other, and, sometimes in pulling them apart. India's size, resources, and power potential gives her the responsibility to be accommodative with her smaller neighbours, and to leave no stone unturned in allaying suspicions about her intentions. It is vital that India not only seek to be accommodative, but also appears to be so - for a posture of ambivalence (as in the Indian Policy towards Nepal in the 1950s) amidst profession of help and support, can only fuel the fears of the smaller nations. For India, a good strategy will be to give due respect to the national pride of these nations as also to their distinctive identities while talking about cooperation, so that it cannot then be faulted on account of a 'big-brotherly' attitude. Once each of the SARC



nations feels it is indispensable to the regional cooperation process, the bonds of cooperation will be strengthened.

We have seen the inescapable link that exists between domestic politics, the nature of the regimes in these States, and their foreign policy orientations; also how ruling-elites to sustain themselves in power and to legitimise their rule, feed anti-Indian sentiment and raise the bogey of an Indian threat now and then. Given this reality scepticism about the feasibility of cooperation is often legitimate. In such a situation, India has to constantly maintain a low profile and at present only aim at a "working relationship" until the atmosphere is conducive for further interaction. That India has been maintaining a low profile with regard to the Tamil issue in Sri Lanka, for instance, may be seen from the fact that while she has offered her good offices, she has been essentially guided by the consideration that it is an internal matter.

The setting up of the Indo-Pakistan Joint Commission may be mentioned as just such a mechanism which would help diffuse tensions by providing a means for dialogue on matters of common interest.

It needs to be kept in mind that in a rapidly changing world, there is no permanency about regimes,

regionally or even internationally. In the South Asian context, while fears of 'Indian intervention' may have had some basis in the 1950s in the perceptions of its smaller neighbours suffering from the colonial hangover, it can be hardly relevant today. India is, no doubt, the 'big' country in the region but this very fact creates its own problems - both in the economic and political sphere. India faces a wide range of problems like poverty, rapid population growth, illiteracy, communal violence, and threats to national integration by divisive forces. Problems - like poverty and lack of secular outlook - plague all these nations in varying degrees. In fact, the long-term interests of all these nations is similar - development in conformity with their tradition and culture, need to improve quality of life and standard of living, tapping their resource potential and optimum utilisation of resources, but the constraints are the short-term interests of the ruling elites and interests of extra-regional powers who have vested interest in creating and perpetuating divisions. Yet, India's position makes it a factor in global politics which means a wider framework to operate in, and more responsibility. Thus, India's Chairmanship of the Non-Aligned Movement means for greater initiative on her part and to play an important role in international affairs.

The importance of communication and dialogue, therefore, can hardly be overemphasized especially where the difficulties in the path of cooperation appear intractable. There is no alternative to constant dialogue to dispel any misgivings or misunderstandings created by vested interests or false propaganda. Confidence-building measures are a necessary step for cooperation. It had been pointed out in the beginning of this chapter that the colonial legacy made these nations look away from one another rather than look at the region as a whole. The process of cooperation, as is developing now, must be voluntary and for which all the concerned states must be more or less equally willing. It has also to be within the framework of a long-term perspective, and not arising out of temporary interests of the ruling elite and power structures of the countries concerned. Rather, it must arise out of and grow in response to a realisation on the part of each of the governments, that cooperation corresponds to the vital interest of peace, security and development of the region as a whole.

Since the security of these nations is interlinked, this makes it all the more imperative that these nations evolve a common perspective. This is the only way to limit external interference against regional cooperation but this realisation has to be shared. For only if they

are convinced about the enduring benefits of regional-cooperation they will really be able to move ahead. Threats to the region arise mostly from the extra-regional powers. For example, Pakistan occupies an important place in the US defence strategy. Three of the world's great powers - which are also nuclear-weapon powers - interact in the region. In the circumstances, one country tying its fortunes with any one big extra-regional power will inevitably promote other powers to counter-act it, causing concern to other nations in the region.<sup>67</sup> In the nuclear age, the approach of every country in the region, especially the smaller ones - to security cannot be each one for himself; it has got to be an integrated regional non-aligned security policy.

However, in matters which are essentially bilateral economic ones, a regional approach will only create hurdles to the quick resolution of problems and issues. It is also somewhat unrealistic to expect, given the realities of sizes and populations, areas, resources, etc.

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67. This was a point made by Mr. Narasimha Rao, Minister for External Affairs, during his visit to Kathmandu in November 1981 - See Mitra, N., 'India and its neighbours,' Indian Defence Studies and Analysis Journal, V. XIV, No. 3, January-March 1982.

that economic issues can be resolved on the basis of one-nation, one-vote principle. Bilateralism will have to come into play here, and where it is not possible, the deciding factor will have to be optimum benefit of all peoples concerned. Given the basic realities, the only workable approach can be based on balance of concerns and interests of all nations of the region.

An understanding of the basic nature of the problem, as set out in the above discussion, finds expression in the proposal mooted by the Late President Ziaur Rahman of Bangladesh who initiated moves for cooperation in the South Asian Region. The next chapter seeks to examine the extent to which this is true, how individual nations have reacted to the proposal, and the progress made in subsequent meetings, as reflected in the participation of member-states.

## CHAPTER III

### THE SARC PROPOSAL - PERCEPTION AND RESPONSE OF MEMBER-STATES

Efforts to translate the concept of regional cooperation into a reality were initiated by the late President Ziaur-Rahman of Bangladesh in May 1980, when he called upon the leaders of the South Asian States to "explore the possibilities of establishing a framework for regional-cooperation". This proposal was preceded by discussions held in the late-seventies by President Ziaur Rahman with the Heads of States of the other South Asian Nations on the possibilities of promoting regional cooperation. "The countries of South Asia", argued President Ziaur Rahman, "share many common values that are rooted in their social, ethnic, cultural, and historical traditions. Perceptions about certain specific events or political situation of the world may differ but such differences do not seem to create a gulf between them that cannot be bridged."

The differing political perceptions mentioned by the President may be construed as a reference to the Soviet presence in Afghanistan which had underlined the strategic significance and security concerns of the countries of the region. Perhaps, this proposal was intended as much to shore up his legitimacy as to gain the understanding of his neighbours.

While the proposal was immediately endorsed by Bhutan, Nepal, Sri Lanka, and Maldives, the initial response of both India and Pakistan was relatively subdued, though for differing considerations. The Indian government accepted the proposal "in principle", but its cautious approach was necessitated because of the possible implications of the proposal. At this time, India's relations with its neighbours was not very cordial, and in fact India's stand on important issues of its concern viz. Afghanistan, Kampuchea, Indian Ocean, were not shared by them. India was, therefore, apprehensive of the proposal regional forum being used as a bargaining counter where the smaller nations could collectively seek to thrust their position on India and attempt to 'contain' its position in South Asia.

India was also understandably sceptical about the proposed Summit level meeting as the first step to initiate regional cooperation without any prior groundwork.<sup>1</sup> Nor could it view favourably the Western approval behind the move or the US objective of building up a "Cooperative Regional Security Framework" in the South and South-West

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1. Indian Foreign Minister's Statement in Parliament on 25 March 1981, The Statesman, 26 March 1981.

Asian regions.<sup>2</sup> While arms offers were made to Pakistan, India was persuaded to "evolve a regional approach" with Pakistan, "in the fundamentally changed situation which the whole region"<sup>3</sup> now faced, an obvious reference to Afghanistan. Given these implications, India counselled adequate preparatory work before the proposal was taken up at the political level.

Pakistan's reluctance to endorse the proposal was based on different consideration. It perceived that India would stand to gain maximum benefit from such a forum in view of its greater economic potential and scientific and technological capabilities. This would enhance its position politically also, in the region. Pakistan was, therefore, keen to first resolve its bilateral issues with India especially that of Kashmir to its advantage. Underlining the existing differences in foreign policy orientations and unresolved bilateral disputes in South Asia, Dawn observed: "The absence of serious bilateral conflicts and the existence of a sense of common political purpose are two essential starting points for an undertaking aimed at regional cooperation. If the Bangladesh idea is anything other than an informal forum for consultation

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2. Disclosed in the State of Union address of President Carter on 23 January 1980.
  3. A statement on the visit of Carter's personal emissary, Clifford's visit to India, was made by Ms. Coon, Deputy Assistant Secretary for Near Eastern and South Asian Affairs, Department of State Bulletin, April 1980, p. 62.



and if moves are to be made to institutionalize and formalize the arrangement, it is certain to run into snags."<sup>4</sup>

Pakistan did not also want to close its option of cultivating profitable relations with the Muslim Nations of the South-West Asian region and felt its credibility may be weakened by joining a South Asian regional grouping.

Thus the spontaneous reaction of these two countries to the Bangladesh Proposal grew out of their respective perceptions of national interests and perceived threats to themselves. It is to the credit of President Rahman that he could work through the maze of misgivings not only to get the countries together at the negotiating table but also to set the pace for regional cooperation, keeping always their apprehensions in view.

"The areas selected", he held, "should be only those in which cooperation will mutually benefit all the countries irrespective of existing economic disparities so as to make regional cooperation meaningful, strengthen the spirit of mutual trust and understanding, and bridge

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4. Dawn, Karachi, 29 May 1980.

the developmental gaps existing among the countries of the region." Moreover, it was necessary to proceed cautiously. "Regional Cooperation in South Asia must be both pragmatic and realistic in outlook. Such cooperation is intended to grow step by step in the economic, social and cultural spheres....Many more areas of cooperation can be found and will be found as we proceed. Regional Cooperation is a dynamic process - it will grow, it will widen and it will strengthen."<sup>5</sup>

The consensus that emerged out of a series of exchanges of views was to have a meeting at the level of Foreign Secretaries which could prepare the ground for a Ministerial Meeting, leading eventually to a Summit Meeting of the Heads of State of the Seven South-Asian Nations involved in the venture.

The Working Paper prepared and circulated by Bangladesh defined the objectives of regional cooperation in wide terms. The scope of cooperation was broad enough to promote "active cooperation among countries of the region on matters of common interest in the economic,

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5. Quoted by Bhaumik, Kirit, in 'Dacca's Initiative,' World Focus, March 1982, p. 11.

social, cultural, technological and scientific as well as in such other fields as may be agreed upon...." One of its objectives was also to "explore all avenues of closer cooperation between the countries of South Asia and the other regional and international organisations with similar aims and objectives."<sup>6</sup>

The Bangladesh draft identified eleven areas of cooperation which were 'non-political' and 'non-controversial' items. The areas were telecommunications, meteorology, transport, shipping, tourism, agricultural sector, joint ventures, market promotion in selected commodities, science and technology, education and culture. Finally, the draft suggested various institutional and organisational aspects of regional cooperation. While also reflecting awareness of the likely difficulties in setting up a well structured institutional framework for cooperation: "Barriers, both historical and emotional, will have to be scaled and lingering suspicion and distrust will have to yield place to a renewed spirit of understanding and goodwill. A meeting at the Summit Level would be the most appropriate forum for such a major initiative in embarking on a new and challenging venture...."<sup>7</sup>

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6. Quoted by Muni, S.D., and Muni Anuradha, Regional Cooperation in South Asia, Delhi, National Publishing House, 1984, p. 35.

7. Ibid, p. 36.

The Bangladesh draft paper formed the basis of discussions at the first meeting of the Seven South Asian Foreign Secretaries is held in Colombo in April 1981. Subsequent meetings of Foreign Secretaries have taken place in Kathmandu (November, 1981), Islamabad (August 1982) and Dhaka (March 1983). It was at the latter meet that the decision was taken to hold the first Ministerial Meeting in Delhi in August, 1983. The second was held in June this year at Villingili in the Maldives. The fact that the Foreign Secretaries-level Meetings have been elevated to the Ministerial Level and that two Ministerial Conferences have already been held, with the third in the offing next May in Thimpu, is testimony enough that the Seven South Asian countries have been enthusiastic about SARC. All these meetings have given a momentum to regional cooperation and have also revealed the approaches of the member-states towards the pace and scope of regional cooperation.

The ground rules for SARC were decided at the Colombo Meeting at which all the States agreed on the basic approach. Regional cooperation was neither intended nor expected to be a substitute for bilateral and multilateral cooperation, not should it be inconsistent with bilateral and multilateral obligations. Bilateral and contentious issues were to be excluded from deliberations and all decisions arrived at on the basis of unanimity.

Regional Cooperation, it was held, should be based on and in turn contribute to mutual trust, understanding and sympathetic appreciation of national aspirations of the countries of the region. Such cooperation was to be based on respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in internal affairs of other states and mutual benefit. Finally, the need to proceed step by step on the basis of careful and adequate preparation for early realisation of such cooperation, was emphasized.<sup>8</sup>

From the beginning, two of the smaller South Asian States - Bangladesh and Sri Lanka have been enthusiastic about hastening the pace of SARC and for widening its scope. Nepal, Bhutan, and Maldives, while generally agreeing with the above view, have been less vocal. India and Pakistan have stood for a slow and steady pace and cautioned against the hasty convening of a Summit Meeting. Regarding the scope of cooperation, whereas India was willing to include more areas, Pakistan was for a slow approach. Pakistan's Foreign Secretary said at the first meeting: "We in Pakistan feel that we should move forward in a measured manner, one step at a time without forcing the pace of progress....At this exploratory stage it would be far too premature to think of an institutional framework....Summits are not scaled without going through

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8. Ibid, p. 78.

valleys....We should make sure that there is not too much sail on a very small hull....While potential for cooperation for mutual benefit is almost limitless, let us together climb towards the heights that we have in mind, weaving our way carefully past the debris of broken dreams and unfulfilled expectations. Our efforts anchored in realism, our ambition tempered by caution, our aspirations balanced by deliberations, let us move hand in hand towards a more peaceful and prosperous future for all our peoples."<sup>9</sup>

The Indian Foreign Secretary also pleaded for caution regarding the pace, saying: "We have an obligation to lay a solid and secure foundation on which regional cooperation can be built. If there are delays, one should not become pessimistic. Rome was not built in a day. Neither were other regional groupings established without several meetings and through discussions. In fact, I would submit that while we should no doubt profit from the experience of other regions in the world, we should not replicate or copy these patterns. A pattern of regional-cooperation in South Asia should evolve itself. We do not have to jump steps and create an organisational superstructure without first agreeing upon arrangements,

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9. Text of Rias Piracha's statement, paras 5 and 12 at the first meeting, Colombo, 21 April 1981.

modalities and programmes of regional cooperation.<sup>10</sup>

While Pakistan appeared to be assertive and unaccommodative, India was able to state its position firmly without appearing to be obstructive. She proposed a whole range of new areas to be included for cooperative activity.<sup>11</sup> The Bangladesh Foreign Secretary was for progressively enlarging cooperation to wider areas and expressed the hope that the process would become self generating.<sup>12</sup> In sharp contrast to this view, the Foreign Minister of Sri Lanka commended a more comprehensive approach to cooperation, envisaging "closer cooperation in international fora in relation to all matters directly concerned with peace, security and economic development in the region, and settlement of disputes within the region without external interference."<sup>13</sup>

As the pressure for inclusion of new areas of cooperation by the smaller states mounted, a marked shift in Pakistan's position was in evidence. In fact, at the second meeting Pakistan agreed to host the next meeting.

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10. Text of Ram Sathu's Statement, last para, at the first meeting, Colombo, 21 April 1981, Basic Documents of S'RC, Issued by Conference Cell, Ministry of External Affairs, New Delhi.

11. Ceylon Daily News, 2 May 1981.

12. Excerpts from the speech of Chaudhury, H.R., Foreign Secretary of Bangladesh, Bangladesh Times, Dacca, 5 November 1981.

13. Text of speech of Hameed, A.C.S, Foreign Minister of Sri Lanka, Ceylon Daily News, 22 April 1981.

It also was able to get three areas of cooperation added viz. transport, postal services and science and technology.<sup>14</sup> The shift in Pakistan's position possibly grew out of its realisation that its rigid stand had earned it the disapproval of the smaller South Asian States, to the obvious benefit of India. It, therefore, made diplomatic efforts to boost up its image in South Asian gatherings. The Pakistan Foreign Secretary held:<sup>15</sup> "We all have an equal stake in the preservation of peace and security in South Asia. At a time when crises and conflicts ravage areas in our immediate neighbourhood, it is imperative that we join hands in promoting confidence and cooperation amongst ourselves. We would, thus, not only further the economic and social well-being of our peoples, but in safe-guarding thereby stability of our region, make a signal contribution to the preservation of international peace and security.

India noted Pakistan's new position and its increased diplomatic consultations with its South Asian neighbours. While refraining from making any reference to political or security objectives, India lays stress on expanding cooperation

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14. Dawn, Karachi, 13 November 1981; Indian Express, 4 November 1981; Hindustan Times, 6 November 1981.

15. Inaugural address of Yaqub Khan, S., Foreign Minister of Pakistan, at the Third Meeting of Foreign Secretaries, Islamabad, 7 August 1982. See Basic Documents of SARC, Issued by Conference Cell, Ministry of External Affairs, New Delhi.



in cultural, infrastructural, scientific and technological fields. She proposed inclusion of areas like trade, tourism, education, where Pakistan's response was halting. India's efforts succeeded when at the third meeting 'sports, arts and culture' were included for study and action as areas for regional cooperation. India continued to be cautious about the pace, and regarding raising the level of meetings, although it agreed to host the first Ministerial Meeting.

The South Asian Nations differed also on the question of institutionalization. The Bangladesh representative had pointed out in the second meeting that without any institutional mechanism, regional cooperation would be "relegated to the realm of the ideal."<sup>16</sup> The Sri Lankan stand was that formally structured regional cooperation usually involved "the establishment of an association of states in a contiguous geographical area for the purpose of promoting and safeguarding the interests, whether they be political or economic, of the participating Member States."<sup>17</sup> The Nepalese position too seemed to favour institutionalization.

Pakistan, however, made it clear that establishment of an institutional framework was not feasible in the present circumstances and that such a framework should await development

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16. Op. cit., n. 8.

17. Patriot, New Delhi, 8 May 1981.

of greater regional understanding and complementarity in the economies of regional countries.<sup>18</sup> India, too, adopted a cautious position suggesting that priority be given to exploration of the areas of cooperation.<sup>19</sup>

The necessity of holding a political level meeting is recognised by all countries, but their differences arise over its timing. As noted earlier, Bangladesh has from the outset proposed a Summit level meeting since it is of the view that a stress mainly on technical studies could dissipate the entire process and defeat the objective of regional cooperation itself. Pakistan and India, however, urged caution before raising the level of discussions to a political plane. When the Foreign Secretaries met for the third time, the Bangladesh representative emphasized the need of "affirmation for launching this comprehensive programme of action at the political level." Only such a meeting "could spark the imagination of the people of South Asia and generate sustained support to make the concept a reality."<sup>20</sup>

Nepal and Maldives were also of the view that a political level meeting could expedite the progress of regional cooperation. Bhutan, too, endorsed this line.

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18. Dawn, Karachi, 25 April 1981.

19. Patriot, New Delhi, 23 April 1981.

20. See Statement by the Foreign Secretary of Bangladesh at the Third Meeting of Foreign Secretaries, Islamabad, 7 August 1983. See Basic Documents of SARC issued by Conference Cell, Ministry of External Affairs, New Delhi.

of thought. Sri Lanka carried the argument further. Referring to other regional groupings, the Sri Lanka Foreign Secretary observed that all experiments in regional cooperation had been founded upon a conscious act of political will. The rationale of SARC was well understood; its earliest realisation would be jeopardised if the countries did not move on to a political plans.<sup>21</sup>

Noting the progress made, the Indian Foreign Secretary added that a lot more had to be done before the Foreign Ministers could be presented with a concrete and comprehensive action-oriented programme including specific measures for its coordination and implementation. He stood by the Pakistani approach to proceed step by step, to consolidate the gains of one stage before going on to the next.<sup>22</sup> At this point, the Pakistani attitude marked a change, holding that considerable exploratory work had been done and a decision to launch implementation of programmes of cooperation would provide an appropriate occasion for a Ministerial-level meeting.

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21. See statement by the Foreign Secretary of Sri Lanka at the Third Meeting of Foreign Secretaries, Islamabad, 7 August, 1982. See Basic Documents of SARC. Issued by Conference Cell, Ministry of External Affairs, New Delhi.

22. See text of speech of Rasgotra, M.K., Foreign Secretary of India, at the Third Meeting of Foreign Secretaries, Islamabad, 7 August 1982. See Basic Documents of SAFL. Issued by Conference Cell, Ministry of External Affairs, New Delhi.

A forum for regional cooperation among the seven South Asian countries was formally launched in August 1983 when the foreign ministers affirmed the determination of their respective governments to promote such cooperation in selected areas and gave political support to the implementation of an integrated programme of action for regional cooperation. The foreign ministers also endorsed the proposal for a South Asian Summit whose timing would be decided subsequently. The potential of such a summit is so great that the desire for speed should not be allowed to pose the slightest risk to its probable success.

Thus, the initial proposal for SARC has come a long way. The perceptions of the South Asian nations have been changing in response to the changing environment for cooperation and in terms of perceived benefits. India started off by maintaining a low-profile in the initial deliberations so as not to appear as imposing its will on its smaller neighbours. However, once the latter demonstrated their enthusiasm, India readily suggested newer areas of cooperation, offering to share its experience e.g. in the field of science and technology. Believing it is better to enable SARC to make concrete progress on issues decided unanimously rather than bring in an element of politicisation, which may not necessarily enhance the process of South Asian Regional Cooperation.

The basic principles adopted to guide the process of SARC have been amply vindicated. For instance, the smaller states may have initially considered the possibility of exercising greater collective leverage with their big neighbours and settling bilateral issues to their advantage. But the decision that bilateral issues would not be raised in the regional forum has ensured a propitious atmosphere for consultations. The dilemma of Pakistan with regard to regional cooperation in South Asia is largely due to its inability to resolve its crisis of identity. Especially after the Soviet intervention in Afghanistan, Pakistan forged closer links with the conservative Islamic States, identifying itself more with the Gulf countries. But given the reality that Pakistan is very much a South Asian Country, it stands to lose out to India in any scheme of regional cooperation if it looks away from the region. Therefore, though initially adopting a low profile, Pakistan has gradually emerged vocal and consistently maintained that SARC should not only prevent enhancing the existing disparities between the countries of the region, but should in fact, lessen them.<sup>23</sup>

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23. See text of the speech by leader of the Pakistan Delegation at the Third Meeting of Foreign Secretaries, Islamabad, 7 August 1982. See Basic Documents of SARC, Issued by Conference Cell, Ministry of External Affairs, New Delhi.

A dilatory approach was also adopted by Sri Lanka which had applied for membership to the ASEAN even while hosting the first meeting of Foreign Secretaries of South Asian countries, which only raises doubts about its commitment to SARC.

According to some authors: "The divergence in the approaches of South Asian countries in the context of regional cooperation are clearly evident on two aspects, viz., the pace, political level and scope of cooperation, and secondly, attempt to provide an underlying politico-strategic (pro-West) orientation to the emerging regionalism. Pakistan finds itself in an odd position with other neighbours on the first aspect and India on the second."<sup>24</sup> The latter is evident from Pakistan's joining Sri Lanka and Bangladesh in supporting South Asia's linkages with ASEAN to impart a pro-West dimension to SARC and also coordinating its stance on Kampuchea with Sri Lanka and Bangladesh in favour of the ASEAN position at the Seventh Non-Aligned Summit in New Delhi.

#### REACTIONS OF EXTERNAL POWERS TO SARC

The external powers on their part have often played upon these differences in attitude to further their own

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24. Muni, S.D., and Muni, Anuradha, "Regional Cooperation in South Asia," New Delhi, National Publishing House, 1984, pp. 42-43.

interests, and the ruling-elites in these states have been only too willing to pander to their interests. The weakening of this mutually reinforcing relationship may pave the way for the healthy growth of regionalism. It is, therefore, necessary to see how external powers have reacted to SARC and the factors which guided their responses.

The United States and China, have both expressed their appreciation of the present move for regional-cooperation in South Asia. China has been making statements in favour of SARC since 1976,<sup>25</sup> probably assuming, that it would draw India away from Soviet Union and thereby reduce Soviet influence in South Asia. China's attempts to encourage India's smaller neighbours to initiate collective bargaining with India on matters of mutual interests was evident during the various visits exchanged between China and the South Asian neighbours since 1977. Following the Soviet military presence in Afghanistan, China was all the more vocal in its support for the proposal. The Chinese leader Hua Guofeng opined that SARC was aimed at opposing "external interference and aggression" and safeguarding "security in the region."<sup>26</sup> Chinese support to SARC was reiterated when Lt. General

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25. See Times of India, 27 August 1976; also Peiris, Densil, 'China's Stake in South Asia: Bid to Ward Off Soviet Influence,' The Times of India, 10 February 1978.

26. Beijing Review, v. 23, No. 31, 4 August 1980, pp.7-8.

Ershad visited China at the end of 1982.<sup>27</sup>

An insight into the US thinking on the regional cooperation endeavour in South Asia can be had from the comments of Warren Christopher, Deputy Secretary of State, who told the Subcommittee on Asian and Pacific Affairs of the House of Foreign Affairs Committee in March 1979: "what can the US and others do to respond to South Asian needs and ensure that the new era for South Asia that appeared on the horizon in 1977 still comes to pass? A stable, secure and prosperous South Asia requires that our efforts and those of the nations of the region focus on four areas:

- Security for the nations of the region from foreign exploitation of their internal difficulties of regional rivalries,
- Greater cooperation among the nations of the region,
- Development and maintenance of responsive, representative political institutions and respect for individual rights, and
- Promotion of economic development, including especially increased employment and greater food production."<sup>28</sup>

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27. *Ibid.*, v. 25, No. 50, 13 December 1982, pp.4-5.

28. Department of State Bulletin, v. 79, No. 2025, April 1979, pp. 48-49.



After the Soviet move in Afghanistan, the United States' references to the relationship between security and cooperation (regional "Cooperative Security Framework") in South Asia acquired an urgent tone. The US subscribes to the Chinese View that regional cooperation in South Asia would curb Soviet influence and also "contain" India.<sup>29</sup> To further these objectives, it had favoured China's greater involvement in South Asian affairs. In the statement mentioned earlier, the US Deputy Secretary of State also said: "Continuation of the process of reconciliation between Pakistan and India is of central importance. We look to both nations to nurture this process. We also believe that further moves towards rapprochement between India and China, difficult as they might be, will contribute to the stability of all nations in South Asia.

We will help where we can, and other nations may also be able to offer their assistance. But I must emphasize that the ultimate responsibility for success or failure lies with the nations of the region themselves."

It is worth noting that neither the US nor the UK have made any concrete offers of financial assistance as made by the EEC for SARC. Unless the latter is seen as

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29. See, for example, Stephen P. Cohen, "Prospects in South Asia: How to promote cooperation," Times of India, 18 December 1982.

-serving their strategic objectives, it is unlikely that they would favourably view its progress, it being far more convenient to deal with 'client'-states rather than a cohesive regional group. The Soviet Union was concerned about the designs of the US and China behind the move for SARC. However, now that SARC has started moving in a direction that would benefit the concerned South Asian nations, the Soviet Union's response has been favourable,<sup>30</sup> in line with its policy towards third world countries.

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30. Chufirin, G., Economic Cooperation and Collective Security in Asia, Vikas Publishing House, New Delhi, 1976, p. 131.

## CHAPTER IV

### EFFORTS AT SARC: INSTITUTIONAL ARRANGEMENTS

The extent to which SARC is able to strike roots will depend on the institutional framework evolved, the monitoring of progress achieved in the implementation of schemes in the specific areas of cooperation adopted by the South Asian nations. It is also important to take into account the financing arrangements, for the extent to which SARC is able to steer clear of external influence will depend on how far it is able to sustain the momentum generated by resources from within the member countries.

Cooperative arrangements acquired a definite shape at the first meeting in Colombo which identified, as an initial step, to constitute five working groups in the fields of agriculture, rural development, telecommunications, meteorology, health and population control activities. Bangladesh, Sri Lanka, Pakistan, India and Nepal were appointed as coordinators for these groups respectively. These groups were entrusted with the task of reviewing existing cooperative arrangements pertaining to the region. They were to determine the potential and the scope of regional cooperation and the overall benefits and costs of such cooperation to the countries of the region. Further, they were to draw up a work programme incorporating ways and means of establishing and

strengthening regional cooperation, specific projects in each area and arrangement for implementing and monitoring the work programme. Finally, they were to make such other recommendations as may be appropriate.

To the areas already chosen, three more - viz., transport, postal services and scientific and technological field - were added at the second meeting in Kathmandu, with Maldives, Bhutan and Pakistan as coordinator countries respectively. Subsequently, at the next meeting, sports, arts and culture were also included. The Foreign Secretaries agreed to hold regular consultations "by the representatives of the countries of the region, as deemed appropriate" on the international economic issues of common interest.<sup>1</sup>

Planning was named as a separate area for cooperative interaction. A meeting of the representatives of national planning organisations of all the seven South Asian countries took place in New Delhi in January 1983. Its report was found satisfactory by the fourth meeting of the Foreign Secretaries which also agreed that "it would be useful to hold such meetings periodically."<sup>2</sup>

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1. Joint Communique of the Foreign Secretaries Meetings, Islamabad, August 7-9, 1982. Para 12. See Basic Documents of SARC. Issued by Conference Cell, Ministry of External Affairs, New Delhi.
  2. Joint Communique of the Foreign Secretaries Meeting, Dacca, March 28-30 1983 Para 11. See Basic Documents issued by Conference Cell, Ministry of External Affairs, New Delhi.

Meanwhile, each working group was engaged in the task of drawing up a comprehensive programme of action for cooperation in both the immediate and long-term phases. The immediate action programme related to exchange of data and information; exchange of experts, training facilities, research etc. and organisations of Seminars, Workshops etc., on a regional basis. The long-term programme of action was to assess needs and resources, prepare specific projects of a regional nature and point out modalities for financing the projects. Further, long-term activities for cooperation were to include establishment of regional institutions for training and research; creation and strengthening of linkages among existing national institutions in the seven South Asian countries in the agreed areas of cooperation, and strengthening of infra-structural support in such areas as postal services, telecommunications, railways, highways, shipping, meteorology etc., which would require capital investment by participating countries.<sup>3</sup>

To ensure adequate preparations for the Ministerial Meeting, Sri Lanka was to chair a Committee of the Whole which was to prepare, on the basis of the reports of the

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3. Report, Committee of the Whole, January 1983, Ministry of External Affairs, Colombo (Mimeo).

working groups, an integrated programme of action in the agreed areas of cooperation and to recommend modalities and mechanisms for implementation, coordination and monitoring of the agreed programme of action, and to the extent possible, provide indications of the financial implications of the short-term component of the integrated programme of action, and recommend funding modalities and arrangement for its long-term component.

The report of this meeting of the Committee of the Whole recommend an Integrated Programme of Action comprising activities amenable to short-term as well as long-term cooperation, defined modalities for its implementation at the sectoral level by the technical committees and its coordination and monitoring at the regional level by a Standing Committee. It also laid down elaborate guidelines and arrangements for its financing. The Foreign Secretaries who considered this report at the fourth meet at Dhaka decided to recommend its adoption by the Foreign Ministers who, later, formally launched its implementation. They also decided that the Committee proposed for coordinating and monitoring the Integrated Programme of Action at the regional level should be designated as the Standing Committee and be constituted at the Foreign Secretaries Level.

The decision of the Foreign Ministers to launch an integrated programme of action and their affirming the

"collective resolve of their governments to pursue actively South Asian Regional Cooperation", indicated their appreciation of the considerable work that had been attempted at the technical level to identify possible areas of cooperation and to prepare specific programmes in the agreed areas. It was realised that notwithstanding bilateral strains which tended to inhibit mutual trust and understanding, multi-lateral cooperation in non-controversial fields was both possible and desirable.

The second Ministerial meeting at Maldives, while endorsing the reports of the Standing Committee, stressed that as further progress was achieved, increasing emphasis should be placed on operational activities and formulation of specific projects. It was agreed to convene meetings at the level of Ministers in some vital areas of cooperation.<sup>4</sup> Most important was the recommendation of a summit level conference towards the end of 1985 at Dhaka to provide political backing to South Asian Regional Cooperation.

In fact, it is possible to identify three to four levels of organisation in SARC. At the top tier, we may place a summit meeting of the South Asian Heads of Governments which is to be held next year. At the next

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4. Vaidyanathan, C.V., "SARC enters Crucial phase", Indian and Foreign Review, v. 21, No. 20, 15 August 1984, p. 28.

level is the Ministerial meeting held in New Delhi in August last year. Below this level has been the Meetings of Foreign Secretary's. They have been assisted at the four meetings held so far by the two Committees of the Whole which met on both occasions under Sri Lanka's Chairmanship in September 1981 and January 1983 respectively. It was in pursuance of the decisions taken in the latter meet, that it was decided to entrust the responsibility of the foreign Secretary's meeting and the Committee of the Whole put together to one unit redesignated as 'Standing' or 'Review Committee' and constituted by Foreign Secretaries.

This was to meet once a year for "coordinating and monitoring the integrated programme of Action" (IPA). Its terms of reference included approval of projects as also their modalities of financing, determination of inter-sectoral priorities and overall coordination of programmes of action, mobilisation of regional and external resources, review of progress of implementation of sectoral programmes of action, and identification of new areas of cooperation based on appropriate studies. This Standing Committee was to work under the overall policy guidelines given at the ministerial level. In case of such projects which involved "more than two but not all the countries of the region", the Foreign Secretaries have also been



authorized to set up "Action Committees."

Finally, at the fourth level are the Technical Committees manned by officials of all the member countries and assigned to do the work done in the past two years by the Working Groups and Study Groups on identified and agreed areas of cooperation. Their terms of reference were also defined. However, the institutional and organisational structure of SARC has not taken a final shape and may be regarded as evolving as new needs and opportunities are identified.

In devising financing arrangements to meet the cost of short-term and long-term activities under the Integrated Programme of Action, the Foreign Secretaries kept in view the differing capabilities among the member-states. In the region, four of the countries - Bangladesh, Bhutan, Nepal and Maldives - have been defined by the UN as 'least developed' and the other countries viz. India, Pakistan and Sri Lanka as 'most seriously affected.' Further, wide disparities exist even within these categories. It was, therefore, agreed to allow "unfettered discretion of member governments to determine the level and manner of their financial allocations for regional activity."<sup>5</sup>

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5. Muni, S.D., and Muni Anuradha, "Regional Cooperation in South Asia," Delhi, National Publishing House, 1984.

At the recent meeting of the Standing Committee held in New Delhi, some member countries announced their contribution for 1984-85. India offered Rs. 75 Lakhs, Pakistan (Pakistani) Rs. 50 Lakhs plus Rs. 500,000 for scholarships, and Sri Lanka (Sri Lankan) Rs. 25 Lakhs. Bangladesh and Nepal held that adequate allocations would be made for SARC activities in their budgets for 1984-85. Bhutan and Maldives indicated that they were "actively considering" making an appropriate contribution for SARC activities for 1984-85.

Recourse to "external assistance from appropriate sources" was also accepted in view of the fact that even the optimal mobilisation of regional resources would prove to be inadequate. So far, offers have been made by the European Economic Community and International Telecommunications Union. The former has made two offers, each of the amount of U.S. Dollars 150,000. Japan too has indicated interest in SARC but has not made any specific offer as yet. Whether a particular offer of external assistance is to be accepted or not will have to be decided by all the foreign secretaries. It is in this respect that there is need to guard against external influence or aid diplomacy. At this stage, financial help from external sources is definitely a necessity but it is the use to which it is put and the momentum generated for SARC which will determine the future course of SARC.

If the benefits of SARC become visible and, quantifiable in economic terms, SARC may, in the future, be able to generate resources from within the member-countries in a self-generating cooperative process.

SARC is still a relatively new venture and, for this very reason, it is important that its progress be monitored closely. This involve identifying the specific areas where the viability of SARC has been demonstrated as also pointing out those aspects or areas in which the potential for cooperation exists.

CHAPTER V  
POTENTIAL FOR COOPERATION

The starting-point for any cooperative endeavour is an attempt to understand mutual needs and problems, to appreciate what each is doing, to learn from one another's experience, to start the process of exchange, consultation, review and assessment. Once the initial reluctance was overcome, and areas for cooperation identified, the South Asian nations seem to have moved with relatively greater ease to newer frontiers of cooperation. A number of Seminars and Workshops, on subjects ranging from transport to rural development strategy have been held in India, Pakistan and Bangladesh. Dealing with problems which appeared intractable in some countries but which had been tackled with relative success in others activated the process. An exchange of experience in a constructive spirit brought home to these nations the vast scope that exists for them to address themselves to joint action that would be of tangible benefit to each country of the region.

For example, a significant point was made in the Bangladesh Working Paper on cooperation among the countries of the South Asian Region in rural development. It showed how projects and workshops under the aegis of international bodies like ESCAP or FAO, intended to help these countries did not in fact do so. They were inappropriate to suit the

specific requirements of the countries of the region for what was required was in-depth knowledge of the region itself. In view of this, the Bangladesh Working Paper suggested establishing a South Asian Commission for Cooperation in rural development which could coordinate research and development programmes in the region, identify specific areas of collaboration besides spelling out programmes of time-bound action.<sup>1</sup> It recommended working out a common strategy by the South Asian region as a whole in multilateral forums dealing with rural development. While the Indian Paper pointed out that an idea of the nature of problems and possible solutions in rural development could be formed if experiences were shared.

A consideration of the problems faced by the different countries in agricultural development led the Working Group to conclude that, among others, an important objective of cooperation for the South Asian nations was the continuous sharing of human, economic and technical resources available to the region as a whole through an appropriate institutional arrangement. A beginning could be made, observed the Working Group, in areas such as soil

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1. Phadnis, U., 'Progress so far', World Focus, v. 3., No. 3, March 1982, p. 13.

management, the establishment of 'gene banks' of improved seeds varieties, crop protection measures, water management techniques, livestock and fisheries development.<sup>2</sup> Undue importance has been given to the question of whether the economies of the South Asian countries are complementary or competitive. The example of the EEC nations demonstrates how the process of cooperation and development itself generates new complementarities<sup>it</sup> and also competitiveness. But development strategies of the South Asian countries do not take account of the basic fact that whole areas in the subcontinent remain under-developed because of lack of cooperation. The countries remain poor despite vast natural resources.

Cooperation in the field of 'market promotion' in selected commodities, such as tea, jute, and cotton was suggested by Bangladesh in its Draft Paper. India received the idea favourably, but due to Pakistan's consistent opposition, the subject was not included in the agreed list of thirteen areas for cooperation adopted by the Committee of the Whole in September, 1981:

The trade interaction in the region is extremely low as is evident from a perusal of Table 1. The only

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2. Ibid.

exception is Nepal's heavy trade dependence on India. Competitiveness among the South Asian nations has not been reduced, and complementarity is yet to develop. But that there exists vast scope for expansion was taken note of in the deliberations of an international seminar held in New Delhi in April last year. Delegations of businessmen and industrialists from the seven South Asian countries attended the Seminar which was sponsored by the Federation of Indian Export Organisations in consultation with the Commerce and External Affairs Ministries of Government of India.

The general consensus was that an improvement in intra-regional trade would benefit each country in the region. It would cut on transport cost and time, retain benefits within the region that are now being appropriated by foreign multinationals since they exploit the import quotas offered by the developing countries.<sup>3</sup> Most multinationals have a definite policy of discouraging such economic cooperation, to maintain their economic hold on each country individually. The advantages of greater trade interaction in the region will flow to all concerned sections as, for example, producers, traders and consumers.

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3. Indian Institute of Foreign Trade, Import-Export Structure and Trade Expansion (Country Study on India), New Delhi, 1981.

TABLE I  
Intra-Regional Trade in South Asia, 1980  
(Percentage)

Countries	Bangladesh		India		Nepal		Pakistan		Sri Lanka	
	a	b	a	b	a	b	a	b	a	b
Bangladesh	-	-	1.6	1.9	-	0.3	7.4	2.1	0.3	0.2
India	0.5	0.1*	-	-	0.9	0.2*	-	0.6	1.0	0.3
Nepal	6.8	0.1	45.1	67.5	-	-	3.7	0.1	0.4	-
Pakistan	2.1	1.4	2.7	0.1	-	0.1	-	-	1.5	0.7
Sri Lanka	0.4	0.1	3.3	4.8	-	-	3.3	1.5	-	-

\* 1977-79 a - Exports; b - Imports

Source: ESCAP, Economic and Social Survey of Asia and the Pacific, 1981.



Even the delegates from Pakistan, the country which has been resisting the inclusion of South Asian Cooperation in Trade matters in the meetings of the Foreign Secretaries, were enthusiastic about expanding trade ties in the region.<sup>4</sup> Sri Lanka and Bangladesh have stood for cooperation in trade matters. It is worth noting that private traders and industrialists in these countries are all for increased trade relations but political constraints imposed by the ruling regimes in these states seeks to check expanding ties for fears which may be real or imaginary.

Except for Pakistan which restricts its imports from India to its public sector, all the other South Asian neighbours have an adverse balance of trade with India. The existing imbalance in the nature of trade grows out of the diversified and self-reliant production base of India's economy as compared to that of her neighbours. Therefore, also the fear of the latter that Indian industry will swamp their markets. The answer lies in mutual interdependence of a kind which would be mutually beneficial for all countries of the region. India can, for example, undertake to set up joint ventures in the neighbouring countries in those sectors where the

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4. Indian Express, New Delhi, 20 April 1983.

concerned country has an abundance of raw materials. The surplus product of such ventures may then be imported by India. For example, cooperation in joint ventures, such as natural gas in Bangladesh, Cement in Nepal and Bhutan, and rubber products in Sri Lanka, would help improve the balance of trade of the small neighbours with India. It would also pave the way for a reversal of the existing individually and collectively ruinous trend of each country importing from and supplying to very distant places, at great cost, items which it can more cheaply import from or supply to a neighbour. For instance, iron-ore and coal from India for Pakistan's steel mill or rice and textiles from Pakistan to Bangladesh, and so on.<sup>5</sup>

Further, India can assist her neighbours in their industrialisation programmes because of her greater expertise and technological development. To this extent, the smaller nations can save on the heavy costs which dependence on developed countries implies. But, at present, only 27 out of a total 188 Indian joint ventures in developing countries, are in South Asia. The reason for this, a paper by FICCI explains, is the tendency of the

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5. Haq, M.U., "Beyond the Slogan of South-South Cooperation," World Development, v. 8, 1980, p.746.

Indian entrepreneur to undertake such ventures which bring in quick and large profits with less efforts and maximum security, and also due to the lack of adequate incentives offered to Indian capital in the neighbouring countries.<sup>6</sup>

Often, the concerned countries are inadequately informed about existing resource potentialities and capabilities of cooperation in the region. In an attempt to fill this lacuna, the South Asian Seminar organized by the Federation of Indian Exports Organisation, decided that "apex bodies of trade and industry in all the seven South Asian countries involved in the regional-cooperation exercise should promote greater contacts, flow of information, and dialogue on matters of mutual interests."<sup>7</sup> Some studies on intra-south Asian trade have suggested, for expanding trade in the region, monetary cooperation and payment arrangements, joint market promotion efforts, preferential tariff arrangements, simplification of documents and procedures, mutually agreed regional standards and quality controls, agreements and institutional organizations in respect of publicity, packaging, trade

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6. FICCI, 'Background Paper', Workshop on Indian Joint Ventures Abroad and Project Exports, New Delhi, 31 July 1982.

7. The Times of India, New Delhi, April 21, 1983.

fairs and exhibitions, insurance, shipping etc.<sup>8</sup>

Even while offering its resources and expertise, India has to tread warily, lest it be construed as an attempt to run and dominate the show. It was India which suggested consultations among the planning officials of the seven nations on international economic issues, so as to devise, where feasible, a common stand on them. But she did not project herself as the country best suited - given her long and fruitful experience with planning - to organise such consultations. As it happened, it was Pakistan which proposed that India assume this role.<sup>9</sup> Nor did India take the lead in recommending a system of regional trade preferences lest it be misconstrued as eagerness to seek and widen the market for its goods. Having said this, it is necessary to add that given its larger size, resources, and development potential, a major responsibility rests on India, in making a success of the efforts at economic cooperation in the region.

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8. Indian Institute of Foreign Trade, Import-Export Structure and Trade Expansion (Country Study on India), New Delhi 1981. Also see Eanskota, N.P., 'Nepal: Towards Regional Economic Cooperation in South Asia,' Asian Survey, v. XXI, No. 3, March 1981, pp. 342-53.

9. Basu, E.K., 'SARC: Cautious Optimism,' Economic Times, 4 August 1983.

The countries of the region are knit together by very large river-basin systems, suggestive of abundant hydro-power and irrigation potential. Vast possibilities of developing the international basins of the Ganges, the Brahmaputra, the Indus, and a number of other rivers exist. The hydro-power potential of Nepal's rivers alone is estimated at about 83,400 MW which is approximately equal to the combined installed capacity of Canada, the US, and Mexico. Schemes under implementation and planning at present such as Devighat, Kulekhani and Karnali, between India and Nepal will cover only less than 41% of this potential.<sup>10</sup> If the Nepalese river basins are developed and their potential harnessed, it is possible to create a vast infrastructure for industrial development. The enormous costs involved is, no doubt, an inhibiting factor, but more important is the lack of political understanding of the long-term and short-term implications of these projects.

To tap the hydro-power potential of Bhutan, India is assisting it in the Chakha hydel plant. But a decision is yet to be arrived at with Bangladesh on the question of augmenting the flow of water in the Ganges during the lean season. These issues are of a bilateral nature, but

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10. Muni, S.D., and Muni, Anuradha, Regional Cooperation in South Asia, Delhi, National Publishing House, 1984.

it is a multilateral approach to the development of the river basins that can help evolve a sound water management policy for the region. The development of gas potential and hydro-electric power can support a large complex of petrochemical, metallurgical, and other power-intensive industries. The inter-river-basin needs to be harnessed jointly by co-basin States of the region, not only to improve the supply of power, but also the existing irrigation system; river navigation, fishery and forestry, and for flood control.<sup>11</sup>

A carefully planned irrigation canal system may augment agricultural development in the whole North-eastern belt of the subcontinent. In fact, all the countries of this region are primarily agricultural, and the key to this sector of their economies is optimum use of river waters. Sharing of new agricultural practices and irrigation potential can together bring some stability to the pattern of food production in the region. India has made considerable advance in food production but the monsoon still remains a deciding factor. Nepal, a rice surplus country traditionally, has had to resort to food imports in recent years. Same has been the case with

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11. Dhat, T.P., "Cooperation for Economic Development," South Asia: Stability and Regional Cooperation, Agwani, M.S., and others (eds.), CRRID, Chandigarh, 1983, p. 48.

Bangladesh. To meet existing and future food deficiencies in the region, a proposal was made for building a regional food security programme.<sup>12</sup> The first regional conference on development cooperation in South Asia was held in March in New Delhi at which the Indian Planning Minister, made the proposal that 'regional food reserves' be built up for use in times of emergency.

Bilateral agreements exist for the joint scientific exploration of sea resources, between India and Sri Lanka, and India and Bangladesh. These could be incorporated into a broader agreement including also Pakistan and Maldives, and working within the International framework for the exploitation of sea-bed resources. The smaller countries can gain from the advance made by India which has been given the status of 'pioneer investor' in this regard. Also, India's rapid progress in oil exploration may encourage her neighbours to develop a regional approach in this field. They stand to gain a lot by utilizing the available scientific and technological expertise within the region on convenient terms. In fact, possibility of cooperation in the field of energy as a whole had figured even in the Bandung Afro-Asian

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12. Bhatia, E.M. Food Security and the Agricultural Base in South Asia, CSCD, New Delhi, January 1983.

Conference. In recent years, it has been highlighted as an important area for cooperation at the Non-Aligned Conferences. All the South Asian nations depend heavily on traditional sources of energy like firewood and cowdung. They were badly affected by the oil price-hike but their demand for oil and other energy sources is on the increase, inevitable in the process of development. This, coupled with the fact of geo-economics in the region, makes cooperation in the developing and harnessing of new and renewable sources of energy, compelling for the South Asian countries.<sup>13</sup>

Exploratory studies have been initiated to assess the potential and scope for regional cooperation in the field of health. The problem common to all seven countries concerns reaching medical services and facilities to the rural areas since an urban-bias is rather marked in their medicare programmes. The working group set up for the purpose, highlighted the importance of working out an institutional arrangement to disseminate information as well as experience among these countries. It held that there was scope for intra-regional cooperation in strengthening national health institutions which would require close liaison between institutions having similar

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13. Asian Development Bank, Survey of Asian Energy Problems, 1982.



interests and functions in individual countries and the assignment of experts from one country to another. The need to develop coordinated approaches in the control of communicable diseases, was specially emphasized.<sup>14</sup> Nepal was entrusted the task of setting up a clearing-house, with each country of the region providing its expertise in respect of health and population activities, which would serve the purposes of regional cooperation.

A significant decision taken at the Islamabad Meeting (August, 1982) was the inclusion of 'sports, art and culture', as an area of cooperation. Tremendous opportunities exist for cooperation in socio-cultural activities. For instance, films, cultural exchanges, regional games and sports, cooperation in fine arts, literature, handicrafts - were some of the areas mentioned by India and Bangladesh in their initial working-papers.<sup>15</sup> Cooperation in these areas will be a relatively smoother process, while its advantages would be far-reaching, bringing more and more people into contact within the region and investing them with what may be called regional pride. Tourism facilities, as also development of transport and telecommunication, in the region would help strengthen

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14. Ibid, No. 1.

15. See, for example, Extracts of the Bangladesh Working Paper of November 1980. Report, Committee of the Whole, 31 August - 2 September 1981, Colombo, Sri Lanka. Issued by conference Cell, Ministry of External Affairs, New Delhi.

cultural exchanges of individuals and ideas. For, in the long run, it is this aspect of people-to-people cooperation which will strengthen the roots of regional cooperation.

Education and scientific research are also areas offering vast scope for interaction at the regional level. Such interaction at the regional level is already taking place at the unofficial level, among academicians, scholars and research organisations. Further, collective programmes of research and higher studies may be initiated as also setting up institutions like Centres of South Asian Studies in various disciplines like history and culture, arts, and languages. It is a happy augury that research institutions from a number of countries in South Asia have agreed to come together for evolving schemes of cooperative research along broadly agreed lines. The Committee on Studies for cooperation in Development (CSCD), is doing significant work in this regard.

Among the themes identified for such cooperative study and research are a collaborative general survey of the economy and prospects of South Asia, giving special attention to demographic situation, levels of living and consumption, development of productive capacities in agriculture and industry, trade relations within and outside the region, and special problems of least developed and landlocked countries. Also, a comparative study of industrial strategies followed by countries in South Asia,

and a perspective study of energy needs, surpluses, and shortages in South Asia, etc. Research can at best bring together facts and analyses which may assist governments and their planning and other agencies, and informed opinion generally, to look at national problems from a wider angle than the apparent short-term interest of each individual country.

The organisation of special training courses for South Asian countries as well as the extension of the facilities of regular training programmes to trainees from other countries of the region has been initiated even before a specific reference was made to it in the Integrated Programme of Action adopted at the Foreign Ministers' meet. For example, Pakistan is organising a senior supervisors' development course in the transport sector in March, 1983.<sup>16</sup> India has undertaken to organise an executive development programme, also in the transport sector, at the railway staff college, Baroda. She has also undertaken to organise a four-week training programme on poverty-focussed rural development. Bhutan is considering the organisation of a coaching camp in Table Tennis during April-May, 1984. In most of the sectors offers have been made by various countries to provide

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16. The Times of India, New Delhi, 26 February 1984.

training facilities in specified areas and the participants have been asked to indicate their requirements.

In a number of areas action has been initiated for the preparation of technical studies.<sup>17</sup> These include for example, a study of traffic flows and inter-nodal distribution within the region. The study is proposed to be financed by the EEC and is being coordinated by Sri Lanka. A number of organisations in the region are expected to take part in the study, including Rail India Technical and Economic Services and the Pakistan Railways. India has initiated a study for the establishment of a regional data bank and regional study centres in the sector of postal services. The technical committee on telecommunications is considering the possibility of a detailed technical study on the establishment of a regional software centre. India has undertaken to prepare a paper on the possibility of establishing a South Asian Institute of transport management. The technical committee on meteorology has set up a panel of experts on climatology, data exchange and agro-meteorology to prepare recommendations on the regional needs of processed climatic information. Finally, the decision taken at the Foreign Ministers' level to hold an archaeological conference in New Delhi within the SARC framework is expected to give a start to cooperation in the field of arts, sports and culture.

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17. Ibid.

## CONCLUSION

Since the proposal was first made in 1980, South Asian Regional Cooperation has come to acquire a steady momentum. This becomes evident when one considers the context, both international and regional, in which it has been evolving. The international situation, as far as these developing nations are concerned, has, if anything, worsened. The current uncertainties in international economic relations and the continuing stalemate in the North-South dialogue have made it even more imperative for these nations to expand cooperation among themselves and to increase reliance on their own resources and skills to promote self-reliant development.

Politically, the equation among external powers continues to have grave implications for the region. The Afghanistan issue continues to be the ostensible reason for the arming of Pakistan and has its inevitable repercussion on the security of the sub-continent. Of late, much is being written about the Indo-Pakistan 'arms race'. No less sensitive, is the bilateral issue, between India and Sri Lanka on the ethnic question necessitating a constant dialogue between the two governments. The absence of a long-term perspective and

excessive concern over impediments in the short-term would have jeopardised the cooperation process a long while ago. But fortunately this has not happened and SARC has opted to proceed cautiously.

While following actively a policy of Non-Alignment with the global military blocs, India has realised the need to pursue actively a policy of close alignment with her neighbours on the basis of South Asia as one region and one community. Aware of the apprehensions she generates in her smaller neighbours, India has been treading warily and keeping a low profile. The success achieved so far indicates that this is the right approach.

That SARC has acquired a momentum of its own is also clear from the fact that changes in the regimes in some of the South Asian Nations has not impeded the process. The changes in Bangladesh from Ziaur-Rahman's regime to that of Lt. General Ershad (1981-1982), and in India from the Janata Government to Mrs. Gandhi's government, did not result in a long-term setback for SARC. This can be strengthened once vested interests are created in regional cooperation and its scope further widened. For then, unhindered by political factors and instability of regimes, SARC will be steered in desired directions by these groups and interests who are committed to regional cooperation.

It is important to emphasize that this progress has to be natural, growing in response to the needs of the region, and not imposed on it from outside. As an eminent Indian foreign policy-planner said: "We must certainly actively explore and promote the concept of South Asian Regional Cooperation. Such a cooperation must not be 'sponsored' cooperation. It must not be under the influence of some undisclosed principles. It must arise out of and grow in response to a realisation on the part of each of the governments, that cooperation corresponds to the vital interest of peace, security and development of the region as a whole. It must evoke enthusiasm of peoples concerned."<sup>1</sup>

The nations of the region have to come to terms with the prevailing regional realities in socio-economic and politico-strategic matters. Inequalities cannot be simply wished away, but only when each member-nation feels convinced that it stands to gain from cooperation, and that benefits will be equitably shared, SARC will have vindicated itself. To be a success, any proposed regional-cooperation venture, writes a Western Scholar, must offer economic benefits to each unit, including an arrangement for the distribution of benefits; it must not threaten existing beneficial relationships or they must be replaced

1. Haskar, P.N., 'Concluding Remarks', South Asian Stability and Regional Cooperation, Agwani, M.C.S., and others (eds.), CRRID, Chandigarh, 1983, p. 138.

by new ones equally beneficial; it must not constrain the policy of nation building, nor must it threaten the bases of support of existing national political elites.<sup>2</sup> The SARC nations are agreed on the fact that multilateralism is not to be a substitute for bilateralism.

The South Asian Countries have yet to work out detailed distributive arrangements for sharing of gains. But, it is obvious that only a 'give and take' attitude can foster genuine interdependence. If India is to keep up an accommodative stance vis-a-vis her neighbours, it is equally important that the latter are not unduly sensitive, and prefer looking inside the region for a solution of their problems, rather than outside.

The new security threat and challenges to the region, whether arising from the Soviet military presence in Afghanistan, or the US move setting up Rapid Deployment Forces in the Middle East and Persian Gulf, or arms proliferation and great power rivalry in the Indian Ocean, are of vital concern to all the nations of South Asia.

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2. Segal, Aaron, 'The Integration of Developing Countries: Some Thoughts on Africa and Central America,' Journal of Common Market Studies, v. 2, June 1967, p. 263. Also see, Axline Andrew, 'Underdevelopment, Dependence and Integration: The Politics of Regionalism in the Third World' International Organisation, v. 31, No. 1, 1977, pp. 83-106.



Their different responses stem from narrow political considerations more than anything else which forestalls any chance of evolving coordinated responses. If the process of SARC is successful in achieving strategic harmony, howsoever difficult it may seem today, many new opportunities are likely to be opened up in the field of defence.

Internally, the ruling-elites of South Asian countries have to face varying degrees of internal disorder, insurgency, or secessionist movements. The examples are many and obvious enough. Though widely differing in motives, content, and in the degrees of threat to the concerned regime, they inevitably grow out of economic hardships when the 'revolution of rising expectations' is frustrated and, social unrest is the natural outcome. Faced with the increasingly complex task of political mobilization, these countries may be able to cope better with some of their problems at the regional level by coordinated thought and action. This was evident when the Sri Lanka Government was able to deal with the insurgency it faced in April 1971 with the help of India and Pakistan. However, the present situation in South Asia is hardly conducive for such cooperation and will remain so until conditions are created enabling the ruling-elites in these countries to work with mutual trust and understanding.

In the future, it may be possible to think in terms of a political consultative machinery where common problems could be discussed, with all the South Asian nations being equally represented and equally heard. This does imply some amount of sacrifice on the part of a large country like India, but it will enable the region as a whole to emerge stronger in world affairs, and what is to the advantage of the region will definitely be of advantage to India.<sup>3</sup> It is better to be idealistic, keeping desirable, even though distant, goals in view, rather than be satisfied with prevailing uneasy situations.

For the present, the South Asian countries, inspite of various differences, have chosen to concentrate on areas of agreement and generally refrained from striking any discordant note on the need for regional cooperation. This is clear from the recent meeting of the Standing Committee for SARC at which the seven South Asian Countries expressed unanimous views on some of the burning international economic issues. All the nations have spoken with one voice in demanding that donor countries make additional contributions to IDA, the soft-loan

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3. Varma, S.P., 'South Asia as a Region - Problems and Prospects,' in Varma, S.P., Misra K.P., (ed.) Foreign Policies in South Asia: issues, models and methods, Orient Longmans, 1969, p. 344.

affiliate of the World Bank, and thus undo the reduction in the agency's resources at the time of the seventh replenishment. They are at one also in expressing concern at the continuing impasse in the North-South dialogue and have resolved to work in concert at relevant international forums to pursue their shared objectives, most notably the convocation of an international conference on money and finance for development.<sup>4</sup>

Since nothing succeeds like success, the Standing Committee has taken decisions regarding implementation of programmes in specific areas of cooperation. It has allocated responsibilities for implementation to specific countries and also fixed a time-frame for completing the project concerned. Moreover, it has accelerated the sector-wise disbursement of the contributions received so that the funding of specific projects can be facilitated. Thus the SARC programmes entered an active phase of implementation in a relatively short period of time. These may be small steps but so long as the pace is steady, there is cause for optimism.

Coordination and monitoring of programmes, mobilisation of resources, and determination of priorities are, no doubts challenging tasks and can be sustained only if implemented by those who have the necessary motivation and are conscious that the entire

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4. 'SARC's Slow March', The Times of India, New Delhi, 2 March 1984.

concept of SARC has governmental political support. That such political support exists was confirmed by the Maldives Meeting. But it is vital that a proper tempo be maintained. Given the amorphous nature of relationships that prevail among the South Asian nations today, it is a welcome development that it has been possible to think in terms of a South Asian Regional Summit.

There seems to be a growing awareness among the South Asian Seven that the imperatives of cooperation have become increasingly more urgent, that challenges posed by such developments are easier to face collectively, and that if they fall out of step, the grouping would be put into jeopardy, and the consequent regional disharmony would leave none of them unharmed.

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