



Bangladesh Institute of International and Strategic Studies (BIISS)
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Seminar
on
SAARC AND ITS FUTURE
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Summary of the Proceedings

Bangladesh Institute of International and Strategic Studies (BIISS) organised a Seminar on ‘**SAARC and Its Future**’, commemorating the 27th SAARC Charter Day on 23 December 2012 at BIISS Auditorium, Dhaka. **Advocate Abdul Mannan Khan, MP**, State Minister, Ministry of Housing and Public Works, Government of the People’s Republic of Bangladesh, graced the occasion as the Chief Guest. The Seminar was presided over by **Ambassador (Retd) Q A M A Rahim**, Former Secretary General, SAARC Secretariat. **Major General Muhammad Imrul Quayes, ndc, psc**, Director General of BIISS, delivered the Address of Welcome. Three papers were presented by the distinguished speakers - **Professor Ainun Nishat**, Vice Chancellor, BRAC University, **Dr. Mohd. Mahfuz Kabir**, Senior Research Fellow, BIISS, and **Ambassador (Retd) C. M. Shafi Sami**, Former Foreign Secretary. Scholars, members of academia, policy makers and diplomats participated in the Seminar.

In his Address of Welcome, **Major General Muhammad Imrul Quayes** mentioned that South Asia, home of one of the oldest civilizations, had been struggling with mistrust, political conflicts, poverty, illiteracy and many other insecurities and challenges. He credited SAARC for its important role in fostering cooperation in South Asia, mentioning SAARC as the world’s largest regional organisation in terms of population. But SAARC could not reach the desired goal of its founders which was to reduce mutual mistrust and discord among the countries. He contemplated that while other organisations had advanced largely, SAARC had yet to experience the proper growth of regional cooperation. He emphasised that despite having political disagreement, cooperation between the South Asian countries could be augmented following China-Taiwan cooperation model where China was benefitting largely from its huge investment in Taiwan, bypassing their issues of disputes. Finally, he acknowledged the vast potential of SAARC and called for extending the horizon of cooperation among the South Asian countries.

Prof. Ainun Nishat, in his presentation, gave a thought provoking overview of the function and potential of SAARC, particularly from the perspective of negotiation in the areas of climate change, water and energy cooperation. Detailing out the underlying motives and procedure of the establishment of regional and global organisations, he provided a comprehensive way of looking at the limitation and future of SAARC. He pointed out the

two principles of SAARC, which required that all decisions would be taken unanimously and bilateral issues would be kept aside, were limiting the functional capability of the organisation. He recommended revisiting those principles of SAARC. He mentioned that SAARC had applied for membership as a group in climate negotiation and expressed his doubt about the effectiveness of SAARC in this respect as SAARC countries did not have common approach in climate negotiation. He emphasised that if SAARC could move away from “multi-lateral vs. bi-lateral debate” and approach common issues with realistic approach then there would be tremendous opportunities for co-operation in various fields like water and energy management, development of transport and communication, ecology and environment management etc. He regretted that progress in implementation of the decisions of SAARC summits were not very encouraging. He opined that the approach of decision making and mechanism for their implementation must be reviewed. He suggested introducing MRV (measurable, reportable and verifiable) mechanism against every decision taken by Heads of Governments and SAARC system. He concluded that winds of change could be noticed in the region.

Dr. Mohd. Mahfuz Kabir focused on how to strengthen economic cooperation within the SAARC. He highlighted that compared to 3.7 per cent growth per year during 1960–80, South Asia’s GDP expanded to 6.3 per cent in 2011. He, nevertheless, concerned that South Asia still remained one of the least integrated regions in the world. Focusing on the relative non-success of SAFTA, he highlighted that large number of products with intra-regional trade potential were under respective sensitive lists. Other significant constraints identified by him were time consuming and cumbersome customs clearance procedures, lack of coordination among ministries dealing with cross-border trade and congestion and inefficiency at major ports. According to him, due to the non-functioning of SAFTA, the biggest loser was India, followed by Bangladesh. He mentioned that in South Asia, Non-Tariff Barriers (NTBs) contribute 80 per cent of cost of doing business and removal of avoidable NTBs would reduce the value of imported goods by 15 per cent. He suggested improving the efficiency of ports and customs procedures, eliminating NTBs, doing away with red tapism, revising dispute resolution mechanism and introducing ICT. He advocated for technology transfer within SAARC and talked about technology diffusion in growth-enhancing sectors. Finally, as way forward for SAARC, he recommended public-public cooperation in areas like public administration and agriculture, public private partnership (PPP) and private-private cooperation for example between university/research institutions.

Ambassador (Retd) Shafi Sami’s presentation focused on the inter-state political dynamics of SAARC’s regional cooperation. He characterised South Asia as a region of low potential for cooperation due to long standing political disputes and environment of distrust and described SAARC as an attempt to break out the vicious circle of distrust. He described the evolution of SAARC which led to SAPTA in 1993 and SAFTA and in 2004. He stressed that so far SAARC had taken various bold decisions but the organisation scored poor in implementing those decisions. He referred to SAARC Agreement on Trade in Services (SATIS), Intra-SAARC investment agreement and SAARC Development Fund (SDF) in this connection. He emphasised that compared to the pre-SAARC days, South Asia could make little or no progress in terms of poverty, food security, intraregional trade and cooperation on climate change. He regretted that South Asian Economic Union (SAEU) still remained a

dream in the distant horizon which was expected to be established by 2020. He blamed zero-sum syndrome for the lack of progress of SAARC which, according to him, stemmed from the traditional concepts of national interests and security. He linked the concept of human security with that of national security. Explaining how insecurity of a country could lead to insecurities of its neighbouring countries, he stressed that perception of common security threats demand greater cooperation with the neighbours. He mentioned some political and institutional challenges towards making SAARC more effective. He highlighted that SAARC Secretariat had various capability constraints including inadequate funding. Finally, he made some recommendations to make SAARC more effective which included coordination of macro-economic policies, common position on international economic issues, strengthening SAARC Secretariat etc.

The presentations were followed by a lively open discussion.

Mr. Mohiuddin Ahmed, Managing Director of University Press Limited (UPL) highlighted that besides official attempts, informal endeavours also played a significant role in the formation of SAARC.

Ambassador (Retd) Shahed Akhtar pointed out that movement of people within SAARC countries is increasing but the pace is very low compared to other organisations like BIMSTEC. He suggested setting a modus operandi for this purpose. **Brig. Gen. M. Sakhawat Hussain**, Former Election Commissioner also focused on free movement of labour and capital within SAARC and called for easing visa procedure, particularly from the side of India. In response, **Ambassador (Retd) Shafi Sami** said that India had been requested repeatedly to ease its visa procedure but there had been little success. He, however, added that the issue was again gaining ground and hoped a solution in the future in this respect.

Ambassador (Retd) Shafi U Ahmed emphasised on connectivity. He noted that in case of connectivity SAARC had achieved little or no progress. To speed up implementation of the decisions of SAARC, he suggested making the SAARC Secretariat more active. He also called for Track II initiatives from academia, businessmen and media to make SAARC more effective.

Dr. Muhammad Masum commented that if mutual distrust among the major players of SAARC cannot be removed, the organisation will have no future. In response **Prof. Ainun Nishat** said that although India-Pakistan mutual distrust was hindering the activities of SAARC, there were striking examples where those countries remained united. He gave the example of climate negotiations in this connection where Pakistan had always been a strong supporter of India.

Suhel Choudhury, Former Commerce Secretary observed that Bangladesh had achieved little economic benefit from SAARC. He asked whether it would have been better for Bangladesh if in the last three decades the country tried to get involved in ASEAN instead of SAARC. In response, Dr. Mohd. Mahfuz Kabir said that the objectives of SAARC and BIMSTEC are different. Economic development was not the primary objective of SAARC.

Prof. Nasim Banu, pointed out that there were differences among the SAARC members where four were Least Developed Countries (LDCs) and four were Developing Countries. She recommended issue specific involvement of SAARC countries where participation of all countries would not be possible. In response, **Prof. Ainun Nishat** said that the difference among the SAARC members were not a problem and cannot be blamed for inefficiency of SAARC.

The Chief Guest, **Advocate Abdul Mannan Khan, MP**, in his speech, said that good relations with neighbours and mutual cooperation were critical for any fruitful regional cooperation and development. He emphasised that for successful cooperation with others, a country has to ensure its own development at first. He noted that Bangladesh could not reach its desired stage of development mostly because of the lack of democracy, failure to punish the assassins of the Father of the nation and violation of large scale human rights in the country. He stated that democracy should be safeguarded and enhanced to foster the process of national and regional development.

The Chair, **Ambassador Q A M A Rahim**, explained why ASEAN was not an alternative to SAARC for Bangladesh. He mentioned that at the time of the formation of SAARC, two SAARC members tried to be member of ASEAN but the response from ASEAN was not much encouraging. He emphasised that the South Asian countries mistrust outsiders and at the same time the outsiders of the region mistrust them; hence ASEAN was not an alternative to SAARC. He disagreed to the claim that SAARC achieved nothing although he admitted that the pace of success was very slow. He identified that lack of implementation was the main problem of SAARC the root of which could be traced in SAARC Charter which demanded unanimity in decision making, kept bilateral issues aside and said nothing about what the Secretariat would do. He also explained why the Charter lacked in those three aspects. He informed that at the time of the formation of SAARC, India and Pakistan did not agree to join the organisation. He added that later on, under the pressure from Track II level, the two countries agreed to join but put three conditions – all decisions would be taken unanimously, bilateral issues would be kept aside and the organisation would have no Secretariat. This was why, he explained, those compromises were made in SAARC Charter. Finally, he strongly recommended revisiting and redrafting the SAARC Charter.