

**THE EUROPEAN UNION AND
THE SOUTH ASIAN ASSOCIATION FOR REGIONAL CO-OPERATION:
A STUDY IN REGIONAL INTEGRATION**

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CERTIFICATE

This is to certify that the dissertation entitled "**THE EUROPEAN UNION AND THE SOUTH ASIAN ASSOCIATION FOR REGIONAL CO-OPERATION: A STUDY IN REGIONAL INTEGRATION**" submitted by **SHAZIA AZIZ** in partial fulfilment for the award of the degree of **MASTER OF PHILOSOPHY** of Jawaharlal Nehru University is her original work. This has not been published or submitted to any other university for any other purpose.

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To

My Parents
My Pillars of Strength

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CONTENTS

<u>Title</u>	<u>Page No.</u>
ACKNOWLEDGEMENTS	
PREFACE	i - ii
CHAPTER ONE:	
THEORIES OF INTEGRATION: A CASE STUDY OF EUROPEAN UNION AND SAARC	1 - 26
CHAPTER TWO:	
CONFIDENCE-BUILDING MEASURES IN EUROPE: NEED AND RELEVANCE FOR SOUTH ASIA	27 - 49
CHAPTER THREE:	
SUCCESSES AND FAILURES OF THE EUROPEAN UNION	50 - 65
CHAPTER FOUR:	
SAARC: A BALANCE SHEET	66 - 81
CONCLUSION	82 - 89
BIBLIOGRAPHY	90 - 104

Preface

Regional cooperation and regional integration in theory and practice have become important concepts in the field of International Relations, since the past few decades. With the concept of regionalism gaining ground all over the world, the past fifty years witnessed an era of numerous attempts at the formation of regional organizations, several of which have been fairly successful. However, there is no consensus in the academia about what exactly constitutes a region. Karl Deutch's Political communities are different from Bruce Russett's socially and culturally homogenous regions. Ernst Haas' epistemic community differs from Mitrany's functional agencies. However, most of the theorists and practitioners of International Relations believe that regional cooperation is the key word for attaining economic progress, social development and political mileage.

The European Union, being a fairly successful international organisation is looked upon as the best example of effective and fruitful regional cooperation. Through interdependence and cooperation, Europe was transformed from a conflict ridden region to a peaceful one. Regional cooperation in Europe has led to conflict resolution and confidence building between the states. Regionalism in Europe inspired other regions of the world to initiate cooperation. Similar attempts were made in South Asia in 1985 with the inception of the South Asian Association for Regional Cooperation (SAARC). However, SAARC has had limited success.

This dissertation studies the process of regional cooperation and integration in the European Union (EU) and the South Asian Association for Regional Cooperation (SAARC). However, the two organizations are governed by conditions which are specific to their regions and as a result, the European model may not be relevant for SAARC but the EU experience in regional cooperation in theory and practice can provide several insights for the development of SAARC as a viable regional entity.

The first chapter deals with the theories of integration and seeks to examine the theoretical perspectives of integration process in the European Union and the SAARC. The chapter seeks to analyse the best means for achieving maximum integration.

The second chapter makes a case study of the need, relevance and applicability of confidence-building measures adopted in Europe for South Asia.

The third chapter discusses the achievements and failures of the European Community as a regional organization.

The fourth chapter draws up a balance sheet of SAARC since its inception and explores why greater and more rapid progress has not been possible in South Asia.

The conclusion seeks to focus on what lessons does the European experience in regional integration have for South Asia, especially what procedures could be adopted in the South Asian context.

CHAPTER ONE

THEORIES OF INTEGRATION: A CASE STUDY OF EUROPEAN UNION AND SAARC

Introduction

Almost since Thucydides wrote his *A History of the Peloponnesian War*, scholars as well as practitioners in the field have come to consider International Relations as dominated by the two opposed but coexistent forces of conflict and cooperation.¹ This chapter will essentially deal with the latter and will try to analyse the theories of integration which have come to play a substantial role in the European Union (EU) and the South Asian Association for Regional Cooperation (SAARC).

Although the forces of integration and the forces of disintegration should be studied together but that is beyond the scope of this chapter. Furthermore, the forms of integration like colonialism and spread of empires will not be taken into account as in contemporary International Relations integration is voluntary and non coercive. Thus, integration involves movement towards collective action based upon consensual values for the achievement of common goals in which the parties have long-term expectations of mutually compatible and acceptable behaviour."²

This chapter is divided into four sections. The first section deals with the theories of integration which are placed in three categories, viz. inter-state modes

¹ *World Encyclopedia of Peace*, vol.2 (Oxford: Pergamon Press 1986), p.323.

² *Ibid.*, p.447.

of cooperation, state building, beyond the state system. The second section analyses the role of integration. The third deals with the theories of integration which are applicable to SAARC. The second and the third section also focus on why certain theories are more practical to achieve while others are discarded and are not considered usable. The fourth and the final section highlights the problems and prospects involved with the two organizations at hand and the conclusions drawn from this study.

Theories of Integration

The theories of integration have been divided into three basic categories for methodological reasons. They are.³

1. **Inter-State modes of Cooperation:** These theories are inter-governmental in nature.
2. **State Building:** These theories have implications for sovereignty whereby the sovereignty of participating States is dissolved and a new State is formed.
3. **Beyond the State System:** These theories undermine the importance of sovereignty and they attempt to transcend boundaries.

³ Ibid., p.448.

Inter State Mode of Cooperation

1. Cooperation and Coordination

In Cooperation, the interacting units try to change their policies in such a manner that conflict could be avoided. Cooperation in this sense is more of a consultation than active policy formation. Cooperation is essentially beneficial in conflict-prone areas where misinterpretations and miscalculations can lead to inadvertant war.

Coordination differs from cooperation in having a strong institutional framework through which policy adjustment is brought about. Coordination seeks to encourage the participating units for consultation in key areas so as to bring about a continuous and consistent adjustment of policies.

Policy coordination implies that the policies of each states are adjusted to reduce their negative consequences for the other States.⁴ Both, coordination and cooperation involved mutual policy adjustments so that all sides end up better off them they would otherwise be.⁵

Cooperation and coordination are the first steps for initiating inter-governmentalism and inter-state coordination.

⁴ Helen Milner, "International Theories of Cooperation Among Nations: Strengths and Weaknesses", *World Politics* (New Jersey), vol.44, April 1992, p.467.

⁵ *Ibid.*, p.468.

Harmonization

The basic feature of harmonization is that all the participating units set high standards for themselves and then they all strive to reach this level. The most important quality of harmonization is that it is self-inflictive. The participating units get together under a structured institutional framework and decide to follow certain principles to achieve a predestined goal. If they do not behave in accordance with the principles then they are liable for punishment. And this stipulated punishment has been predecided by the participating units. For example the International Labour Organisation (ILO) has developed certain high standards and all the participating countries are expected to comply with the rules.

3. Parallel National Action

Parallel National Action involves simultaneous and consistent policy action by the participating units. The countries need not necessarily be bound by structured institutions. to execute similar and consensual legislation. The dialogue, debate and consultation between the participating units takes place through extensive communicative links. The best example for parallel policy adjustment is Scandinavia. Recently, the Scandinavian countries have passed a legislation whereby developmental aid to Third World countries will be stopped if there are human rights violation. This kind of extensive routine policy harmonisation leads to effective integration.

4. Association

Association involves institution building by the participating units. These units get together and decide on specific areas in which cooperation has to be achieved. But, in the process of choosing areas for cooperation they ignore other areas. Thus, in effect, Association can be called coordination in specific areas chosen by the participating units. The biggest drawback of Association is that it limits task expansion and spillover effects. The SAARC Charter promotes cooperation only in certain areas and restricts it in many other areas. Thus, an Association restricts the level of integration between participating units.

State Building

1. Neo-Functionalism

Neo-functionalism involves the formation of a federation where integration is dependent on the idea of spillover. Spillover implies that integration cannot be achieved in isolation. As one sector cooperates, there will be consequences for other related sectors through linkages and inter-linkages, a spillover effect will occur, suggesting a kind of inevitability to the process. Neo-functionalism is firmly tied to a regional context and it involves a step-by-step formation of a federation. Neo-functionalism works on the principle that the spillover effects would gradually encroach upon the political realm which would lead to the emergence of a political entity.

Ernst Hass, who propounded this theory, among others, believed that Spillovers are automatic and unrestricted. Once the spillovers are experienced by the participating units, the expectations and values eventually adapt to integration, creating a transnational political community, which he calls epistemic community, which in the end legitimises centralised regional governance.⁶

2. Federalism

In Federalism, several participating units come together to form a single government with a single governing constitution. Federalism has implications for sovereignty whereby the interacting units surrender major parts of their sovereignty to a centralized government. United States is an amalgamation of several independent states which gave up parts of their sovereignty to form a federation of the United States of America.

3. Consociation

Consociation, like federalism, also recognizes that there is a central authority which governs the interacting units. But, in Consociation the Central Authority is weak unlike a federation. Consociation permits an equal and just representation of all the minority and ethnic groups, each of which have veto powers. Switzerland is based on a consociation in which all the language and

⁶ Dinan Desmond, ed., *Encyclopedia of the European Union* (Colorado: Lynne Rinner, 1998), p.279.

ethnic groups are democratically and equally represented. It is referred to as a 'grand coalition'.

Beyond the State System

1. Networks

Networks are a web of transactions between participating units which are governed by utility and purpose. They are aterritorial and non hierarchical and the participating units are a wide range of actors - governmental and non-governmental. These networks thrive with a high degree of integration but they fizzle out the moment they are not needed. Institutionalization is not necessary for networks to function effectively. Some of the networks which emerge to fulfill a need become institutionalized and they form regimes. The institutionalization could be either formal or informal.

2. Regimes

Regimes are "sets of implicit or explicit principles, norms rules and decision making procedures around which actor expectations coverage".⁷ Regimes are formed of networks which are better institutionalized. The participating units may or may not be bound formally but there is a sense of obligation and permanence that prevails. The best example of a network which transformed into a regime is

Robert Keohane. "The Demand for International Regimes" *International Organisation* (California), vol.36, no.2, Spring 1982, p.141.

the Civil Aviation Regime. Initially it was a network formed within civil aviation due to linkages and interdependence and later on, due to increased interdependence and inter-linkages it was transformed into civil aviation regime whereby certain norms and principles had to be followed. Other examples of regimes are nuclear non-proliferation regime, international monetary regime, etc.

3. Functionalism

The theory of functionalism was first constructed by David Mitrany. The functional approach emphasizes the common index of need. There are many such needs that cut across national boundaries. This approach is not about giving up sovereignty but merely of pooling it so that a given functional area can be effectively worked upon. Functionalists believe that the growth of cross cutting ties leads fairly automatically to a "working peace system". They seek to permit ties and encourage ties in a wide array of interconnected activities which develop "naturally" and are not restricted by national or international frameworks. Functionalists encourage decision-making by experts and these concerns are governed by the merits of the issue rather than through negotiations reflecting the balance of force between governments. Functionalism holds that a common need for technocratic management of economic and social policy leads to the formation

of International agencies.* The European union is a functional organisation and is based on the functionalist and the neo-functionalist paradigm.

European Union and the Theories of Integration

The European Union (EU) is based on the functionalist and the neo-functionalist theories of integration.

Functionalism was the theoretical backdrop for the movement towards the formation of the European Coal and Steel Community (ECSC). The functionalist theory believes in the formation of supranational functional agencies across a wide range of policy areas. Thus, coal and steel production and management was handed over to a functional agency, separate from any State authority. All the six member states were required to abide by the rules set up by this agency.

The functionalists preoccupied themselves with technical and non-technical issues and they firmly believed that spill overs from existing areas of cooperation would lead to task expansion and would consequently result in a higher degree of integration. Bearing this in mind the European Economic Community (EEC) and the European Atomic Energy Community (EURATOM) were formed. But, when proposals for European Defence Community (EDC) were launched, they were

* Ibid., p.245.

rejected. Furthermore, there were proposals for European Political Cooperation (EPC) which did not hold ground. Thus, the functionalist approach failed to bring about spillover effects in the political arena.

Another pitfall of the functionalist theory was that, it considered changes in popular attitude as a pre-requisite to integration. Theorists like Pentland believed that attitudinal changes can be brought about only after the masses have experienced cooperation. Attitudinal change is nothing but a learning process. This commitment to attitudinal change by functionalists was being forcefully criticized. As a theory of integration, functionalism was largely superseded by neo-functionalism.

Functionalists presented the initial challenge. It down played the State and emphasized on social actors but it did not provide the political and institutional details necessary to explain how social and economic processes resulted in integrative outcomes.

Neo-functionalism strives to bridge these gaps. The neo-functionalist argument is that when certain sector of the life of sovereign States are integrated by being brought under joint control, a process can be set in motion in which organised interest groups and political parties tend to get involved.⁹ Political

⁹ Reginald J. Harrison, *Europe in Question: Theories of Regional International Integration* (London: George Allen and Unwin, 1974), p.76.

power is delegated to specific institutions so that integration can be furthered within the framework. Thus, the institutions become the driving force of the Community. These theorists expected the resolution and management of all kinds of conflict, be it political or ideological through the upgrading of the common interest and the replacement of the monolithic concept of national interest with a complex of group and individual interest at the international level.¹⁰

For the neo-functionalists, the supranational political elites were the important catalysts for bringing about change and progress. The institutions were considered all important: on certain issues individual states could no longer veto proposals before the Council: Members of the Commission were considered independent figures rather than instructed agents.¹¹

However, the initial expectations associated with the community institutions were largely unfulfilled and spillover progressive integration did not seem to be accruing.

The European Commission could not fulfill its neo-functionalist role as the

¹⁰ Alan S. Milward and Vibeke Sorensen, eds., *The Frontier of National Sovereignty: History and Theory 1945-1992* (London: Routledge, 1993), p.4.

¹¹ Robert O. Keohane and Stanley Hoffmann, "Community Politics and Institutional Change", in William Wallace, *The Dynamics of European Integration* (London, 1990), p.281.

instigator. It adopted a mediatory conciliatory role rather than a creative one.¹² The Council of Ministers remained the most powerful institution where national interests prevailed and there was a high level of intergovernmental bargaining. The Functionalists and the neo-functionalists believed that step-by-step economic integration would lead to a political integration. Nothing of this sort happened. Europe remained an economic giant and a political dwarf.

Thus, the neo-functionalist theory was re-examined and reformulated in the 1990s. Robert Keohane and Stanley Hoffman argued that spillover effects are not automatic but there is an intergovernmental bargaining process which plays a major role in the process of integration. The contemporary neo-functionalists, as they are referred to, consider the intergovernmental conferences as catalysts for integration.

Keohane and Hoffmann provide a working hypotheses according to which, successful spillover requires prior programmatic agreement among governments.¹³

The Treaty of Maastricht of 1992 which was to bridge gaps between intergovernmentalism and supranationality is more ambiguous than its predecessor

¹² Martin Holland, *European Community Integration* (London: Pinter, 1993), p.17.

¹³ Ibid., p.19.

the Single European Act (SEA). This shows that Europe is divided on the lines of intergovernmentalism and supranationality. There is no consensus about, which one has to be used and which one has to be discarded. The major problem in intergovernmentalism is its poor theoretical foundation¹⁴ which does not take into account the international institutional decision-making procedures and it undermines the importance of formation of coalitions within the Council of Ministers and their policy preferences. Of late some of the scholars have started regarding EU as a post modern entity. The most important among them being John J.Ruggie who says that EU may constitute the first multiperspectival polity to emerge since the advent of modern era. However the term modernity and post modernity in the field of International Relations are debatable, but a post-modern State, going by the definition of post modernity, is no longer sovereign. One has to concede that EC authority has been confined largely to economic aims. The new EC can be interpreted as a region trying to protect itself against the negative consequences of the globalization of competitive Capitalism.¹⁵

However, on the other hand, the EMU and the launching of Euro would not

¹⁴ Geoffrey Garrett, and George Tsebelis, "An Institutional Critique of Intergovernmentalism" *International Organization*, Spring 1996, p.293.

¹⁵ Asbjorn Norgard, "Some Institutions and Post-Modernity in IR: The 'New' EC", *Cooperation and Conflict* (New Delhi), vol.29, no.3, 1994, p.275.

have been a possibility if the political realm would not have been left untouched. The federalists are of the opinion that among the political motives was the resolve of some key players to put in place what they saw as a political building block for a Federal Union. The single currency could be visualized and consequently materialised both from economic interests and political interests of governments that wished to exchange the shadow of separate sovereignties for the subsistence of a shared economy.¹⁶

Studying the vast theoretical scholarship on EU one is forced to conclude that political development must be understood as a process that unfolds over time.¹⁷ Europe has not followed one particular theory of integration. It is the circumstances within the Community as well as external factors which have contributed to the process of integration. The functionalist and the neo-functionalist theories can be successfully applied to the European Union in accordance with the idea of the visionaries. The question of supranationality and intergovernmentalism are debatable but the fact of the matter remains that supranationality and intergovernmentalism exist side by side in the EU, and these trends will most

¹⁶ John Pinder, "Economic and Monetary Union: Pillar of a Federal Polity". *Publius* (Pennsylvania) vol.26, no.4, Fall 1996, p.12.

¹⁷ Paul Pierson, "The Path of European Integration: A Historical Institutional Analysis" *Comparative Political Studies* (New Delhi), vol.29, no.2, April 1996, p.126.

likely continue. The federalists believe that the qualified majority voting in certain issue areas and the power delegated to all Institutions shows supranationality while the Intergovernmentalists argue that the institutions exist and function for the member states. For example the veto and appointment power held by States over the Commission may render it a perfectly reactive agent, faced with the choice of tailoring and revising its proposals to fit member government preferences.¹⁸ According to intergovernmentalists, States are the actors while the institutions are the means for forwarding their preferences. However, one must concede that there is more to Europe than these extremes. There is an element of truth in both the arguments, but the EU in totality can not be explained by supposing one of the arguments. If intergovernmentalism is a day to day reality in the EU process, supranationality too has its place. The institutions are indeed formed by the governments but they develop and expand independently over a period of time. The institutions such as the Commission and the European Court of Justice might gradually take on new roles that were not foreseen at the time of their creation.¹⁹

¹⁸ Andrew Moravcsik, "Liberal Intergovernmentalism and Integration: A Rejoinder", *Journal of Common Market Studies* (Oxford), vol.33, no.4 December 1995, p.616.

¹⁹ Mark A. Pollack, "Delegation, Agency and Agenda Setting in the European Community", *International Organisation*, vol.51, no.1, Winter 1997, p.107.

Furthermore, although the European Parliament has very limited powers, the member states may find it very difficult to involve it in its bargaining process. The co-decision procedure as well the budgetary powers, and its direct elections make it more of a supranational institution than an intergovernmental one. The EU is not necessarily an instrument to be called upon whenever member states wish to do so.²⁰ Europe may still be engaged in a journey of an unknown destination but the reason for making that journey and the signposts to be followed on the way can no longer be left undiscussed.²¹

Jean Monnet who is considered to be the father of the European Unity movement had a vision of Europe that coincided with the neo-functionalist paradigm whereby, at the peak of integration there would be a federation namely United States of Europe. Monnet was considered to be a federalist and a practical functionalist, where, his political style was characterised by ends rather than means.

Inherent in Monnet's method of integration was the assumption that at a certain point, the quantitative economic achievements would translate into

²⁰ Dorette Corbey, "Dialectical Functionalism: Stagnation as a Booster of European Integration". *International Organisation*, vol.49, no.2, Spring 1995, p.259.

²¹ Michael Shackleton, "The Delors II Budget Package", in Neil Nugent, *The European Community 1992. Annual Review of Activities, Journal of Common Market Studies* (Oxford: Basil Blackwell, 1993), p.25.

qualitative political arrangements.²² Monnet's "political arrangements" had implications for sovereignty. But the meaning of sovereignty has undergone major changes since it was first dealt with by Hobbes. The Hobbesian State of nature was territorial and had unlimited power. The earliest modern writer on sovereignty was Bodin who in the sixteenth century defined sovereignty as "*la puissance absolue et perpetuelle d'une Republique*" (The absolute and perpetual power of a State).²³

In Europe sovereignty no longer is well defined and distinct. In fact, it is on the decline. The sovereignty debate is directly linked to the intergovernmentalist and supranationalist debate. The former stress the presence of sovereignty while the latter believe, not in absolute sovereignty but in pooled in sovereignty. The term pooling in sovereignty implies that the tasks formerly undertaken by the State are now increasingly on the International and EU agenda.²⁴ The Eurosceptics believe that the biggest hurdle to European Political Union is the issue of sovereignty. According to them, there is no EU agenda. The only agenda that

²² Michael Burgens, "Federalism and Building the European Union". *Publius*, vol.26, no.4, Fall 1996, p.3.

²³ Eli Lauteracht, "Sovereignty-Myth or Reality?". *International Affairs* (London), vol.73, no.1, January 1997, p.138

²⁴ Janne Haaland Maltary, "New Forms of Governance in Europe? The Decline of the State as the Source of Political Legitimation". *Cooperation and Conflict*, vol.30, no.2, 1995, p.101.

exists is the individual nation-states agenda. Although there is some reality in their argument but one cannot ignore the blunting edges of sovereignty. It is no longer constant or fixed, rather it is subject to changing interpretation.²⁵

SAARC and the Theories of Integration

SAARC was founded on 7 December 1985 and after thirteen years of its existence, it has little to boast about. Although work has been done in certain predecided core areas, it has not had much of an effect on the subcontinent. A food security reserve of 221.480 metric tonnes has been installed and is operational, a Convention on Supression of Terrorism has been signed and ratified, a SAARC Meteorological Research Centre has been set up, an Institute of Rural Technology and a Regional Software Centre are at a preliminary stage, to name just a few.

All these achievements look commendable at the outset, but they are misleading. Most of these institutions and conventions are shallow and handicapped. The main reason behind this state of affairs is that decision-making in SAARC is based on unanimity. Till there is consensus within the seven countries, about a particular issue, decisions cannot be taken. Consequently,

²⁵ J. Samuel Barkin and Bruce Cronin. "The State and the Nation: Changing Norms and the Rules of Sovereignty in International Relations". *International Organisation*, vol.48, no.1, Winter 1994, p.129.

decision-making in SAARC becomes long and tedious.

As the name suggests, SAARC is an Association where seven countries in the South Asian region have met and decided about the core areas of cooperation. The agenda is fixed and specific projects are undertaken. However, the SAARC Charter can be interpreted as following a functionalist paradigm rather than an Association paradigm. Although core areas have been predecided, the charter strives "to improve active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields."

The academia is of the opinion that the political and security relationships are so complex that they should be disentangled from the functional areas in which regional cooperation could be pursued. The functional areas of cooperation, which have been expanded to twelve, constitute the Integrated Programme of Action that retains control of the whole SAARC process.

In spite of the isolation of certain functional areas, progress remains discontinuous and minimal. The basic reason behind this is the problem of absolute and relative gains. The relative gain problem is compounded because India is the largest country in the subcontinent and it is the largest benefactor of gains and profits.

Absolute gains include the profits and gains that a country gets out of cooperation while relative gains are those gains that the neighbouring country

accumulates over a period of time. This means that the absolute gains of participating countries are unequal. Thus, even if a country's absolute gains are negligibly larger than the other, these minimal gains can accumulate and make the country better off, in the near future. These relative gains can accumulate in the form of economic growth or even political power. The major goal of States in any relationship is not to attain the highest possible individual goal or pay off. Instead, the fundamental goal of States in any relationship is to prevent others from achieving advances in their relative capabilities.

Relative gains do not matter when one country is very powerful while the other country is not equally so. But, when countries like India and Pakistan cooperate the problem of relative gains crops up. This is because India and Pakistan are at par with each other or Pakistan strives to be at par with India. If India, being larger in size, has a larger share of absolute gains then Pakistan will worry less about its own absolute gains and more about India's relative gains. This will happen for the simple reason that the absolute gains are not absolutely essential for its survival.

The problem of relative gains did not matter in the case of the European Community because Europe was totally devastated after the second World War, which made the absolute gains the sine qua non for its survival. Each State tends to see itself as vulnerable and alone and therefore it aims to provide for its own

survival²⁶.

One cannot ignore the existence of cooperation inspite of the so-called anarchy. The problem of explaining and promoting International Cooperation encompasses many of the principal questions in the discipline of political economy and Security Studies.²⁷

The process of European integration was aided by certain important factors that are absent in South Asia. For the European Union, the most important factor was the presence of United States. The US granted economic aid to Europe under the Marshall Plan which initiated the process of cooperation and intergovernmentalisan in Europe. In South Asia, the United States plays more of a dividing role by siding with Pakistan on the Kashmir issue.

Although SAARC strives to be a functional organization, its very structure impedes functionalism.

Functionalism can operate when spillover effects of one sector of cooperation, initiates the process of cooperation in other sectors. According to Mitrany, spillovers work in a manner that every function was left to generate

²⁶ John J. Mearsheimer. "The False Promise of International Institutions" *International Security*, vol.10, no.3, Winter 1994-95, p.338.

²⁷ Kenneth Oye. "Explaining Cooperation under Anarchy: Hypothesis and Strategies". *World Politics*, vol.38, no.1, October 1985, p.3.

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others gradually like the functional sub-division of the organic cells and in every case the appropriate authority was left to grow and develop out of actual performances.²⁸

Member states have not been endorsed into a new Euro-federation nor have they become the vassals of a Supranational Commission.²⁹ However, in SAARC, task expansion and spillover is not allowed to occur due to structural and institutional impediments. Most of the "progress" has been made in the signing of agreements and conventions. These agreements and conventions neither have checks and balances mechanism nor they have any verification procedures. For example, the Convention on Prevention of Narcotic Drugs and Psychotropic Substances and the Convention on Suppression of Terrorism. These conventions which are very ambitious in nature in fact abound in loopholes because of which they are mere pieces of paper. Furthermore, the functional areas chosen by the seven countries have a lot of potential but opportunities are lost because technical advice and expertise is either not available or is not taken into account. This is one of the important reasons why budding functional areas are not allowed to flourish. Functional areas denote common interests and these common interests should

²⁸ David Mitrany, *A Working Peace System* (London: Oxford University Press, 1994), p.23.

²⁹ Paul Taylor, *The Limits of European Integration* (London: Croom Helm, 1983), p.60.

promote more cooperative and less conflictual interaction.³⁰

Conclusions

SAARC can learn several lessons from the European Union since the latter has more or less succeeded in the functionalist/neo-functionalist paradigm whereas SAARC is still striving to achieve a semblance of 'functionality'. However, bearing in mind the problems and prospects involved in the SAARC process, SAARC would be better off if it followed a melange of the inter-state theories and the theories which transcend State borders.

The Interstate theory that ought to be promoted is cooperation and coordination, whereby adjustment of government policies lead to the improvement of the hostile milieu in the region. With Kashmir as a bone of contention between India and Pakistan, cooperation and coordination are the need of the hour. These can be achieved by installing confidence-building measures, military as well as non-military.

Networks and regimes should be simultaneously promoted in the region. South Asia needs experiences in cooperation and the best possible way for achieving this is through networks. Networks, being informal, non-hierarchical,

³⁰ Brett Ashley Leeds. "Beneath the Surface: Regime Type and International Interaction". *Journal of Peace Research* (New York), vol.36, no.1, January 1999, p.11.

aterritorial and area specific can induce and initiate cooperation in the region. They are the best tools of cooperation since they emerge to meet a need and they rarely have a heavy bureaucratic structure. They tend to serve human rather than institutional needs. Regimes and networks promote transparency and dissemination of information which goes a long way in confidence-building between nations. Indeed, promoting transparency - fostering the acquisition, analysis and dissemination of regular, prompt accurate regime relevant information - is often one of the most important functions regimes perform.³¹

The international civil aviation region which is by far the best example of a vibrant and dynamic regime is based on the fundamental acceptance of sovereignty and its operative arrangements are organised through bilateral agreements.³²

Thus regimes and networks can go a long way in sowing the seeds of cooperation at the grassroots level. Industrialisation and globalisation have transformed the world into an interdependent and interlinked entity where cooperation is not just beneficial but, is imperative for survival and growth.

³¹ Ronald B. Mitchell. "Sources of Transparency: Information Systems in International Regimes". *International Studies Quarterly* (Oxford), vol.42, no.1, March 1998, p.109.

³² Baldev Raj Nayar. "Regimes Power and International Aviation". *International Organisation*, vol.49, no.1, Winter 1995, p.169.

In the early twentieth century, the Industrial Revolution had altered the nature of International Relations in such a way that states now had common rather than competing interests.³³ Regional cooperation to further the common interests seems to be the solution for a more progressive future. A region may be defined as a set of countries markedly interdependent over a wide range of different dimensions which are governed more by culture economics, history and politics than by geography.³⁴

Regional cooperation not only triggers economic growth but also has political, social, socio-economic and regional repercussions: Joint and equal membership of the same organisation avoids countries being shut out and helps eliminate mutual suspicion.³⁵

The European model cannot be duplicated in South Asia into SAARC because the two regions are governed by different dependent and independent variables. What can be done is that conceptual lessons can be drawn from Europe and they can be effectively used in the SAARC process.

³³ Andreas Osiander, "Rereading Early Twentieth Century IR Theory: Idealism Revisited", *International Studies Quarterly*, vol.42, no.3: September 1998, p.416.

³⁴ Peter J. Katzenstein, "Regionalism in Comparative Perspectives", *Cooperation and Conflict*, vol.31, no.2, 1996, p.130.

³⁵ Arndt Loringhoven, "Regional Cooperation: Building Bridges as Europe Grows Together", *Aussen Politik* (Hamburg), vol.49, no.3, Fall 1998, p.14.

Although substantial progress has been made in the European Union, following the functionalist and neo-functionalist paradigm, the EU still remains an economic giant and a political dwarf.

CHAPTER TWO

CONFIDENCE-BUILDING MEASURES IN EUROPE: NEED AND RELEVANCE FOR SOUTH ASIA

Introduction

Trust can be conceived as an attitude based on a mixture of knowledge and uncertainty between interdependent parties, whose potential to harm and help each other is mutually recognised. The risk of betrayal is thus inherent in the very concept of trust. The aim of Confidence-Building Measures (CBMs) therefore must be to reduce the perceived risks of such betrayal.¹ According to John Holst, confidence-building involves the communication of credible evidence of the absence of feared threat. "Confidence-Building Measures (CBMs) are arrangements designed to enhance assurance of mind and belief in the trustworthiness of States." CBMs can be useful only if conscious, cumulative and continuous efforts are made, to promote peace.² They target conflict resolution and conflict management of both military and non-military problems. Modalities to resolve them are of course worked out by consenting States.

The origin of CBMs dates back to the years prior to the first world War. They were seen, in modest forms, in the Treaty of Versailles where four allied powers attempted to exert control over defeated Germany. Certain provisions included in the treaty can be taken as forerunners of CBMs. For example,

¹ Karl E. Birnbaum, *Arms Control in Europe: Problems and Prospects* (Luxembourg: Austrian Institute for International Affairs, 1980), p.81.

² See B.M. Jain, *Nuclear Politics in South Asia: In Search of an Alternative Paradigm* (New Delhi: Rawat, 1994).

demilitarisation of Germany, on site inspections etc. These measures established between the four Allied Powers were put into place ostensibly, to improve their relations. With the onset of the Cold War, these missions soon turned into military intelligence gathering devices for all parties involved.³ In the 1950s' and 1960's antecedents of the present day CBMs were proposed at the Surprise Attack Conference (1958) and at the 18 Nations Disarmament Committee Meeting (1962), which included the installation of the hot line between Moscow and Washington and the signing of Nuclear Test Ban Treaty. In the early to mid 1970s the first Strategic Arms Limitation Talks (SALT) and the Anti Ballistic Missile Treaty (ABM) were followed by the Vladivostok Agreement of 1975. The Helsinki Final Act of 1975 formally recognised the status quo in Europe and facilitated a process of integration between East and West including inviting observers to military exercises on a voluntary basis.⁴ For the first time CBMs were recognised as effective tools for conflict avoidance and conflict management.⁵ The initiative to for seeking detente in Europe belongs however not to the Americans, but to the

³ Richard E. Darilek, "East-West confidence- building : Difusing the cold war in Europe". in Michael Krepon and others, ed., *A Handbook of Confidence-building Measures for Regional Security*, (Washington: Henry L. Stimson Center, 1993), edn.2, p.246.

⁴ Michael Krepon, "The Decade for Confidence-building Measures", in Krepon, n.3, p.1.

⁵ Fernando Moran, "Restoring Detente" in Rodolph Bohra and others, ed., *The Dynamics of European Nuclear Disarmament* (Nottingham: Russels Press, 1981), p.200.

European themselves. Europe was the theatre where their (East and West) security commitments to their respective allies are the most direct and least ambiguous.⁶ Thus, CBMs were criticised as mere transparency measures, for they could also be deceptively used for a surprise attack by building false confidence. This Lacunae was rectified by the Stockholm Accord of 1986 which stipulated new measures like mandatory on site inspections, cooperative arial inspections (Open Skies), creation of Crises Prevention Centres and an annual calendar of notifiable military activities.⁷ With the Conventional Forces of Europe Treaty of 1990 and the Vienna Agreement of 1992, transparency became the key word as these agreements involved, demonstration of military equipment, verification by multinational inspection teams etc. The CFE Agreement signed in Paris on 19 November 1990 was the result of the shortest ever East-West arms control negotiations and may have been the last agreement between NATO and Warsaw Pact States.⁸

Though the CBMs originated in Europe they have been appreciated and used the world over as they are easely negotiable and their implementation does

⁶ Jonathan Alford. *Arms Control and European Security* (Hampshire: Gower, 1984), p.9.

⁷ Maqsudul Hasan Nuri. "CBMs in South Asia : Practice, Problems and Prospects". *Regional Studies* (Sussex). Spring 1996. p.30.

⁸ Lothar. Ruehl. "The Agreement of Conventional forces in Europe: Culmination and End of European Arms Control?" *Aussen Politik*, no.2. 1999. p.116.

not involve huge amounts of capital. They have been effectively used between Israel and Jordan to cooperate in Combating terrorist incidents across the Jordan river. North and South Korea have also embarked upon an ambitious plan of action which involves military as well as non-military confidence-building measures. India and Pakistan have applied modest CBMs in the wake of the crises of 1986 and 1990, both of which could have very easily led to war. In a real sense, every states security problems are unique, just as its borders, population, language, resources and potential opponents may be unique.⁹ Thus, CBMs differ from place to place as they are essentially area specific, nevertheless these CBMs can be classified into six broad categories

a. Declaratory Measures. They involve a unilateral commitment, outside a treaty, by one of the adversaries. This commitment is nothing but an act of goodwill which strives to improve strained relations. No-first use, unilateral declaration of limitation of weapons etc are all declaratory measures.

b. Consultation Measures. With the exercise of consultation CBMs there may be consultations regarding military activities and also formation of joint consultative groups. With the Vienna Agreement of 1990, annual assessment meetings at conflict prevention centres are held which have become an important forum for consultation in the west.

⁹ Darilek, n.2, p.2.

c. Access Measures. They include visits to airbases, arial inspections, mandatory over flights, designated permanent storage sites for armaments and equipment, voluntary invitations to need observers maintaining military contacts, to name just a few.

d. Information Exchange Measures. Also called as communication measures have a tremendous potential of easing tension in conflict prone regions. They help to sustain a continuous state of dailogue between two rival nations, be it with the help of 'Hot line' between Heads of States or Directors General of Military Operations or with the help of an expanded communication network.

e. Constraint Measures. This category of CBMs involves a collective limitation ceiling or reduction of weapons, military exercises or personnel strength of conventional armed forces. Constraint measures are aimed at making it almost impossible and unthinkable for countries to launch a surprise attack.

f. Notification Measures. Prior notification of military excercises, exchange of annual calendars of military activities, obligatory invitation observes can all be grouped together under notification measures.

Notification measures permit military activities to occur but attack conditions to them, such as enjoining participants to refrain from undertaking activities that have not been notified in advance.¹⁰

¹⁰ Ibid., p.256.

Although CBMs have been successfully used in the 'military' field, according to Micheal Krepon, "integrated approaches that combine initiatives in the economic, political, humanitarian, cultural and military realms are an ideal approach'.

A Rrview of CBMs in Europe

CBMs were born in Europe. They were nurtured with utmost care as they seemed to bring to the continent, a much sought after feeling of security. Though precursors of CBMs can be traced back to the First World War. They were formally launched in Europe only after the Helsinki final Act of 1975. We shall now seek to examine the various kinds of CBMs in Europe.

Precursor CBMs

Three decades following the Second World War (1945-1975) saw some sporadic attempts to CBMs in Europe. The actual precursors to modern day CBMs were the installation of 'Hot line' between the White House and the Kremlin and the agreement to ban testing in the atmosphere. Salt I and Salt II (Strategic Arms Limitation Talks) were other important precursor CBMs. In the 1970s, the Western Europeans made substantial progress on the road to detente, seeing this as a way out of their security dilemma. The Salt agreements came at the highpoint

of the Nixon-Kissinger policy of detente.¹¹ The United States and the Soviet Union signed in succession an agreement on measures to reduce the risk of the outbreak of nuclear war in 1971, which provided for immediate notification of an accidental, unauthorized or unexplained nuclear detonation: the Incident at Sea Agreement of 1972 which established procedures that sought to decrease the potential for ship to ship harassment such as simulated attacks, during peacetime, and in 1973, the declaratory agreement on the prevention of nuclear war, which provided for immediate and urgent consultations in times of crisis.¹² By this time the Helsinki process had already begun. Intensive discussions and negotiations were going on in preparation for the official launching of CBMs in Europe.

First Generation CBMs

The CBMs put into effect after the Helsinki final act of 1975 are regarded as first generation CBMs, which were designed primarily for conventional armed forces in Europe.

The Helsinki Final Act was to be the first step in a process of refining a code of conduct, involving renunciation of force and the threat of force, promotion of cooperation in various fields and acceptance that in a system of sovereign states,

¹¹ Joshua Muravchik, "Expectations of Salt I: Lessons for Salt III " *World Affairs* (London), Winter 1980-81, p.280.

¹² *Ibid.*, p.246.

different ideological, political and social systems must coexist.¹³ Not much could be achieved through the Act. The main reason behind its lukewarm success was that the Act did not provide a solution to any specific and pressing problem. The title "Final Act" describes the non juridical character of the document.¹⁴ The conference raised several expectations but at the same time quashed many a illusion about the prospect of European Security. But the most significant aspect of the process launched in the Finnish capital in 1975, was the regular convocation of CSCE review conference to look into the implementation of the promises contained in that agreement.¹⁵

The first generation of CBMs endeavoured to enhance greater transparency so that there is a degree of predictability about the whole system.

The Helsinki Act comprised of four sections or 'baskets'. The first section or 'Basket-One' dealt with "questions relating to security in Europe which comprised of the principles that must govern relations among participating countries". These ten principles essentially boiled down to increased openness, reduced secrecy and a higher level of predictability. The second section of the Act

¹³ Kenneth Dyson, *European Detente : Case Studies of the Politics of East-West Relations* (London : Frances Pinter, 1986), p.84.

¹⁴ Gotz Von Groll, "The Final Act of the CSCE". *Aussen Politik*, no.3, 1975, p.247.

¹⁵ Edward I. Kilhem, "The Madrid CSCE Conference". *World Affairs*, Spring, 1984, p.340.

dealt with "Cooperation in the field of economic, of science and technology and of the environment" while the third section included "respect for human rights and fundamental freedoms: freer dissemination of information: respect for the members rights to freely choose and develop their political, social, economic and cultural systems; and progress towards economic cooperation".¹⁶ In the last section of the Final Act, entitled "Follow up to the Conference", it was stated that the conference was an important part of the process of strengthening security and developing cooperation in Europe and that its results would contribute significantly to that process.¹⁷ In the final section it was emphasized that the provisions of the Final Act were to be implemented to the best extent possible either unilaterally, bilaterally or multilaterally.

By the late 1970s, detente negotiations had certainly defused some of the previously contentious issues surrounding postwar territorial arrangements in Europe.¹⁸ Transparency to a large extent was achieved by the CSCE Final Act. There were nearly hundred notifications of military activities in Europe over a period of ten years and fifty military exercises were conducted in the presence of

¹⁶ Werner J. Feld, *The Future of European Security and Defense Policy* (Colorado: Lynne Rienner, 1993), p.63.

¹⁷ R.K. Jain, *Detente in Europe: Implications for Asia* (New Delhi: Radiant, 1977), p.63.

¹⁸ Gregory Flynn, *The International Fabric of Western Security* (London: Croom Helm, 1981), p.17.

observers. The most important achievement of the Final Act was the recognition of status quo in Europe. Critics however were sceptical about the achievements of the Final Act. They believed that declaratory assurances may not be enough to convince others that the growth of military capabilities would not exceed the equality level.¹⁹ The whole exercise of CBMs was based on a voluntary political will and was legally non binding to the States. Some of these discrepancies were rectified by the next generation of CBMs or CSBMs.

Second Generation CBMs

The second generation confidence-building measures were an improved version of the previous ones. The CBMs established by the Final Act were not strong enough to bare the European pressure. As a matter of fact, the second generation of CBMs were the consequence of the "virtual disappearance" of detente in East-West relations. The events in Afghanistan and the preparations on the Soviet -Polish border during the fall of 1980 indicated that the Soviets would use military power as and when they deem fit. Thus, the 1986 Stockholm Accord marked a significant departure from the Helsinki CBMs a progression captured in the change of terminology from confidence building measures to confidence and

¹⁹ Sverre Lodgard and Karl Birnbaum, ed.. *Overcoming Threats to Europe: A New World for Confidence and Security* (New York: Oxford University Press, 1987). p.17.

security building measures.²⁰

The most important feature of the CSBMs was that they largely depended on "access measures", which involved visits to air bases, on site inspections, military contacts etc. The introduction of these measures added a degree of trust. The Stockholm Accord even made the first attempt ever of imposing constraints on the participating countries. These constraints were either in the form of limiting equipment or limiting military activities (subject to prenotification).

The problem with access measures was that the number of inspections permitted on a given state was only three, which was grossly insufficient to prevent a surprise attack.

Third Generation CBMs

Soviet threat receded from Europe in 1990 as a result of which the need for "constraint measures" became less compelling. The most important feature of this generation of CBMs was the improved level of information exchange through direct communication links and a common communication network. These information measures were a consequence of the Vienna document of 1990.

The CFE (Conventional Forces in Europe) Treaty was also simultaneously signed in 1990, though it was not so much of a CSCE affair. It was an outcome of proposals recommended by NATO and Warsaw Pact countries. The CFE Treaty

²⁰ Cathleen S. Fisher, "The Preconditions of Confidence-Building: Lessons from the European Experience", in Krepon, n.3, p.271.

advocated the reduction of conventional armed forces in Europe and also put forth measures like exchange of annual calendars for finding out the actual strength of individual units, inspections of CFE weapons, formation of a consultative commission comprising of signatories for Treaty verification, establishment of a conflict prevention center, pre-notification of any permanent increases in personnel strength etc.

A consolidated and cautious further development of these initiatives subsequently took place at the CSCE conference in Prague at the end of January 1992 and although the "Helsinki Document" of July 1992 in which *inter alia* the mandate of the CSCE on conflict management was strengthened. This was followed by the Budapest Document as a further step towards this goal, which on the occasion of the meeting of the Heads of States and government leaders of the CSCE states on 5-6 December 1994, was adapted under the title "The Path to True Partnership in a New Era". The task of institutionalized conflict management found its manifest expression in the renaming of the CSCE as the Organisation for Security and Cooperation in Europe (OSCE) on 1 January 1995.²¹

Thus a review of CBMs in Europe suggests that the key words to confidence-building and conflict prevention are "openness", "transparency" and "predictability". However, a new conflict paradigm has emerged since the end of

²¹ Christoph Boehr. "At the End of the Post-War Order in Europe : In Search of a New Coherence of Interests and Responsibilities". *Aussen Politik*, vol.46, no.1, 1995, p.118.

the Cold War whose characteristics are most clearly visible in Bosnia and Chechanya. Conflict resolution in these regions would be the litmus test for confidence-building measures in Europe.

Experiences with CBMs in South Asia

Confidence-Building Measures in both a narrow and broad sense are important measures for improving regional situations and preventing military sources of conflict.

The main source of conflict in the South Asian region is the strained Indo-Pakistan relationship, with the bone of contention being the Kashmir issue. India and Pakistan have not yet arrived at a peaceful settlement of the grievances prompted by the partition of the subcontinent in 1947. It is in the interest of both parties to pursue CBMs to prevent a drift towards war through misunderstanding, misperceptions, miscalculations or inadvertence.

The conflicts between India and Pakistan are considered crucial and the most important. There are two considerations behind this. Firstly, these conflicts are seen as determining the very pattern of South Asian interactions and secondly, they are seen dictating the variables of the future course of events in South Asia.²²

²² Sumit Ganguly. "Mending Fences". in Krepon. n.3. p.11.

CBMs have existed in South Asia in some form or the other, between India and Pakistan. Some are a consequence of border tensions, while some others have been put into place in the aftermath of the wars and a few of them have come into being after a series of Foreign Secretary level talks. Confidence building is unavoidable when two adversaries acquire nuclear capabilities. There is always a danger of accidental nuclear exchange through misperception and miscalculation.²³ The situation between India and Pakistan has been volatile from the very beginning, as both the countries had always been surrounded by ambiguities as far as their nuclear programmes were concerned.

The very first CBMs in South Asia probably came about with the Karachi Agreement of 1949 where troops from both the sides were instructed to keep a distance of five hundred yards from the cease fire line.

In 1965 two separate military encounters took place between Indian and Pakistani forces. During this war, both sides carefully refrained from bombing each other's population centres. Also, both sides adhered to a tacit agreement not to bomb dams and irrigation facilities.²⁴ After the war, steps were taken for "normalization" and confidence building between the two States. These steps were

²³ K.D. Kapur, *Nuclear Non Proliferation Diplomacy: Nuclear Programmes in the Third World* (New Delhi: Lancer's Books, 1993), pp.364-365.

²⁴ M.D. Nuruzzaman, "Confidence-building Measures in South Asia: A Bangladeshi Perspective", *International Studies* (New Delhi), March 1994, p.338.

the restoration of air flights, signing of the Tashkent Declaration (1966), restoration of the cease fire line, among others. The negotiations of the Tashkent Agreement were carried out under the auspices of the Soviet Union. But neither India nor Pakistan adhered to it.

As a matter of fact some confidence-building measure like structures were implemented even during the Rann of Kutch hostilities of 1965. The Air Marshals of both the sides agreed not to use their respective Air Forces in the open desert area. They both reasoned that infantry without cover and without merchandised armour would be acutely vulnerable to strafing from the air.

Soon after the Indo-Pak war of 1971 a "Hotline" or Dedicated Communication Link (DCL) was installed between the Directors General of Military Operations (DGMOs). Also, the Cease Fire Line was reestablished albeit with some changes. The Simla Agreement (1972) was signed right after the war. This Agreement obliged India and Pakistan "to renounce the use of force as a means of settling outstanding, disputes". This was the most significant accord signed between India and Pakistan and they claim to respect it.

Differences between India and Pakistan over the issue of nuclear weapons have now reached upto the point of no return. And yet the two countries have succeeded in holding some confidence in this field.²⁵

²⁵ Ganguly, n.16, p.12.

An Indo-Pak Joint Commission was set up with good intentions to facilitate discussion at the ministerial level, which was discontinued in 1984. In 1990, the Joint Commission was superseded by a series of Foreign Secretary level talks.

In 1988, Prime Minister Rajiv Gandhi and his counterparts Benazir Bhutto signed a "Non-Attack of Nuclear Facilities" Agreement which was ratified in 1991. This Agreement involved exchange of detailed information on nuclear research facilities. It came about right after "Brasstacks" India's largest peace-time military exercise where the Indian army deployed to the Mahajan training range for maneuvers.²⁶ It is alleged that India and Pakistan had deployed nuclear weapons during the exercises. This crisis of 1990 led to a wide implementation of CBMs. The 'Hotline' between Directors General of Military Organisations (GMOs) of both the sides was renewed on a weekly basis. An agreement on prior notification of military exercises was signed in April 1991. An Agreement on Prevention of Air Space Violation was signed in 1991 and ratified in 1992. A Joint Declaration on the Prohibition of Chemical Weapons was concluded in 1992 and ratified in 1997.

As regards the non-military Confidence-Building Measures, the Neemrana Group is worth mentioning. This group is a non-governmental forum consisting of retired military personnels, intellectuals and academics. This group was founded

²⁶ Nuruzzaman, n.17, p.343.

in 1995. It has discussed the problems and prospects of Indo-Pak relations and the future plan of action. It is difficult to assess the progress of these forums in terms of any quantifiable and tangible impact on Indo-Pak relations. However, their frequent meetings, unthinkable, a few years ago, attest to the growing desire of the two countries to prevent war and create normal conditions.

CBMs in Europe: Lessons and Opportunities for South Asia

Europe was governed by unique conditions and factors which were feasible for CBMs. No other region in the world can follow the same kind of CBMs as they are area specific. A particular kind of CBM can be employed in a specific region according to the nature of conflict and the adversary. Except some confidence-building measures which can be easily implemented in the Indo-Pak continent, it is doubtful whether the European model of CBMS can be transplanted to South Asia or for that matter to any region.²⁷

CBMs of Europe cannot be duplicated in South Asia. The approach is totally different. Both NATO and the Warsaw pact had tacitly recognized the division of influence and violability of postwar borders before an agreement on first generation CBMs was reached. In contrast neither India and Pakistan nor the

²⁷ William L. Richter. "Confidence -building measures for South Asia: An Extra-regional Perspective" in *Disarmament: Confidence and Security Building Measures for Asia* (New York: UN) no.4, 1990, p.176.

countries in the Middle East have recognized tacitly or otherwise the territorial claims of adversaries.²⁸

Nevertheless, there are several lessons that can be learned from the European experience. The most important lesson to be learnt is that confidence-building is a slow process and "big" differences can be made only by taking slow but sure steps. The most essential ingredient for effective confidence building measures is political will. It is the political will, manifested in the form of bold initiatives, which creates a congenial atmosphere for confidence building. The detente of 1980s was a direct consequence of the initiatives taken by Mikhail Gorbachev.

The European experience proves that negotiations must carry on even with the onset of adverse conditions. At several occasions it seemed that war would be inevitable in Europe, especially with the Soviet invasion of Afghanistan (1979) and the NATO decision to deploy intermediate range missiles in Europe (1984) At times like these the CBM process was not stalled. Though detente was "disturbed" by these reckless activities, it did not lead to a war. In this, India and Pakistan have a lot to learn. Previous Indo Pak conflicts as we have seen, have been remarkable in their failure to produce a satisfactory solution in Kashmir. It is

²⁸ Michael Krepon, ed., "Conflict Prevention and Confidence Building Measures in South Asia: The 1990 Crises". *Occasional Paper No.17*. April 1994. p.3.

unlikely that a further war will do better, and it could well do much worse.²⁹ The ratification of the Non Attack of Nuclear Facilities Agreement in February 1991 and the signing of an agreement between India and Pakistan on the Prevention of Air Space Violations and for permitting over flights and landings by military aircraft on 6 April were a step in the right direction.

"Openness", "transparency" and "predictability" are invaluable for confidence-building. A mutual flow of information can go a long way in making confidence building exercises worth their while. Both India and Pakistan must strive to open up their channels of communication, not only in the military sphere but in the economic and cultural sphere as well. A wide dissemination of information is the key to mutual trust. India and Pakistan must examine the possibility of setting up "Centre for Prevention of Conflict". The Centre could deal with all sorts of contentions issues of any domain. And the participants could be academics, visionaries, intellectuals, members of the ruling elite, non-governmental organisations as well as military personnel.

Confidence-building, in short, must be viewed not only in terms of traditional arms control objectives, but in relation to negotiations, mediation and

²⁹ Alister Lamb, *Kashmir: A Disputed Legacy 1846-1990* (Karachi: Oxford University Press, 1991), p.343.

peacekeeping efforts.³⁰ The objective behind confidence building ought to be "peaceful productive coexistence".

Negotiations for CBMs in Europe were started as a foresight. It was a highly volatile region with heavy nuclear weapon deployment. CBMs were negotiated to prevent any inadvertent escalation of military activity or nuclear activity. While in South Asia, most of the CBMs that have been employed are a direct consequence of some grave crises or the other. With India and Pakistan both going nuclear, there is even more reason for the installation of confidence building measures. It is risky for two nuclear powers to get involved even in a conventional war. Pakistan's bid to seek a sort of nuclear deterrence against India came into evidence from the mid 1980s.³¹ At the moment, a full fledged nuclear deterrent system exists between the two countries. This system backs words with deployments and with planned and referred options. It backs a declaratory policy with a deployment policy and both with an action policy.³² Under such a situation confidence-building measures area must attempt to prevent accidental nuclear exchanges that might arise from miscalculations and misperceptions.

³⁰ Fisher. n.14. p.293.

³¹ P.L. Bhalla. *Pakistan's Nuclear Policy* (New Delhi: Sterling, 1993). p.15.

³² John Finnis. and Others ed., *Nuclear Deterrence, Morality and Realism* (Oxford: Clarednon Press, 1987). p.45.

India and Pakistan have tremendous potential, in terms of population, economy and culture. There "usable resources" have not been exploited to their fullest capacity due to the contentious issues which impede progress. The military realm has seen modest CBMs which are sure to improve in the next few years. Military CBMs may prevent an inadvertent war between India and Pakistan, in the short run, but for long term gains non military CBMs have to be developed in the environmental economic, technical, cultural and social arenas. The non-military CBMs can create enough spillover effects to generate 'confidence' and 'trust' in the political milieu and the masses of both the countries.

Conclusions

Confidence-building measures are pragmatic steps towards ideal objectives. An evolutionary step-by-step approach has been the most successful of all. A successful CBM process therefore involves creating a framework of principles, values and objectives that will govern foreign relations.³³

Peace has eluded India and Pakistan for fifty years, but the ground work is being laid for constructive change. CBMs oriented towards trade, people-to-people and cultural contacts move at cross purposes with the resistance of military and bureaucratic

³³ Krepon, n.3. p.10.

institutions towards improved Indo-Pak relations.³⁴

The European experience has been enlightening and enriching at the same time. Enlightening because they invented the concept and nurtured it from a very nascent stage to its present day sophistication. Enriching because we can learn from their experience, observe them, weigh their pros and cons and then apply them to the best extent possible, bearing in mind the complexities and intricacies of the South Asian situation.

The South Asian situation calls for non-military CBMs. It is increasingly apparent that national security is much more than military security. Definitions of national security needs to be expanded to include environment security, natural resource security, food security and economic security, all of which have the potential to seriously undermine military security both in the short and the long run.³⁵ The Indus water treaty was one of the boldest steps ever taken by two belligerent countries.³⁶

The South Asian Association for Regional Cooperation is the best forum through which non military CBMs can be implemented. It has been able to bring India and Pakistan at a negotiating table where they can overlook the divergences and conflicts existing between them. It is the most important example of the interdependence that exists between the two countries.

³⁴ Khurshid Khoja, "Confidence-building between India and Pakistan: Lessons, Opportunities and Imperatives", in Krepon no.3, p.271.

³⁵ See Arun P. Elhance and Moonis Ahmar, "Non Military CBMS", in Krepon, no.3.

³⁶ Mushtquer Rahman, *Divided Kashmir: Old Problems New Opportunities for India and Pakistan and the Kashmiri People* (New Delhi: Lynne Rienner, 1996), p.7.

For non-military CBMs to be effective such spheres of interdependence need to be isolated and worked upon, and SAARC would be the means to achieve these ends. SAARC needs to be utilized for isolating these functional areas and promoting non-military CBMs.

CHAPTER THREE

SUCSESSES AND FAILURES OF THE EUROPEAN UNION

The European Union (EU) has had a profound effect on the development of the continent and the attitudes of its inhabitants. All governments now recognise that the era of absolute sovereignty is over. Only by joining forces and working towards a shared destiny can nations enjoy economic and social progress, at the same time maintaining their influence over the world.

Not too long ago Europe was plagued with internecine rivalries which had culminated in two world wars. Out of the embers of the Second World War originated the European unity movement. The process of cooperation and coordination began with the formation of the European Coal and Steel Community (ECSC), the European Economic Community (EEC) and the European Atomic Energy Community (EURATOM). Initially, the Communities activities were relegated to the economic realm. It was an attempt to bring forth cooperation between states under a common Institutional framework and shared interests. A single market, sturdy institutional structure, and varied economic policies are a direct consequence of this concerted attempt.

Although the devastating effects of the First World War and the Second World War were similar, there was a severe attitudinal change in the minds of the Europeans. There were many in 1945 who doubted the ability of a world organisation to succeed. In 1919, on the contrary, enthusiasts had hailed the League of Nations as a panacea. However the concept of regionalism was regarded

as possessing a great amount of validity.¹

As a result there was a plethora of movements for European unity, following the Second World War. A United Europe Movement in Britain, the publication of the book. *The United States of Europe* by Edward Herriot in France, the formation of the "European Bund" in Germany, the European Unity Movement, the European Union of Federalists, to name just a few. As a consequence of the movements, direct or indirect, a Council of Europe was formed. However, it was essentially an intergovernmentalist organisation which did not assuage the aspirations of the visionaries of a United Europe.

The plan launched by the French Foreign Minister Robert Schuman (whose spiritual father was Jean Monnet) on 9 May 1950 to place European coal and steel production under a High Authority suddenly brought the proponents of integration back into the limelight.²

Since May 1950, the Community has come a long way and it can now boast of a Common Market and a common currency. Since 1992, after the Treaty on European Union, the European Communities is referred to as the European Union.

¹ Derek W. Urwin, *Western Europe Since 1945: A Short Political History* (London: Longmans, 1968), p.129.

² Tsoukalis Loukas, ed., *European Community* (Oxford: Basil Blackwell, 1984), p.5.

The European Union has been, till date, the most successful and vibrant international organisation. Nowhere in the world has such an undertaking been so successful. Since the Second World War, there have been several factors which have acted as catalysts in promoting European integration. Some of these are discussed below, viz the American Presence, the severe economic recession and the fear of German resurgence.

1. The American Presence

The hostility and competition between the Soviet Union and the United States acted as a catalyst to promote postwar European Unity. The United State's vested interest in the Continent was to curb Soviet advances. It was a battle between Communism and Capitalism. The consequent Cold War, the ideological, political and diplomatic conflict between the US and the USSR and between Western and Eastern Europe that endured until 1991 was a pressure that propelled Western Europe towards defining itself as an entity with common interests.³

The Americans thus, became the policemen to protect 'Europe' from the Soviet threat. The United States sought to stabilize the European economy. They offered economic aid through the Marshal Plan. The US encouraged the establishment of the Organisation for European Economic Cooperation (OEEC), which largely worked on the principle of cooperation and coordination.

Phillipe Barbour, ed., *The European Union Handbook* (Chicago: FD, 1996), p.5.

For political stabilization, the United States started acting as a balancer to prevent Soviet domination. In between this polarization, the traditional rivalries among the West European nations were rendered obsolete. Thus, they occupied themselves for solving the most important problem the future resurgence of Germany: a country which thrice in a century had disturbed the peace of Europe and required much careful handling to preclude the possibility of her aggressive resurgence.⁴

As far as military stability was concerned, the inception of NATO in 1949 was the cornerstone. The basic idea was to rearm Germany after the Russian blockade of Berlin. Faced by the consolidation of Eastern Europe under Russian domination the West European nations began to draw together.⁵ A North Atlantic Security Community was formed under the aegis of United States. Thus, the Americans acted as an external federator and strengthened the European Unification programmes.

2. The Severe Economic Recession

The economy of Europe was in shambles in the post-war era. There was a severe shortage of manpower which had an adverse effect on the industrial and the

⁴ Asghar H. Bilorami. *Genesis of West European Integration* (Aligarh, 1977). p.41.

⁵ M.J. Barber. *Europe in a Chaning World: Some Aspects of Twentieth Century History* (London: Macmillan, 1969). p.361.

agricultural front. The industries were engaged in the production of arms which had an adverse effect on the consumer goods. Europe plunged into a phase where the bare necessities like food, shelter and clothing were lacking. The fuels had been exhausted and there was an acute shortage of oil and petroleum. Unemployment, inflation and homelessness were rampant. Economically Europe was devastated. The political elite believed that their economies could not be revived single handedly. It would prove more fruitful if they worked on the economic progress enbloc. The European Coal and Steel Community (ECSC) offered an opportunity for creating a common market for coal and steel. The basic idea was to bring together one area of economic activity and then to expand it further to encompass other areas. Since then, the more dynamic business interests have promoted economic integration because of their need for a wide, stable and secure market. Governments have supported them in this, in order to satisfy business needs and enhance prosperity.⁶ The business oriented outlook proved to be successful and the European Community soon became a factor making for stability in the world economy.⁷

⁶ John Pinder, "Economic and Monetary Union: Pillar of a Federal Polity", *Publius* (Pennsylvania), vol.26, no.4, Fall, 1995, p.125.

⁷ Walter Hallstein, *Europe in the Making* (London, 1972), p.143.

3. The fear of German resurgence

Germany was a principal power of Europe in the twentieth century. Its army and navy were amongst the largest. It had invaded France on several occasions and had trampled upon other parts of Europe. At the end of the Second World War, Germany was defeated and divided. The German question had continued to confront the Europeans and Americans alike. The best way to curb German resurgence was to involve it in a regional grouping.

France believed that if German Coal and Steel was brought under a supranational authority, it would prevent German remilitarism. French elite was of the opinion that if Ruhr was controlled, Germany could be controlled.

Even for the Americans, Germany was a complexity. After the war Germany's strategic location made it all important, for the Americans. Germany was a tool to contain the further eastward expansion of Russia. As Communist control of Eastern Europe gradually intensified, the Western powers sought Security in regional defence arrangements under the Brussels Treaty of 1948 and North Atlantic Treaty of 1949 and encouraged the formation of a pro-western federation in Germany.⁸

Thus, the European intergeration movement has been the result of several interrelated factors. Even though at the outset, cooperation was a mere necessity,

⁸ Bernd A. Goetz. *Security in Europe: A Crises of Confidence* (New York: Praeger, 1984). p.2-3.

Europe has made substantial progress and has been a viable and a successful International organisation.

Firstly, economic interdependence in Europe is given top priority. Nation States have come out of their political stalemate to unite under the aegis of a common market and now a common currency. The Single Market was the most important achievement of the European Community and it is probably the largest planned undertaking of its time. In spite of the myriad problems existing between Nation States, the economic progress of the collectivity has not been allowed to suffer. The nationalist movements by the British and the Bundesbank and also by France during the Gaullist era were not stronger than the growth of monetary interdependence. The logic of interdependence has been truly successful in Europe. By the logic of interdependence, States recognise that all are made better off by sustaining a liberal economic order within which their firms can compete fiercely.⁹

When proposals for European Economic Community were made, it was considered a "pretty nebulous project" with little possibility of success.¹⁰ However, the critics were silenced by the enormous success of the EEC. What is

⁹ Gregory F. Treverton, "Finding an Analogy for Tomorrow" *Orbis* (London), vol.37, no.4, Fall 1993, p.12.

¹⁰ Frederico Romero, "Interdependence and Integration in American Eyes: From the Marshal Plan to Currency convertibility", in Alan Milward, et al. eds., *The Frontier of National Sovereignty: History and Theory 1945-1992* (London: Routledge, 1993) p.165.

commendable in this success is that in a largely anarchic world, cooperation through institutionalisation could be achieved.

Secondly, the European Union is the best example of step-by-step incremental progress towards greater unification. Since the inception of ECSC, the unification process has progressed slowly. Although several proposals had been made in the past, only a few have succeeded. And those that were successful were more diligently worked upon. The first step was coal and steel and each step after that encouraged new areas for integration. In the economic field, first, there was a common market of coal and steel and then gradually it was expanded to include other products in the European Economic Community. The EEC was succeeded by the European Monetary System which in turn gave way to the Single Market. The European Monetary Union with the common currency is the next logical step. Furthermore, if one traces the history of the institutions, even there, a step-by-step, increment could be observed. With every new undertaking the institutions were either expanded or built to enhance and to help the integration process. In 1951, direct elections for a European Parliament would not have been foreseen, but yet it became a reality through gradual progress. The first direct elections to the European Parliament on the 9th and 10th of June 1979, certainly constitute a major historical event. The first multinational popular election.¹¹ The European

¹¹ Reif Karlheing. *Ten European Elections: Campaigns and Results of the 1978/81 First Direct Elections to the European Parliament* (Hampshire: Gower, 1985), p.1.

Union is a haven for the functionalist and the neo-functionalist theories which profess a step by step progress.

Thirdly, policy-making in the European Union by the supranational - intergovernmental institutions is complex and has far reaching effects. In some policy spheres, e.g. agriculture, transport, external trade, national authority has been replaced by a European authority. One important aspect of the Common Agricultural Policy (CAP) is its implicit transfer of sovereignty.¹² The procedural mechanism and decision-making are supranational in nature and extend over numerous policy areas. The policy-making mechanisms have developed over a period of time and they involve the European Parliament, the European Commission, and the Council of Ministers. The Commission initiates legislation and the Council of Ministers consults the European Parliament and finally decides on a legislation. The Parliament's role in the decision-making is limited but after the Maastricht Treaty, Parliament has gained more importance.

The Council of the European Communities dominates community development and dictates the pace and direction of progress¹³ except for in certain policy areas where the rule-making powers have been delegated to the

¹² John Marsh and Christopher Ritson. *Agricultural Policy and the Common Market* (London: Chatham House, 1991), p.51.

¹³ Hopkins Michael. *Policy Formation in the European Communities* (London: Mansell, 1981), p.4.

Commission. Although unanimous voting exists in areas of national interest, more and more decisions are now being taken by qualified majority voting. This method of voting does not allow a country or a group of countries to vote out or block a community legislation. None of the international organisations use qualified majority for passing legislation.

The institutional framework of EU and its decision-making procedures are one of a kind. The European Parliament is considered the largest multinational parliament of the world. However since the co-decision procedure has been introduced (July 1994), the European Parliament's power has been increased. Moreover, the special procedure which deals with budgets has improved its status in the decision-making. It participates in all discussion on Community legislation and policy-making.¹⁴

In spite of the apparent resounding success of the EU, popular dissatisfaction with democratic outcomes, criticism of political decisions and unpopularity of politicians seems to be spreading.¹⁵ The bureaucratic or 'Eurocratic' machinery is considered to be taking undemocratic decisions. It is regarded as an economic giant and a political dwarf. Its decision-making and policy-making is criticised for being opaque and overly complicated. It is regarded

¹⁴ Richard Corgett, et. al., *The European Parliament*. London, 1995), p.190.

¹⁵ Josep M. Colimer, ed., *Political Institutions in Europe* (London: Routledge, 1996), p.1.

inward-looking and elitist and most importantly. It is accused of neglecting public opinion, which has resulted in a democratic deficit in Europe.

The European Union's greatest failure has been the democratic deficit. Political elites have toiled for a united and inseparable Europe. However, Europeans do not seem to be fully aware of this interdependence, this common destiny.¹⁶ The ruling elites have entrusted themselves with the task of visualising the future of Europe and working towards it. In doing so they have more or less neglected the commoners voice or opinion. European institutions are not transparent enough and the legislations and policy-making are too complex to be understood by a layman. The institutions tend to be too autocratic and self imposing on the citizens. The institution which has representatives from the political parties, which is effectively a people's institution does not play an important enough role in decision-making. Its status is more or less that of a consultant than a decision-maker. None of the decision-making procedures involve the European Parliament in the final decision. Although co-decision procedures involves three readings of the legislation by the European Parliament, but it does not have the right to reject the proposal if it so desires. Furthermore, although the Council of Ministers and the Commission consult various relevant Non Governmental Organizations and public interest groups, the advise or proposals

¹⁶ Jacques Delors, *Our Europe*. Brian Pearce, trans. (London: Verso, 1992), p.21.

need not be taken up. It depends entirely on the prerogative of the Ministers.

As the public debates surrounding the Maastricht Treaty referenda in Denmark, Ireland and France have shown, elites must convince their domestic audiences that the benefits of further integration are worth the costs.¹⁷ The European Union machinery has made provisions for the Union to be as close to the citizens as the State. But the flock of Eurocrats that run the institutions and thus the European Union have forgotten this somewhere along the line. Europe has the means of considerable democratic expression, but it neither uses it, nor explains it thoroughly enough.¹⁸

One of the other grave failure of the EU has been the "lowest common denominator" syndrome. For reaching to a common decision, all the countries (or at least the majority of the participating states) must agree. If a certain proposal is against the wishes of a particular country, even if it is in the larger interest of the community, it has to be modified to suit the interest of that country. This generally happens in the issue areas which require unanimity. The lowest common denominator is another word for compromise. Thus, the larger interest of the community as a whole is sacrificed so as to indulge certain states. This kind of

¹⁷ Richard C. Eichenberg and Russell J. Dalton. "Europeans and the European Community: The Dynamics of Public Support for European Integration" *International Organisation* (Hamburg), vol.47, no.4, Autumn 1993, p.508.

¹⁸ Leo Brittan. *Europe: The Europe We Need* (London: Penguin, 1994), p.28.

compromise also throws light on the intergovernmental bargaining that goes on in the Community. This bargaining clearly suggests that there is no common interest. The only thing that exists is the national interest and the States are just involved in furthering their national goals. If the question is how much convergence of attitude and interest is there or the sort of community which should develop the answer must begin with the variegated pattern of state positions.¹⁹ This feature of the EU negates all claims of supranationality and federalism in the making.

Moreover even the policy implementation of the EU is full at loopholes. After a legislation has been passed, the verification procedure is shaky and inconsistent. The Commission, as the guardian of the treaty, is responsible for checking out if the policy has been implemented. But, the rules of the game are such that the Commission cannot really penetrate to the grassroots level to judge if the policy was implemented the way it was decided upon in the Union. Consequently, the policy implementation takes place on the State discretion. Although the Court of Justice exists to punish the law breakers, most of the law breaking is not reported and if reported is lost somewhere in the grinds of the Eurocracy. In 1990 alone there were 1,758 breaches. Also, the European Court

¹⁹ Christopher Hill. "National Interests – The Insurmountable Obstacles". in Christopher Hill ed., *National Foreign Policies and European Cooperation*, (London: George Allen and Unwin, 1983), p.191.

of Justice failed to enforce rules in 51 cases that year.²⁰

Furthermore, there is one more strong allegation against the Community. It is said to be inward-looking and elitist. The biggest example of this is the CAP. It favours the bigger farmers or the businessmen which are into farming and is detrimental to the smaller farmers. With the increase in productivity CAP has resulted in vast surpluses. But the income of the poorest producers has remained low. For the CAP, the outside world is a residual supplier and a residual market. It is because of this attitude that EU's relations with the US have been strained. Even within the Union, the farmers are agitating to have more say to bring about changes in the CAP and also to counter the surplus problem. They are developing a new discourse on agriculture and rural society in which they try to integrate farming, environment and rural development.²¹

Also the creation of such a large Eurocracy is more of a liability than an asset. The European Commission which is responsible to 15 national bureaucracies and so multiplies the sins of national bureaucracies by 15. There is a Council of Ministries, where foreign Ministers or their deputies represent the national interests of the constituent states. And there is a directly elected European

²⁰ H.S. Chopra, "Europe - 1992 at Crossroads", *World Focus* (New Delhi), 1996, pp.3-4.

²¹ Eduardo Moyano Estrada, "Farmers Union and the Restructuring of European Agriculture", *Sociologia Ruralis* (The Netherlands), vol.35, no.3, 1995, p.362.

Parliament, which has practically no powers.²² The Eurocracy, spread over a wide range of institutions is a result of the fact that each new treaty sought to improvise on the institutions by either building new ones or by delegating powers to the already existing ones. The functions and powers of the Eurocrats overlap to such an extent that at times it is difficult to pin point a single one. Maintenance of such a big Eurocracy weighs heavily on the EU budget. And it is the normal taxpayer who pays for it. Does EU need so many Eurocrats for its smooth functioning? Or would the functioning be smoother if there were fewer Eurocrats and the rest of the EU budget was used for more constructive, purposes?

Moreover, Europe is now talking about enlargement. There is a great debate in Europe about widening vs deepening. The eastward enlargement can pose severe problems to the structure and functioning of the EU. For enlargement, which is virtually certain to happen, will increase the arguments over the EU's institutions (so unsatisfactorily dealt with at the Amsterdam Summit), its finances and its core policies such as that for agriculture. Enlargement needs drastic reforms to be made. The Common Agricultural Policy needs to attune itself more to world trade. The biggest obstacles to the EU enlargement are the existing 15 members. Some are not at all keen, while others see economic and monetary union as the only EU project that matters. The Amsterdam summit was unwilling to make the changes

²² George Soros, "Can Europe Work? A Plan to Rescue the Union", *Foreign Affairs* (New York), vol.75, no.5, September-October 1996, p.12.

necessary to cope with a union of 20 or 25 members.²³ Most of the countries oppose the slashing of farm prices which is a must, if the enlargement has to take place.

The EMU is being portrayed as the biggest event in world history. But the fact of the matter is that the European economies are buckling under the stress brought about by striving to attain the common currency criteria.

Last but not the least, the debate between intergovernmentalism and supranationality, which was to have some semblance of solution in Maastricht Treaty is still as confusing after the Amsterdam Treaty. The Council of Ministers remain the most important decision-making body of the EU. Although European Commission is the only one which has the right to initiate legislation, but no decision can be taken or overruled without the Council's approval.

However, the numerous aforementioned failures of EU cannot undermine its myriad successes. The successes outweigh the failures. None of the International Organisations have experienced a better case of regional cooperation. Its success in several issue areas can undoubtedly provide South Asia with valuable lessons. Although homogeneity in social structure, economic and industrial development and ideological patterns²⁴ were responsible for European cooperation, the European experiment may still be useful for South Asia.

²³ "Welcome to Europe", *The Economist*, 19 July 1997, p.14.

²⁴ See Ernst Haas, *International Political Communities* (New York, 1966).

CHAPTER FOUR

SAARC: A BALANCE SHEET

South Asian Association for Regional Cooperation (SAARC) is a regional grouping which includes seven States, namely India, Pakistan, Sri Lanka, Bangladesh, Bhutan, Maldives and Nepal.

In the sixties and seventies it became abundantly clear that 'North-South Cooperation' would not take off. The differences of opinion on subjects like development, infrastructure, etc. would not be easily bridged. The failure in the North-South dialogue made Third World countries realise that the impetus for development must initiate from within. Thus, South-South cooperation was considered to be the tool for bringing about development in the region. Although there was adequate awareness in the Third World countries about the significance of developing closer ties within the region, the tension between common interests and national priorities was hard to reconcile.¹

The breakdown of North-South negotiations² and the inadequacy of South-South cooperation propelled the South Asian countries to reach for other means of development. Regional cooperation appeared to be the best alternative. Regional cooperation had been fairly successful in other parts of the world. South Asia, too, decided to initiate and hasten the process of development by installing its own

¹ Kripa Sridharan. "G-15 and South-South Cooperation: Promise and Performance". *Third World Quarterly* (London), vol.19, no.3, 1998. pp.370-371.

² Vijay Shukla. "New Frontiers of SAARC". *India Quarterly* (New Delhi), January-June 1996. p.87.

regional grouping.

With the desire to have regional development in South Asia through regional cooperation in core areas, President Zia-ur-Rahman of Bangladesh initiated the formation of a regional body in the late seventies.³ Consequently, the heads of states of the seven governments met at Dhaka in 1985, and SAARC was launched. The basic idea behind the inception of SAARC was that governments would cooperate in certain predecided areas and they would not let the bilateral and contentious issues come in the way of productive cooperation. The South Asian Preferential Trade Arrangement was launched in 1993 and talks have been going on for South Asian Free Trade Area. A non-governmental forum-the SAARC Chamber of Commerce and Industry- has been set up and critical areas of common concern such as poverty and food security have been selected for cooperative action.⁴ Since its inception, SAARC has been involved in several kinds of programmes and projects. The SAARC Audio Visual Exchange has been operational since 1987 SAARC documentation centres have been set up at several places in the SAARC countries. the SAARC Agricultural Information Centre is already functional at Dhaka. The SAARC Institute of Rural Technology and

³ P.A. Joy, *SAARC: Trade and Development* (New Delhi: Deep and Deep, 1995), p.3.

⁴ Gamani Corea, "Problems and Perspectives of Economic Cooperation in South Asia " in Sonkar Ghosh and Somen Mukherjee, eds., *Emerging South Asian Order : Hopes and Concerns* (New Delhi: Media South Asia, 1995) p.371.

Regional Software Centre are at preliminary stages. A SAARC food security reserve of 22,480 metric tonnes has been set up which is meant for emergencies in food shortages. A Regional Convention on Prevention of Narcotic Drugs and Psychotropic Substances has been signed and also a Convention of Suppression of Terrorism has been signed.⁵

As the world undergoes fundamental transformation in the post-Cold War era, regional cooperation in South Asia is not merely a desirable goal but indeed a necessity. There is a general consensus in the region that SAARC is the sine qua non for peace in South Asia. The above-mentioned achievements of SAARC are not as substantial as it appears. The signing of agreements and conventions are not the answer to the undercurrents of hostilities that exist between the States. On the basis of historical experiences, there are three levels of discord between India and its neighbours.⁶ The first one includes Bhutan and Maldives who have accepted Indian dominance in the subcontinent and they believe that they cannot do anything about it. At the second level are Nepal, Bangladesh and Sri Lanka who also believe that India is a dominant power, but they have not developed specific strategies and responses to deal with it. At the last level is Pakistan who refuses

⁵ K.K. Bhargava. "The SAARC Challenges and Opportunities", in KB Lall. et. al., ed., *The European Community and SAARC* (New Delhi: Radian, 1993) p.19-20.

⁶ S.D. Muni. "Regional Cooperation in South Asia and the Role of SAARC in their Management", in *ibid.*, p.58.

to accept Indian dominance and strives for parity and equality especially as far as military capabilities are concerned. After the British left in 1947, cooperation that existed in key areas was abruptly stalled and there was a 'looking away' from one another rather than a 'looking in' on the sub-continent as a whole. These along with several other factors are the major impediments to the SAARC process.

A cooperation "culture" has not developed in the South Asian region. The process is still at a very nascent stage. The first step was taken in 1985, however in 1999, after almost thirteen years of its formation, SAARC, still has nothing to boast about. With other parts of the world now working to end major regional animosities, the sub-continent continues to lag behind in the search for more stable peace. South Asia has been endowed with disparities and similarities⁷ where we turn a blind eye to the similarities and we are too inward looking to overcome the disparities. In the economic field, although we understand the concept of economies of neighbourhood⁸ we still fail to work on it. The SAARC potential has not been exploited to the fullest. Even SAARC, as a regional discussion forum has

⁷ Virendra Narian and B.C. Upreti, *SAARC: A Study of Perceptions and Policies*, (New Delhi, 1991), p.2.

⁸ V.R. Panchmukhi, "South -South Cooperation: An Overview of Possibilities and Challenges", *RIS Digest* (New Delhi), vol.14, nos.1-3 September 1997, p.158.

not been very successful.⁹

Under the Integrated Programme of Action, technical committees on several areas have been formed, viz Agriculture, Communications, Education, Culture, Sports, Environment, Health and Population Activities, Meteorology, Rural development Science and Technology, Tourism, Transport and Women in Development. There are in all 12 technical committees which encompass most of important areas.

Several reasons can be attributed to the apparent failure of SAARC. Some of these are herein dealt with.

One of the most important reasons for this state of affairs is that, the important areas of cooperation, where substantial progress can be made and wherein lies major South Asian potential are kept outside the SAARC process. Such key areas as trade, industry, money and finance which constitute the warp and woof of regional cooperation in the economic field, are still outside the scope of SAARC activities.¹⁰ The SAPTA follows the product-by-product approach whereby, certain products have been selected and there has been a reduction of tariffs on them. This method is very slow and has limited benefit. The product-

⁹ Christian Wagner, "Regional Cooperation in South Asia: Review of the SAARC", *Aussen Politik* (Hamburg), vol.44, no.2, 1993, pp.188-189.

¹⁰ Bimal Prasad, ed., *Regional Cooperation in South Asia: Problems and Prospects* (New Delhi: Vikas, 1989), pp.55.

by-product approach followed by the preferential trade arrangement has done precious little to improve the Intra-SAARC trade which remains a dismal 3 percent of the total trade of the SAARC countries. This is because most of the trade in the region is clandestine. Smuggling is rampant and it accounts to a resounding 60 percent of the total SAARC trade. The clandestine trade, in effect, points out the vast potential that exists within the region. Furthermore, the industrial sector has been totally neglected by the SAARC. India and Pakistan are technologically better off than the other countries, while the other countries possess vast natural resources. If the SAARC brings together the Indian and Pakistani technology on the one hand and the natural resources of the other member countries on the other hand, the production of the region is bound to rise. The availability of the technology from within the region would generally be cheaper than those imported from outside. It would also be more suitable to local conditions.¹¹ Thus, exclusion of important monetary and industrial areas from the purview of the SAARC Charter impedes productive cooperation.

Preferential trade arrangements are not new to the sub-continent. In 1973, sixteen countries, including India, Pakistan and Bangladesh had exchanged concession, in respect to 740 tariff positions. In 1989 under the Generalized Scheme of Trade Preferences, India, Pakistan, Bangladesh and Sri Lanka, inter alia

¹¹ Sharan Vyuptakesh, *India's Role in South Asian Regional Cooperation*. (New Delhi: Commonwealth, 1991). p.45.

had signed the agreement.¹² There also exists a free trade area between India and Sri Lanka. However, preferential trade arrangements have a very minimal effect on the intra-regional trade. As of now, India gives concessions over 2,000 or more products¹³ ostensibly to provide better access to the other SAARC countries. But intra-SAARC trade remains abysmally low. Thus, SAPTA, by its very structure is inefficient and ineffective. The absence of coherent transport policies autarkic tendencies, the shortage of foreign exchange and the low elasticity of supply of export goods also add to diminish Intra-SAARC trade.¹⁴

The lack of political will amongst the ruling elites is also considered to be one of the major factors which hampers cooperation. Even the most superficial look at the issue raises fundamental questions about what the SAARC process would have been, had the political elite been more open and attuned to the needs of the region. The elite has taken pains to magnify contentious issues to please the electorate, even though the general outlook of the public is in favour of cooperation. To evoke nationalistic sentiments contentious issues of ideological,

¹² I.N. Mukherji, "Transition from SAPTA to SAFTA", in Sonkar Ghosh and Somen Mukherji, eds. *Emerging South Asian Order: Hopes and Concerns* (New Delhi: Media South Asia, 1995), p.192.

¹³ Nitya Chakraborty, "SAARC: Bumpy Road Ahead", *Hindustan Times* (New Delhi), 2 August 1998.

¹⁴ Bibek Debroy, "Intra-Regional Trade in the SAARC Region", *Foreign Trade Review* (New Delhi), vol.24, no.4, January-March 1989, p.420.

territorial and strategic nature have been widely propagated, to justify their anti cooperation actions. Even though SAARC religiously avoids bilateral contentious issues, the political undercurrents manage to affect the SAARC process. The political elite has been shrewd enough to sign agreements and conventions which neither have verification mechanisms nor do they have any checks and balances. India and Pakistan, being the largest countries of the region dominate SAARC. And their relationship in turn is dominated by Kashmir issue. The absence of bilateral and regional channels of communication on security matters, the uneven implementation of existing CBMs, the poor personal chemistry between the Prime Ministers, and the constraints imposed by domestic politics in both countries provide sufficient kindling for new fires on the Subcontinent.¹⁵ Fears over the flooding of Indian markets to the detriment of Indian products are overplayed.¹⁶ The political elite thinks in terms of personal and nationalistic gains and their policies do not have a long term perspective.

The Delhi-Lahore bus (February 1999) had been a very good beginning to re-initiate stalled efforts in Indo-Pak situation. It had gone beyond the success of the Gujral Doctrine which had primarily concentrated on relations with the smaller

¹⁵ Michael Krepon , "A Time of Trouble. A Time of Need". in Michael Krepon and Amit Sevak, eds., *Crises Prevention and Confidence Building and Reconciliation in South Asia*. (New Delhi: Manohar, 1996), p.3.

¹⁶ Eric Gonsalves, "South Asian Cooperation: An Agenda and a Vision for the Future", *Mainstream* (New Delhi), 29 April, 1995, p.13.

countries of the region.¹⁷ But the Kargil crises has dampened all peace efforts which goes a long way in saying that the regional and territorial conflicts are the biggest impediment to SAARC process. And it would be suicidal for India and Pakistan to carry their confrontation over Kashmir in the next century, now that they are nuclearised.¹⁸

Another important aspect which contributes to SAARC phobia is the fear of Indian dominance. "If India goes faster, the small nations may read ulterior motives in the pace; If india sits back, it would deprive India of its historic role. If India takes more enterprising steps, it may be accused of big brother chauvinism; if India stays on the side line, the South Asian Regional Cooperation may not attain its stature".¹⁹ The fact that India alone shares borders with all the six countries and the fact that India's economy is better off than the rest of them, makes them mistrust Indian motives. India constitutes (in the region) 72 per cent of the area, 77 per cent of its population and 76 per cent of its GDP.²⁰ Therefore,

¹⁷ Padmaja Murthy. "Going Beyond Gujral Doctrine". *National Herald* (New Delhi). 17 March 1999.

¹⁸ Madanjeet Singh. "Transcending the Past: A Union of South Asian Communities". *The Times of India*. 6 March 1999.

¹⁹ Emajuddin Ahamed. *SAARC: Seeds of Harmony* (Dhaka. 1985). p.142.

²⁰ B.A. Prasad. "India's Role in the Future of SAARC". *Strategic Analysis* (New Delhi). vol.17, no.11. February 1995. p.1367.

it is but natural for the smaller neighbours of India to entertain some misgivings about India's size and capability.²¹ However, even in India there have been certain fears whereby India feels threatened that the States on its periphery were seeking to contain the core state within the framework of regional cooperation or that there was a ganging up against it by the other six member states. As a Sri Lankan paper of the time put it, the threat perception for India was that its high power status would be deflated by a body which would have equal rights for the member countries.²² These fears and apprehensions based on short term perspectives decelerated and prevented effective cooperation.

As a result of the hesitation and the uncooperative attitude of the member states, the institutionalization of SAARC was adversely affected. Although the institutional framework today consists of a four tier structure and a permanent Secretariat, it will not be an exaggeration to say that it is inefficient and lame. The top rung is occupied by the Heads of Government while the second in command are the Council of Foreign Ministers. They are followed by a Standing Committee consisting of Foreign Secretaries which are in turn followed by the Technical Committees. The SAARC Secretariat in Kathmandu is headed by the Secretary

²¹ K. Subramanyam, "Nation State Building in South Asia", in M.D. Dharmadasani, ed., *Contemporary South Asia* (Varanasi, 1985), p.17.

²² Amera Saeed, "Regional Cooperation in South Asia: Pakistan's Role", *Regional Studies*, vol.16, no.1, Winter 1997-98, p.95.

General, who is elected by the Council of Foreign Ministers. The election is based on unanimity. The SAARC Secretariat in Kathmandu is the sole permanent coordinating mechanism for the SAARC process.²³

Apart from this, there are seven Directors who evoke directly under the Secretary General. Thus, in effect, the Sarcorats are no more than 20 in number as against 20,000 in the European Union. All the decisions taken in SAARC are based on the principle of unanimity so as not to affect the vital interests of the member states. Consequently, the decision making process in SAARC is extremely slow and tedious. SAARC is an organisation representing a complex region which never ceased to be turbulent during the past four and a half decades.²⁴

Moreover, the expansion of institutions entails the expansion of the SAARC budget, which none of the member countries are willing to raise. According to the SAARC Charter. "The budget of the regional institution shall have three components - Capital Expenditure, Programme Expenditure and Institutional expenditure."²⁵ As a result, member states do not expand the SAARC budget due

²³ Nihal Rodrigo, in an interview published in *World Affairs*. "Attempts at Regional Cooperation in South Asia", *World Affairs* (London), January-March 1999, vol.3, no.1, p.14.

²⁴ E. Sudhakar. *SAARC: Origin, Growth and Future* (New Delhi, 1994), p.6.

²⁵ B.D. Dangol, ed., *SAARC Voyage from Bangalore to Kathmandu*, (Kathmandu, 1988), p.54-55.

to monetary reasons as well as political reasons, because they fear that strong institutions might entail greater power to the regional grouping which in turn might undermine their own national interests.

One of the most important reasons, but the one that is least talked about is the lack of a vision for SAARC. The European Union was a dream and a vision for its political elite. They have striven and toiled for it to achieve an entity which is somewhat similar to their dreams. Jean Monnet, Walter Hallstein, Altiero Spinelli -all had a United Europe in mind even though their means for achieving it were different. SAARC lacks such visionaries. It lacks creative people who would propagate the idea of regional cooperation and inspire the formation of a regional economic grouping. Visionaries who would develop SAARC as a multi-faceted process, encompassing the national perspective, the regional perspective and the international perspective.²⁶ One of the most striking feature of this problem is that cooperation is left at the hands of narrow-minded politicians whose goals are shortsighted political gains. The economic sphere is the one that suffers the maximum in the hands of the politicians. There is no denying the fact that there exists a wide disparity between the economic level of the South Asian countries. However, it is erroneous to assume that cooperation may not be successful as a result of it. Trade complementarity is often regarded as an

²⁶ V.R. Panchmukhi, "Regional Cooperation and Development", in Debendra K. Das., ed., *SAARC: Regional Cooperation and Development*. (New Delhi: Deep and Deep). p.209.

impediment to economic cooperation. But the fact of the matter is that under the British government, India, Pakistan and Bangladesh were managed under the same economic system. If trade complementarily impedes cooperation, how could the three be managed? Pakistan imports tea from Kenya, paying all the extra freight charges. It would be worth better if it imported the tea from next door and reduce the cost by half. Similarly, joint ventures and technology transfers among the regional developing countries are considered to be more advantageous and cost-effective than such ventures or technology transfers associated with western multinational or transnational corporations.²⁷

Development is a multi-dimensional process of structural change.²⁸ Every commercial move and every trade transaction leads to some form of growth and development. Even though "SAARC dream" or a "SAARC Vision" is not the driving force for regional cooperation, the lure of development and progress and a better future should be strong enough to drive the ruling elite into peaceful productive cooperation. If the vision was not there a few decades ago this is the right time to develop, nurture and realise it.

Last but not the least, one of the reasons for the failure of SAARC is that

²⁷ V.R. Panchmukhi, et. al. eds., *Economic Cooperation in the SAARC Region: Potential, Constraints and Policies*. (New Delhi: RIS, 1990), p.151.

²⁸ Manmohan Singh, "Sustaining Development in an Uncertain International Environment", in D.K. Das, *SAARC: Regional Cooperation and Development* (New Delhi, 1993), p.3.

it lacks an external federator. One can only speculate what the European Union would have been if the United States was not interested in it. It would be no exaggeration to suggest that it was strategic interest of the US that brought about and catalyzed the European unity movement. However, in the case of South Asia, the United States plays more of a destabilising role. And since the nuclear tests of May 1998, the situation has gone from bad to worse. Before the Cold War, Pakistan was openly supported by the US. Once the Cold War was over, the strategic importance of Pakistan in the eyes of the United States considerably reduced.²⁹ The post- Pokhran- II-Chagai period sees US more concerned about the state of affairs. For far too long, US diplomacy in South Asia has been dominated by issues of nuclear non-proliferation and Kashmir. A policy that overly emphasizes two issues and lacks in overall breadth and width has been criticised by some scholars as shortsighted and unproductive.³⁰ Pakistan is prominent in Indian Strategic planning because of its China connection. China has supplied Pakistan with its first complete missiles and missile technology as well as key

²⁹ Satish Kumar. "Indo-Pak Relations in the post-Cold War Period", *Journal of Peace Studies* (New Delhi), vol.1, No.3, march-June 1994, p.256.

³⁰ K.K. Bhargava. "India, SAARC and the United States", *Mainstream*, vol.36, No.20, May 9, 1998, p.12.

nuclear assistance.³¹ In spite of China's blatant and open assistance to Pakistan, the US watches on without any befitting reaction.

Thus, South Asia needs cooperation to foster growth and development. The signing of conventions and treaties is not the be-all and end-all of regional cooperation. The beginning has been made, but it has to be carefully nurtured with modest progress rather than ambitious approaches. The slow progress in SAARC activities is not entirely due to the strategic divergences and political dissonance that characterise the region. After all the strategic divide in Europe did not daunt the enthusiasm for economic and commercial exchanges across the ideological barriers, nor has the existence of strategic harmony in the ASEAN brought about to miracles in developmental cooperation in these organisations.³² ASEAN is considered to be a successful regional organisation, besides social and political interaction, there are numerous bilateral military arrangements and sometimes joint military exercises.³³ There is no such interaction in SAARC. In fact the SAARC sessions are few and far between. SAARC, as a regional organisation is absolutely unique and is set in its own background. SAARC can draw lessons, not only from

³¹ Brahma Chellaney. "After the Tests: India's Options." *Survival* (Oxford), vol.40, no.4, Winter 1998-99, p.7.

³² S.D. Muni. "Confidence Building Exercises" *World Focus*, vol.10, no.1, Jan 1989, p.5.

³³ Shaun Narine. "ASEAN and the Management of Regional Security". *Pacific Affairs* (New York), vol.71, no.2, Summer 1998, pp.202-203.

European Union but also from other fairly successful organisations like ASEAN. However, one must undoubtedly realise that none of the experiments elsewhere can be duplicated in the South Asian context owing to the differences in the background conditions.

CONCLUSION

The political and historic developments of Europe and South Asia are unique and incomparable. Therefore it is improbable to suggest similar strategic choices for South Asia. However, the European Union is a viable and successful organisation and it can provide South Asia with many lessons. The European experience can serve as an enriching experience in regional integration. Although the EU model cannot be transplanted in the South Asian Association for Regional Cooperation (SAARC), but several conceptual and practical lessons can be drawn from the EU experiment.

One of the most important lessons that can be learned from the EU is that regional co-operation has better chances of survival if the member states derive economic gains from the grouping. The European experience shows that attempts at economic cooperation have been more successful whereas efforts at military cooperation (e.g. the European Defence Community) have not been successful.

The European Union began with the formation of a common market for coal and steel while the SAARC is gradually moving towards regional co-operation based on a preferential trade arrangement which is a precursor to a free trade area. The SAARC needs to step up its economic integration process. If efforts are made in this direction it would undoubtedly have not only economic benefits, but also it would lead to the improvement of the hostile environment that exists in the subcontinent. Europe has had a hostile environment for centuries but after the

Second World War within the bounds of economic integration, the century old hostilities and rivalries have been overcome and the European Union has removed the possibility of war. Mutual economic gains go a long way in increasing interdependence and reducing conflict.

Political elites can also contribute to the success or failure of integration or disintegration. The European Union has come this far due to the will of the political elite which believed that to have a say in the world matters, especially economic, a collective effort was essential. SAARC is plagued by its unbending narrow minded politicians and political decision makers. Their decisions are clouded by their own personal gains and their national interests. However, they fail to understand that greater co-operation can enhance the national interest of all operating parties and forms of international co-operation are capable of furthering the selfish national interest.¹ The South Asian political elite needs to know that non-SAARC costs are heavier than the SAARC costs. The European integration process was propelled and pushed by European political elites. What SAARC also needs for its growth is a dynamic and broad-minded political elite whose outlook is not parochial and inward-looking.

Another important lesson that the experiment in regional economic

¹ Hans Christoph Rieger. "Winners and Losers International Economic Co-operation, with Special Reference to SAARC". in L.L. Mehrotra, et al. eds., *SAARC : 2000 and Beyond* (New Delhi : Omega, 1995), p.127.

cooperation in Europe can teach is about spillover benefits. The European Union is based on the functionalist and neo-functionalist model which works on the principle of spillover effects. Integration in one sphere promotes task expansion and resultantly encompasses other areas of co-operation. For instance, spillovers from the agricultural sphere can lead to task expansion in the fisheries which in turn can incorporate transport and the process goes on. SAARC, by its very structure hampers co-operation. It is an association which decided to cooperate in certain areas, but it did not allow spillovers in areas where cooperation could be extended. To allow these, would require amendments of the SAARC Charter to allow the positive effects of spillovers. The Integrated Programme of Action largely consists of exchanges of training, technology, information and experience. It should widen its purview by making the exchanges more practical and usable.

The present structure of the European Union is a direct consequence of the strong institutional framework, which has been nurtured for decades, which has played a crucial role in propelling Europe towards deeper integration. EU institutions have been delegated extensive powers to make the EU machinery smoother and more effective. SAARC, on the other hand, could use a more planned and structured institutional framework. The SAARC Secretariat is managed by a Secretary-General who is incapacitated and rendered ineffective. He is neither given any powers nor does he possess the right to initiate a proposal. The decisions are strictly intergovernmental and are based on unanimity. The

principle of unanimity protects the vital interests of member states, but it makes decision-making a very slow and painful process. Member states of SAARC ought to strengthen the Secretariat by giving more powers to the Secretary-General including more specific budgetary powers. The SAARC bureaucracy also needs to be enlarged according to the specific needs. Member States should in due course think of establishing a SAARC Commission which would have the power to initiate proposals. The Secretary-General should be chosen with the utmost care. He/she should be selected on a very sound basis keeping in mind leadership qualities, vision, entrepreneurship and management skills. The ability to encourage innovative and creative ideas from the staff and colleagues can also be an asset for heading such an institution.²

The European Union is an example par excellence of a regional economic grouping which supports a step-by-step approach to greater integration. Coal and steel became the core areas of co-operation between the West European nations. Gradually, in 1957 a European Economic Community was formed which widened the scope of economic co-operation. Several attempts have been made to foster political co-operation, but they have not succeeded. However, with these failures European co-operation slowed down but did not stop. If efforts proved to be unsuccessful in one area, endeavours were made in other areas, basically

² L.L. Mehrotra, et. al., ed., *SAARC 2000 and Beyond* (New Delhi: Omega, 1995), p.409.

economic. Thus, step-by-step increments allowed regional co-operation to develop slowly but steadily. A similar approach can be used in SAARC. It was formed in 1985 and by 1995, the foundations of a SAARC Preferential Trade Arrangement had already been laid down. Although SAPTA has not really affected intra-regional trade, a beginning has been made. A step-by-step approach would be the best for SAARC as the region needs to experience the benefits of co-operation. The region needs to slowly analyse the importance of co-operation and the essence of regionalism. The political elite and the people alike need to bring about a change in their mind sets, to accept co-operation as the most important means of development and of maintaining an influence over world politics. A step-by-step approach, with a modest beginning would be advisable. These steps could include reduction of travel restrictions, encouragement of tourism, increased number of youth exchange programmes and more and more co-operation in political and social fields.³

One of the factors that aided European integration was that the Council of Europe, the West European Union and other organisations created a degree of trust and led Europeans to believe that the *sine qua non* for a stronger Europe regional co-operation is a must. These organisations enhanced the European experience in institution-building and peaceful negotiations. The Council of Europe was the first

³ Moonis Ahmar, "European Union as a Model for SAARC : A Pakistani Perspective", in K.B. Lall, et al. eds., *The European Community and SAARC* (New Delhi: Radiant, 1993), p.54.

organisation with a political touch to it while the West European Union had come up to bolster west European defence. European experience in institution-building enhanced the prospects of the European integration process. A similar situation does not exist in South Asia. The South Asians have had no experience of co-operation. Although India, Bangladesh and Pakistan were under British rule for 200 years but, coercive integration in contemporary international relations cannot be regarded as co-operation. Thus, South Asians ought to learn from the European experience that co-operation under the aegis of one single organisation may not prove to be as fruitful. SAARC is not the be-all and end-all of regional co-operation. Productive co-operation through other organisations and agencies should also be encouraged. Non-Governmental Organisations should also be encouraged as they help in enhancing people-to-people contact. Sub-regional groupings can also initiate and foster co-operation. South Asian political elites need to use peaceful negotiations for effective conflict management and conflict resolution.

The centrality of India and Pakistan in the subcontinent is the most important reality. These two are often compared to France and Germany. India and Pakistan which like France and Germany, have been twins, having been born as a result of partition of the British India in 1947.⁴ Franco-German cooperation

⁴ H.S. Chopra, "The Franco-German Reconciliation: Its Relevance to the Indo-Pak Perspectives on South Asian Peace Order", in Mehrotra, n.2, p.329.

has been an important factor in the EU process. Similarly a SAARC without Indo-Pak cooperation is almost an impossibility. The South Asian 'duo' could learn important lessons in institutionalising cooperation. The institutional mechanisms provided for by the Elysee treaty and supplemented in 1988 have created a structure of constant dialogue through semesterial meetings of Heads of States, Foreign and Technical Ministers consultations as well as joint councils in a number of fields from defense and security to education to economy and finance.⁵ Like Europe, there should be a constant dialogue between the member countries, because constant diplomatic negotiations can improve and sustain cordial relationships in a regional grouping.

Europe was a dream and a vision for many historians, diplomats and political elite. People like Jean Monnet, Walter Hallstein, Jean Jacques Rousseau, Robert Schuman, and Jacques Delors, steered Europe towards integration with unmatched enthusiasm and vigour. Rousseau had written about a united Europe, as early as 17th century. To him Europe was not just a continent but a civilisation. In the 20th century, Jacques Delors has had similar ideas. He is considered responsible for the conclusion of the Maastricht Treaty. Europe might not have been what it is if this vision or dream had not been present. The exact opposite

⁵ Lily G. Feldman. "The Principle and Practice of Reconciliation in German Foreign Policy: Relations with France, Israel, Poland and the Czech Republic". *International Affairs*, vol.75, no.2, 1999, p.343.

is true for SAARC. There is a total lack of such a vision or a dream. It is there, neither in the eyes of the ruling elite, nor at the grassroots level, i.e. the people. Academicians have a general consensus that SAARC could solve the regional problems. Economists believe and hope that there would be a South Asian Common Market one day, but these economists are few and far between. SAARC needs to be seriously worked upon. It needs a long-term agenda and needs to be seen in a long-term perspective. This needs a concerted effort on the part of the South Asians, belonging to not one particular sphere of activity but several. An arduous effort is needed to push SAARC forward.

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