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From Shadows to Realities:
Can SAARC Move Forward?

By: Zahid Gishkori

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Overview

The aim of the proposed study is to deliberate on how South Asian Association for Regional Corporation (SAARC) can move forward in view of the rivalry between its two major members India and Pakistan. Instead of promoting trade and business cooperation the two states have focused on wars and spent more on arming themselves. On the other hand the author realizes that there is a dire need to incentivize trade in order to bring economic well-being in the region. The paper also focuses on how the South Asian region can gain greater political and economic integration with the support of the European Union (EU) or the Shanghai Cooperation Organization (SCO). The author observed that there has always been a question mark over SAARC's economic, social and political viability because of the decades' old hostility between its two major member states. He found SAARC to be a late bloomer and generally a slow actor.

The South Asian region has been held hostage to the disputes between India and Pakistan that ranges from direct military confrontation to minor issues like detention of fishermen from respective countries and an underlying tension and distrust because of their nuclear capabilities. Oftentimes, major issues such as civil war in Sri Lanka or natural catastrophes in Bangladesh- the other two leading members of SAARC- have not received enough attention due to the Indo-Pak differences. The author attempts to discover ways for New Delhi and Islamabad to accelerate economic growth, social progress and cultural development in the region and provide the people of the member states an opportunity to realize their full potential. SAARC is one of the most significant regions of the world, not only because of its location, which links South and Central Asia, but also because almost one-third of the world's population lives here. Although, SAARC comprises eight states, their structural and operational affairs are often influenced by the relationship between the two largest member countries. The justification how to promote and strengthen selective self-reliance between India and Pakistan, to contribute to mutual trust, understanding and appreciation of one another's problems, to promote collaboration and mutual assistance in economic, social, cultural, technical and scientific fields and to cooperate with international and regional organizations with similar aims and purposes.

SAARC: The Organization

Introduction

The South Asian Association for Regional Cooperation was established on December 8, 1985 in Dhaka. Founding SAARC members are Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Afghanistan joined as the 8th member in 2007. Australia, China, Iran, Japan, South Korea, Mauritius, Myanmar, United States and European Union, are affiliated with the SAARC as observers. The SAARC charter affirms the desire of the South Asian States to promote peace, stability and progress in the region.

The broad objectives of the organization are to promote welfare of the peoples of South Asia; accelerate economic growth, social progress and cultural development; and strengthen collective self-reliance. Article X of the Charter lays down the principle of "unanimity" as the basis for SAARC decisions at all levels, and excludes "bilateral and contentious issues from its deliberations". The highest authority of the Association rests with the Heads of State or Government who in terms of the Charter are required to meet once a year or more often as and when considered necessary by the member states. Since it existence some 27years ago the SAARC head of states or governments have only met sixteen (16) times. Organizationally, the Council of Ministers comprising foreign ministers of member states which meet twice a year is responsible for formulating policies; reviewing progress; and exploring new areas of cooperation. There is a Standing Committee with foreign secretaries as its members with the overall responsibility of monitoring and coordinating programs and modalities of financing; determining inter-sectorial priorities; mobilizing regional and external resources; and identifying new areas of cooperation. It can meet as often as deemed necessary but in practice it meets twice a year and submits its reports to the Council of Ministers. Besides a Programming Committee comprising senior officials, there are several Technical Committees to deal with sectorial issues.

SAARC Performance

As far as SAARC's performance is concerned, to quote the leaders who had gathered at Thimphu to carry out an appraisal, "the organization has failed to live up 'to the hopes and aspirations of 1/5th of humanity' represented by SAARC members— Pakistan, India, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives, Afghanistan." The Prime Minister of Bhutan expressed the hope that SAARC will not turn into just "a talk shop".

The organization has registered several failings for example the South Asia Preferential Trading Agreement (SAPTA) was signed at the 7th summit at Dhaka in April 1993 but still lies dormant. The proposal to establish South Asian Food Reserve and South Asian Development Fund have also met the same fate. Similarly declarations of enhancing political cooperation and mutual trust and understanding reiterated in each summit have registered limited success.

To offset the criticism that SAARC has failed to realize its ambitious objectives during the last 27 years, the Thimphu Summit decided not to indulge in rhetoric and set ambitious goals. The two major and modest projects agreed upon were US$300 million fund to reduce poverty in the region and for trade and environmental protections.

The political climate obtaining in the region is one of the major hurdles in SAARC's failure to implement its charter. SAARC summits should act as a forum where member states can discuss not only matters of regional importance but also the underlying causes for tension in bilateral relations. To retain its credibility and relevance SAARC should eschew unrealistic economic and social goals; instead it should be used as a medium to discuss issues of peace, security and development with international organizations and agencies to promote the interests of the member countries.

At the Thimphu Summit, the leaders pledged that they will work to realize the aspirations of the founding fathers as set out in the first summit. The fundamental weakness in SAARC is the trust deficit among the members' states. The political differences have had serious negative impact on the political will to realize economic cooperation and integration. In addition, the level of economic development among member states has impeded cooperation. For example except India none of the SAARC members have reached the take-off stage to pursue economic integration and collaboration.

The setting up of SAARC Development Fund, Food Bank, Arbitration Council, and the Regional Standards Organizations are moves in the right direction. It should also seek free and preferential trading arrangements with other regional bodies notably EU and the ASEAN. At the same time SAARC should remain focused on its social charter to reach out to the common man. The people of South Asia desire a peaceful, prosperous and secure future and this can be achieved through sincere and sustained efforts to narrow the political differences. SAARC is the appropriate tool not only to build trust but also to solve disputes and create conducive climate for realization of SAARC charter.

Despite the limitations and poor performance, SAARC remains a useful tool for smaller countries to promote understanding and cooperation at bilateral level. The organization has a number of significant achievements to its name:

1. The Regional Convention on Suppression of Terrorism
2. SAARC Agriculture Information Centre at Dhaka
3. SAARC audio visual exchange program
4. Social Charter to set targets to eradicate poverty, to stabilize population and human resource development.
5. SAARC Information Center (SIC)

Challenges to SAARC

The real litmus test for SAARC lies in moving away from the realm of ideas to implementation. Pakistan and India need an exceptional impulse to keep pace with the changing times and this must spring from within South Asia. It is only then, that the people will be able to harness the full potential of the South Asian region and join the global quest for economic growth and development. At the turn of the century, the world leaders, in their Millennium Declaration, recognized the importance of making integrated progress for sustainable development in three vital fields of human needs; economic growth, social development and environmental protection. They also resolved to make the "right to development" a reality for everyone and to free the entire humanity from want and misery.

The roadmap set out in the declaration identified a set of quantified and monitor able goals, called the Millennium Development Goals (MDGs). These time-bound goals with the year 2015-2020 as cutoff date are of special relevance to South Asia. It is true that basic ownership of development rests with each country and region but the development capacity and potential of each country or a region is also inevitably conditioned by an 'enabling environment' for mobilizing the resources required through aid, trade, investment, debt relief, technical know-how, and global economic management. This 'enabling environment' is founded on the recognition that without durable peace within and between countries, and in the absence of good governance within countries and at the international level; sustainable development goal will remain elusive.

SAARC faces serious resource crunch and members are not too keen to raise their contribution to the association. Moreover, SAARC has to battle the perception of only being a figurehead of South Asian unity than an actual facilitator of regional cooperation. SAARC has been criticized for only reaching agreements at the lowest level of cooperation instead of pushing for cooperation that would actually benefit South Asia. The SAARC conventions on drug trafficking and terrorism have also come under fire for not producing substantial results. Meanwhile, at this stage, no new programs and projects should be undertaken other than the above-mentioned three priority areas.

Terrorism and SAARC States

Terrorism and militancy has plagued SAARC members for a long time. Sri Lanka dealt successfully with Tamil Tigers and finally brought peace to its homeland. Pakistan has been a victim of terrorism and militancy since the United States declared war against Afghan Taliban after 2000. India has also had its share of terrorism both homegrown and from outside. For peace in the region it is important that India and Pakistan work together to deal with this menace. But for that both countries need visionary leadership free of domestic pressures who can take critical decisions. Maybe India will have to play a senior role and not let some terrorists, hijack any progress in improving relations. Until that happens we will continue to see what we have been seeing over the last several decades. New Delhi and Islamabad may come to the aid of Afghanistan after the withdrawal of US troops from Afghanistan in 2014. It is suggested that the SAARC members could declare extremism and terrorism a common enemy and sign a joint Memorandum of Understanding to counter this menace similar to one signed for joint pursuit of energy.

SAARC's Role in Indo-Pak Ties

Can SAARC work for political and economic integration with friendly India and Pakistan? After holding meetings with representatives from the eight member states at a SAARC conference held in Islamabad, Pakistan, it became clear that to achieve this feat a whole new paradigm shift is required to make SAARC a viable and productive regional organization. And this primarily depends on cordial ties between India and Pakistan. Instead of indulging in a blame game it would be useful if the two countries proceed with improving trade ties. Besides, SAARC has no institutional mechanisms for resolving disputes and has therefore not played any role in diffusing tensions between India and Pakistan. As a matter of fact, SAARC is still struggling to establish its own identity in the region so how can it have any position on any burning issues in South Asia.

However, the fact remains that SAARC's efforts for peace cannot succeed unless the two nuclear countries resolve the Kashmir issue. Indian intransigence on Kashmir and repeated military coups in

Pakistan reversed all gains towards peace. Political observers both in Pakistan and India believe that Jihad in Kashmir is apparently dying down because there are signs that militants in Kashmir are not getting the support from the Islamist groups as they did in the past. But interests of some militants' have not been completely dismantled either. Until that happens, mutual trust will be hard to achieve. However, Pakistan Foreign Office is silent on this issue because of major shifts in Pakistan's policy.

SAARC's Role in Post-US Afghanistan

While acknowledging SAARC's limitations, the fact remains that real cooperation and integration remains elusive because of Indo-Pak tensions. Role of regional organization is central to regional integration process. It would be a credit to SAARC if it can play a role in bringing India and Pakistan to the negotiating table and help diffuse the tensions and resolve all the outstanding issues which could help bring peace and development to the whole region. The effort would also be significant for peace and security in view of the withdrawal of foreign troops from Afghanistan in 2014. Organizations such as North Atlantic Treaty Organization (NATO) and EU have already taken decisions on their positions but SAARC has yet to develop its own understanding about the post-2014 situation and how it will face up to the challenges of security issues surfacing in the region.

Pakistan-China-India & SAARC

Special issue of Policy Perspectives on "China and SAARC" is based on the deliberations of a conference, titled "China-SAARC: Towards a Better Understanding through Enhanced People to People Exchanges" held on July 26 and 27, 2011 in Kunming, China. The study consists of papers of the conference and was presented jointly by China Institute of International Studies, Beijing, Yunnan Academy of Social Sciences, Kunming and Institute of Policy Studies, Islamabad.

China can play an important role as a member of SAARC given the fact that its borders link to three SAARC states namely; Nepal, India and Pakistan. Both India and Pakistan enjoy cordial ties with China and can take the initiative of inviting China to become a SAARC member. However, there is also a possibility that India may have some reservations in accepting China as SAARC member.

Scholars from SAARC, including Chinese experts on South Asian Affairs believe that Beijing can give a major push to SAARC in becoming a vibrant organization in Central Asia. So, on the one hand this study presents various perspectives found in South Asia regarding relations with China, on the other hand it reflects the thoughts of the Chinese scholars on the subject. Along with the research based articles this study will also include papers and comments presented in the conference to share with a larger audience.

China and SAARC

With China joining the regional bloc, SAARC would command respect and attention from other important regional blocs, namely European Union (EU), North American Free Trade Agreement (Nafta) and Asia-Pacific Economic Cooperation (APEC). Physical propinquity notwithstanding, the South Asian region today presents a dismal picture of intra-regional trade. The mutual trade in the region has been rising at a snail's pace with its value close to $16 billion in 2010, in effect accounting for only five percent of their total trade. The intra-regional trade continues to retain a

marginal character and as such South Asia has emerged as one of the least integrated regions in the world.

SAARC member states together comprise 22 percent of the world's population, 3.6 percent of total land area, and account for only 2.5 percent of the world Gross Domestic Product (GDP). With an average per capita income of slightly less than $1000, South Asia remains a low-income region. Nearly 80 percent of the region's GDP originates in India with Pakistan and Bangladesh accounting for another 10 percent and seven percent, respectively. The remainder is divided among the other member states. Other regional blocs in different parts of the world have moved forward at a much faster pace in enhancing economic cooperation within their respective regions. Political and security issues, lack of trust, particularly among relatively smaller member states vis-a-vis the larger ones, the member states interest in looking extra regionally for enhancing trade and investment relations, and persistent trade restrictive non-tariff barriers are some of the factors responsible for SAARC's lackluster performance.

Geographically, China is connected with at least five SAARC member states. China is linked with Pakistan through the Karakoram Highway to Urumqi in Xinjiang; with India through Sikkim and Arunachal Pradesh; with Nepal through China-Nepal Highways, with Bhutan through Tibet, and with Afghanistan through the Wakhjir Pass (Wakhan Corridor).

With China as a member, SAARC's combined population will swell to 2.84 billion accounting for 40 percent of the world population. China is the second largest economy of the world with the size of the GDP and per capita income of $10.1 trillion and $7600, respectively on the Purchasing Power Parity (PPP) basis. China is the world's largest consumer market, with a population over 1.34 billion and a large and growing middle class with purchasing power. China consumes over 10 percent of the global oil production (8.4 million bpd). It is the largest consumer of energy (3.25 billion metric tons of coal equivalents), the second largest electricity consumer (3.643 trillion KWh), the largest consumer of solar energy and steel, and constitutes the second largest luxury goods market.

China's financial strength can be gauged from the fact that it has over $3 trillion in foreign exchange reserves. It has emerged as the single largest lender to the US with $1.5 trillion invested in US treasury bonds and it accounts for 22 percent of the entire outstanding US public debt. With its current rate of economic growth, the size of the Chinese economy could be 2.5 times that of the US by 2030. China's per capita income would be around $18000 (PPP basis) by 2030 and its share in global trade is set to surge past that of the US by 2030.

Undoubtedly, China has emerged as a major growth hub for the world economy in general and Asia-Pacific in particular. If China can play a dominant role in shielding the Asia-Pacific region from the global economic meltdown of 2008, it can also benefit the poor of the South Asian region. China is already integrated with the member states through its rapidly expanding trade ties. Bilateral trade between India and China has grown more than 23 folds in just less than a decade – rising from $3 billion in 2001-02 to over $62 billion by 2010 and expected to reach $100 billion by 2015. In fact, China has emerged as India's largest trading partner. Bilateral trade between Pakistan and China is also growing since 2005-06, rising from $3.2 billion to $5.6 billion 2010. Similarly, Bangladesh and China trade relationship is also growing with the total trade amounting to $6 billion. South Asian

trade is growing extra-regionally. With China's inclusion, the trade volume of the region would swell from $16 billion to over $75 billion. SAARC would be taken seriously in the comity of nations with its two member states (India and China) occupying places in the elite group of G-20. The region would gain both politically and economically. It would be good also for its 2.84 billion people.

Islamabad, New Delhi Ties

Tension between the two nuclear neighbors appears to be easing especially at a time when Pakistan is increasingly worried about its neighbor on the western border. This easing down was apparent when Pakistan's President Asif Ali Zardari flew to New Delhi on April8, 2012 and met with the Prime Minister of India, Manmohan Singh to discuss the changing political and security environment in Afghanistan among other important issues impacting on regional as well as global peace. The timing is of significance. It came about when the United States and NATO plan to pull out their combatants from Afghanistan — a move that will leave the entire region's future uncertain.

There is a general consensus in Pakistan that the newly elected government of Pakistan Muslim League-Nawaz should take up the issue of Indian held Kashmir and all other outstanding disputes with India in order to normalize ties and work for economic development which would be mutually beneficial for the two respective countries and the region as well. Whether or not normalization can help resolve the core issues is a separate debate. However, Pakistan is keen to resolve the Siachin issue, but it has not received much support from the Indian side to accommodate some of Pakistan's demands. Maintaining huge militaries in the difficult terrain is a drain on much needed resources for both.

Pakistan's relations with China and India's with the US and Russia will also play a vital role in providing new opportunities for building amicable relations between the two countries. Amid mixed expectations, it is also clear that unresolved foreign and defense challenges may act as stumbling blocks when it comes to making progress towards friendly ties with the countries such as India and Russia. At a time when Pakistan and India are trying to improve ties, the US is giving signals of a Abbottabad-like operation —that killed founder of banned organization Al Qaida, Osama bin Laden on May2, 2011 —against Ayman al Zawahiri another influential Al Qaida militant. In this scenario, it is crucial for Pakistan to work for improving ties with India and its other neighbors and at the same time work on improving rule of law and governance within the country.

Visa Regime

In September 2012, Pakistan and India signed a visa accord, a move that would perhaps help to move forward the nascent peace process which had been stalled following the 2008 Mumbai attacks. On December 4, 2012 India invited the Pakistan's Interior Minister Rehman Malik to formally put into operation the new visa regime – an agreement to ease visa restrictions to facilitate tourists and the business community. The visa accord allow citizens of both countries to visit five cities, instead of three, allowed previously and non-reporting visas for business community and senior citizens (65 and above) and children (below 12 years). Pakistan's Interior Minister and his Indian counterpart Sushil Kumar Shinde also discussed threats from right-wing group Shiv Sena who is against Pakistan playing cricket in India until the masterminds of Mumbai Attack are brought to justice by Pakistan said a senior official associated with Indian High Commission in Pakistan.

India's Offer in Energy Sector
India will have surplus electricity and gas for the next five years and would be more than willing to export it to Pakistan to help deal with its energy crisis said Mr. Sabharwal, Indian High Commissioner to Pakistan. He added that the Indian gas pipeline which is within 100 kilometers of the Pakistani border could be extended to Pakistan as and when required. Mr. Sabharwal on improving trade ties gave the example of a Pakistani fashion house set up in New Delhi which was successfully competing with local brands. He added that infrastructure facilities have also been established on both sides of the Wagah border to facilitate cross-border trade but what is required most is confidence building measures to prevent derailing the peace process.

Politics of Revenge
During a course on environmental journalism hosted by a New Delhi-based NGO and for the Fellowship, in New Delhi I met a retired Indian general, Maj-Gen Ashok K Mehta. During the conversation he informed me that he was in the Indian Army during the 1971 Pakistan-India war and had been in contact with several Pakistani prisoners of war. One of them a senior officer, who on the day of surrender wrote in his notebook, "One day, we will take revenge".

Gen Mehta said he could not forget the day of surrender and asked me that being a young Pakistani, what I thought was the best way to bring peace between the two countries. Since I had been In India for some weeks and had spent time with my counterparts, I said, "Though the (1947) partition divided the subcontinent, we're like two bodies sharing one soul." According to Major general Mehta it was the armies of the two countries that do not favor friendly ties.

De-escalating Arm Race
It is important that the military machine of India and Pakistan develop trust in each other and insure and assure their intentions of non-interference in each other's affairs militarily and otherwise. In fact, both must work for mutual national and regional interests that would benefit each other and the region as a whole. At the same time issues such as national and cross border terrorism only adds to the existing trust deficit. Minimizing trust deficit to zero level is the only way forward for peace and harmony in the region.

Hurdles in Regional Harmony
SAARC has remained almost inactive for the last 27 years mainly because of the reluctance of the Indo-Pak armies to allow free exchange of goods, services and ideas across borders. Every issue including trade, terrorism, technical cooperation, agriculture and industry, education, human rights, women's issues, protection of minorities, etc., have received annual attention from the regional leaders but unfortunately it has been an exercise more in theory and less in practice.

Terrorism, military establishments of India and Pakistan, regional disputes and international factors including the cold war between world powers have stymied progress in regional harmony in South Asia. Free trade zones have been debated for years without any substantial advance. With democracy and rule of law having finally triumphed over militarism and law of necessity in Pakistan fresh hopes have arisen for peace and progress in the region. The Indian government has responded positively to peace overtures from Pakistan led by an elected Prime Minister. Another major development is the departure of Pakistan army from the political business of the state. This paradigm

shift is likely to lend a major boost to the stalled peace efforts. Peace lobbies in the two countries are gradually getting stronger and bolder. The armies in the two countries are standing behind their civilian governments. With the advent of civilian supremacy and peaceful transfer of power in Pakistan the chances of peace are set to grow steadily without interruption.

SAARC Peace Process

Following are suggestions to strengthen the SAARC peace process. These include:

A. Pakistan should make peace as its first priority without prejudice to the settlement of Kashmir and other bilateral issues
B. Iran and China should be part of the peace process in the region
C. Learn from Europe and other regional groups
D. Terrorism should be accepted as a common threat
E. Appreciate United States' efforts against terrorism
F. Pakistan and Indian armies should make Wagah crossing a bridge of peace
G. Pakistan and India being democracies can turn this troubled region into a peaceful area and this is doable and must be done.

Sri Lanka: Example for Smaller States

Sri Lanka has been progressing rapidly after the end of the civil strife with focus on education and economy. Despite the four-decade-long war against the Tamils, Sri Lanka boasts of 100 percent literacy rate and they are willing to share their experiences with other South Asian countries that are fighting terrorism, illiteracy and other social malaise. Sri Lankans are now following the policy of "good walls make good neighbors." The lawmakers in Colombo feel that it is important to develop trade ties with India, Pakistan and other South Asian states. According to a member of parliament, Professor Rajiva Wijesinha, who represents the treasury benches, "New Delhi and Colombo have not only improved diplomatic ties but have also expanded trade volume." His views were endorsed by an opposition member of parliament, Ajith Perero.

How Sri Lanka beat the rebels?

The following are some of the measures taken by the Sri Lankan government to fight and defeat the Tamil Tigers;

- Democracy works.
- Refrain from imposing emergency curtailing democratic representation; ensure that legitimate local elections occur regularly in insurgent territory
- Empower the military to adapt to guerrilla warfare
- Create smaller fighting units
- Devolve authority to independent battlefield commanders
- Engage internationally and cut off funding
- Focus political, military, and diplomatic contacts at the highest level with key neighboring countries to build confidence
- Initiate defection of key operational or regional commanders rather than foot soldiers

Focus on Economic Growth in South Asia

Since 1991, when a debt crisis forced India to undertake a serious program for market oriented

economic reforms, it has gradually opened up its economy to the world. Other SAARC states are also seeking to enhance their trade relations across the globe. Pakistan is seeking new markets and increased aid from countries in the European Union and Japan.

Initially, Pakistan was reluctant to join SAARC fearing that it would succumb to Indian supremacy who has gained hegemony over states such as Bhutan, Maldives and Nepal by joining a sub-regional group within SAARC. Taking advantage of its military and economic power, India has consistently acted in an "arrogant and uncompromising" manner with its neighbors. Bangladesh is afraid of India exploiting its geographical position to redirect water flows vital to its agricultural production. Nepal and Bhutan are still worried about India's control over their world trade and transit links as their geographical position makes them dependent on India.

Trade between SAARC States

SAARC Member States signed the SAARC Agreement on Trade in Services (SA TIS) at the 16th SAARC Summit held at Thimphu, Bhutan on April 28, 2010. The Agreement could help encourage cooperation in trade and strengthen integration of regional economies. Pakistan and India are also in the process of normalizing bilateral trade relations under resumed Composite Dialogue.

As a first step, Negative List of 1,209 tariff lines has been notified. With the phasing out of Negative List by December 31, 2012, complete trade normalization with India will be in place subject to the removal of the Non-Tariff Barriers by the Indian government. Pakistan concluded a Free Trade Agreement (FTA) with Sri Lanka on August 1, 2002, which is effective since June 12, 2005. Under the Agreement, both sides have agreed to establish a Free Trade Area and eliminate tariffs on good's movement.

The future roadmap for enhanced cooperation includes incorporation of the following Chapters in the Agreement to be called as Trade in Services, Investment and Customs Cooperation. A MoU was signed between Export Promotion Bureau, Pakistan (now TDAP) and Export Promotion Bureau of Bangladesh on February 13, 2006 at Islamabad. Under the MoU, both countries agreed to exchange economic and commercial information as well as assistance in organizing trade fairs and trade delegations. Under the said MoU, Export Promotion Bureau of Bangladesh has been providing a complimentary pavilion to TDAP at Dhaka International Trade Fair (DITF) every year. As per its new export strategy, TDAP is making efforts to broaden the base for Pakistani exports by upgrading export potential of products where Pakistan has competitive advantage and increasing their market share in traditional and non-traditional markets. SAARC is one of the potential regions and TDAP has carried out promotional activities for Pakistan's exports.

A Bi-lateral Alternative

To counter SAARC's ineffectiveness, individual states have used bi-lateral agreements to advance their economic interests. It is not surprising that trade between India and Pakistan is basically taking place through smuggling by a third party, usually Dubai. However, Pakistan and Bangladesh maintained relatively lucrative trade relations with one another in the 1980's. Approximately 60 percent of Bangladesh's exports during this decade went to Pakistan. Moreover, on April 1, 1995, India reduced customs on goods imported from Sri Lanka. Bi-lateral agreements are significant for three reasons;

1. Bilateral agreements among SAARC members means that members are not dependent on SAARC for trade, besides diminishing SAARC as a useful regional bloc
2. Bi-lateral negotiations will shift attention from regional to individual countries
3. States will prefer bi-lateral agreements instead of multi-lateral deals, to avoid negotiations with seven states and as such will lack an incentive to pursue their economic interests through SAARC

MFN Status and Pak-India Trade

In 2013, Islamabad decided to award the Most Favored Nation (MFN) status to New Delhi. This measure could a long way in improving the dwindling economy of Pakistan which has further worsened ever since the war on terrorism.

Then Minister of State for Commerce Abbas Khan Afridi's statement contradicted media reports that Islamabad might delay awarding MFN status to India, because of the pressure from various stakeholders, particularly the textile industry. Lawmakers told parliament and the media, that the move to grant MFN-status was delayed so that the government could consult industries that have expressed reservations in this regard. Islamabad has already missed the December 31, 2012 deadline to grant MFN status to New Delhi, as well as putting an end to the Negative List regime. Responding to a question by PML-N Senator Najma Hameed, Afridi said the government is set to implement this decision next month adding that his government wanted to take the credit [of granting MFN status to India]. Federal Commerce Minister Makhdoom Amin Fahim said the plan was moving in the positive direction adding that after awarding this status, New Delhi will have no excuse not to promote business in the region. New Delhi has been repeatedly accusing Pakistan of not fulfilling the criteria set by the World Trade Organization (WTO).

The two countries signed three agreements in September 2012 to counter non-tariff barrier issues faced by Pakistani exporters, stated the minister in his written reply to the Senate. Explaining the benefits of MFN, the minister said availability of raw material will help reduce trade cost; and production/manufacturing facilities in India will subsequently lower costs for Pakistani manufacturers.

The military has so far not made any public comments on giving India the MFN status, which can be taken as a positive sign. Pakistani leaders need to build on it and continue their efforts for liberalizing trade with India. More than the army, it is the bureaucracy on both sides that has to work together to implement the decisions taken. For instance, India is still reluctant to withdraw non-tariff barriers on Pakistani imports. How can Pakistan fully implement the decision to grant MFN status if the other side is not doing away with non-tariff barriers?

Concept of Brand Perception

The star value of brand ambassadors offers the opportunity to reduce the impact cost of creating brand awareness or trial. An Indian film star is just as popular in the neighboring countries, as are Pakistani or Sri Lankan cricketers in India. While retail revolution in India and Nepal is still in a relatively nascent stage, Sri Lankan retail formats are far more sophisticated, and would undoubtedly find India relatively easy to penetrate. Perhaps the biggest barrier of all – geographic

origin – is also an advantage in the region.

From tractors to information technology services, initially Indian exporters faced their biggest challenge in overcoming consumer's distrust in the 'Made in India' label. In developed markets, this label stood for poor quality and lax standards. Only in the SAARC region, one could reasonably argue, would a 'Made in India' label find automatic acceptance among consumers. Just as a 'Made in Sri Lanka', 'Made in Nepal' or 'Made in Bangladesh' label would face far less consumer resistance in India than in a developed market. Players blame politics and bureaucracy for the lack of access. But the malaise runs deeper. There is a strange diffidence and often, a lack of entrepreneurial drive in creating and expanding brands. A Bangladesh trade official in India bemoaned the fact that while Bangladesh apparel makers supplied virtually every top global label in the world, there is virtually no 'Made in Bangladesh' brand worth the name with a global presence.

It is believed that bureaucratic and political barriers are more effective in blocking trade in India, Sri Lanka and Pakistan but they ignore the absence of SAARC brands among the member states. Brands have a much larger presence than the commodity. So while Dilmah tea is distinctly Sri Lankan in identity, mere Sri Lankan tea is not. For instance, a bulk of what is sold as Indian tea in UK and Europe is actually Sri Lankan tea imported in bulk and repackaged.

Similarly, Kohinoor or Lal Qila Basmati is typically Indian, although Pakistan's version of basmati cannot be distinguished from the Indian and is popular in the Gulf. The SAARC market, from a brand point of view, is perhaps the easiest to exploit for a marketer. Geographically, it is virtually one vast, contiguous market area. The customer profiles are quite similar. An apparel marketer would not have to drastically resize the range to fit Bangladeshi, Pakistani, Afghan or Sri Lankan consumers. Customer tastes are also similar. Prawn pickles, made in Bangladesh, are liked all over Eastern and North Eastern India, even though availability is a major issue. Several Indian food product brands have an avid following in Pakistan and Bangladesh, while Sri Lankan juice brand Onjus is widely mistaken for an Indian brand in India.

Pakistan's business ties with SAARC States

Despite Pakistan's uneasy relations on its eastern and western fences, the two nations on either side constitute its biggest regional trading partners. Although it has a high overall trade deficit, Pakistan has consistently managed to maintain a trade surplus with the countries comprising the SAARC bloc.

Over the five years from 2007-2011, Pakistan's trade surplus with SAARC nations stood at $2.993 billion, according to the latest official figures released by Ministry of Commerce in 2012. Only with India—the largest bilateral trading partner—Pakistan has a significant trade deficit, which was balanced out by the large trade surplus with Afghanistan. Pakistan's total import volume with Afghanistan remained $6449.3 or Rs634.74 from 2007 to 2011 while during this time its export volume remained Rs495 million. Bilateral trade between Islamabad and New Delhi grew 21% to $2.4 billion 2012. Islamabad's export's volume with India remained $5.8646 or Rs577.194 billion from 2007 to 2011 while it imported goods worth $1.1065 or Rs108.902 billion from 2007 to 2011. Pakistan's overall trade volume with SAARC states was about $16.82 billion. Its total surplus is 2.99 billion which is a good omen remained as Pakistan exported goods worth $ 9906.98 to other

SAARC states while it imported goods worth $6913.552 in last five years. Interestingly, Pakistan did not export anything from 2007 to 2011 while it imported goods worth 700, 000 dollars during this time. Similarly, the trade volume of Islamabad with Nepal remained as low as $7 million while $18 billion with Maldives during the said period. Bangladesh remained the third SAARC country in terms of trade with Pakistan with trade volume of $156.6 billion from 2007 to 2011. Pakistan has had mutual trade with Sri Lanka worth $132.3 billion in five years. Pakistani diplomats and economists termed it a success of business community while according to them political leadership failed to boost these relations quickly. If China joins SAARC then the annual trade volume would jump from $16 billion to $100 billion annually.

"If trade takes the lead in South Asia—it means replacing violence with peace", said a former diplomat. "Rulers should give the business community a chance to promote trade related activities in India and Pakistan. Top political leadership in New Delhi and Islamabad should come up with new ideas to make the region business friendly," he added.

The Agreement on South Asian Free Trade Area (SAFTA) was signed during the 12th SAARC Summit held at Islamabad on January 6, 2004 and it was enforced from July 1, 2006. Presently, SAARC member states are in the process of reducing their Sensitive Lists under SAFTA. Pakistan has reduced its Sensitive List by 20%. Under SAFTA, a Sub-Group on Non-Tariff Measures (NTMs) has been established to address NTMs including Standards. For a proposal that has already been delayed, it will take some genuine political cooperation for the tariff reduction process to run smoothly. If SAFTA's implementation and success depends on conflict resolution between the South Asian States, it seems unlikely in the distant future.

There is a general perception, particularly in Pakistan that India has gained hegemony over states such as Bhutan, Maldives and Nepal by joining a sub-regional group within SAARC. Analysts believe that being a big economy India has every right to explore other trade venues for developing its economy. Despite political impediments to trade, value of goods smuggled from India to Pakistan via a third party totals around 250-500 million dollars per year. On the other hand if trade was allowed to flourish between the two states, Pakistan would get cheaper imports due to lower transport costs and the absence of payments to a middleman.

Comparison of India and Pakistan Economies

India has a middle class of approximately 300 million people and Pakistan's middle class is approximately 30 million. This huge middle class offers a lucrative market and a preferred trade regime can open up huge financial opportunities for both the countries and at the same time Pakistani industries would not need any other market.

Sri Lanka could also harness support of the SAARC countries as a group preferring to their respective individual interests in other global systems and mechanisms of trade such as the World Trade Organization. For instance India and Bangladesh could have supported European Union's one-time waiver to Pakistani import as a flood relief gesture rather than delaying it for a couple of years. This region has one of the cheapest labor force and production costs. All the countries can mutually benefit from this resource.

Trade Ties: US, India and Pakistan

Nawaz Sharif took the oath as Pakistan's Prime Minister for the third time on June 5, 2013 and it remains to be seen if he has become a committed democrat and a statesman after being dismissed twice from the office and exiled. If Sharif's government is successful in stabilizing the economy, improve domestic security and normalize relations with India and Afghanistan, there is hope that this nuclear-armed country of nearly 180 million people can, in time, remove itself from the list of failed states and become a stable, sustainable and peaceful democracy.

On the other hand Washington is cautiously watching events unfold in Islamabad and though Sharif is not considered pro West, yet it is in their interest to see him succeed. It would serve the US well to reassess US-Pak ties from cooperation in counterterrorism, nuclear issues to aid and regional diplomacy. Washington's agenda should however, support two of Sharif's priorities: economic stabilization and improved relations with India. Quick wins in these areas could give Sharif the political momentum he needs to tackle other difficult challenges, such as confronting violent extremism and managing relations with the Pakistan military. If successful, it would help the US to improve bilateral cooperation in other areas, including security.

In an era of tight budgets and bipartisan frustration with Pakistan, Congress is hardly expected to endorse costly new initiatives. One policy option: a phased reduction of US tariffs on textiles and apparel for Pakistan and India, conditional to improved Indo-Pak trade. In other words the US would make it cheaper for India and Pakistan to sell their goods if they can knock down the trade barriers. In exchange for its cooperation with the US efforts after the September 11, 2001 attacks, Pakistan sought reductions in textile tariffs. Privileged access to the US market is likely to have a greater positive effect on Pakistani profits, jobs and state revenue than any direct US assistance scheme. Yet political barriers on Capitol Hill, primarily from some textile-producing states, have stymied such initiatives for years. The reality is that neither U.S. producers nor consumers would be hurt by Pakistani imports. These goods are not currently made in the United States; if anything, the deal would shift some production away from China. Unfortunately, it has not been enough to grease the political skids in Washington and secure a Pakistan only trade deal. That's where India comes in. This deal is also advantageous for Indian manufacturers and a trade deal backed by pro-India, pro-Pakistan and pro-Indo-Pakistani peace groups would have a far better of chance of overcoming legislative hurdles in Washington.

Reducing trade barriers is a low-cost option, especially considering that U.S. non-military assistance to Pakistan is as much as $1.5 billion annually. Some of those funds could be allocated for education and energy projects. The mantra of ―trade, not aid has great political appeal in Pakistan. Trade is seen as a more likely reward for entrepreneurial spirit and hard work. Moreover, a U.S. trade deal conditioned on progress between India, Pakistan ties offers an incentive to Islamabad and New Delhi to talk and less chance of another war between the two nuclear powers. The added incentive of access to U.S. markets could help overcome concerns among some business interests in India and Pakistan that fear competition from across the border.

The Obama administration, through diplomatic channels, is trying to defuse growing tensions between Pakistan and India and ensure continuity in the Indo-Pak peace process, which, if derailed, would be a serious setback to its efforts aimed at a safe and smooth exit from Afghanistan in 2014.

The recent Line of Control (LoC) tensions brought the Indo-Pak peace process to a virtual standstill and mainly it is the Indian intransigence that is blocking the movement forward. India also suspended the recently concluded new visa regime. This deadlock is a matter of serious concern for the US and other western allies which believe that Pakistan has to play a vital role in the safe and smooth exit of US led NATO forces from Afghanistan. "The recent phone calls by the new US Secretary of State John Kerry to the Pakistani and Indian leaders were part of an effort to ease tensions in the sub-continent," according to a diplomat.

Nawaz's Foreign Policy Agenda and SAARC

Prime Minister Nawaz Sharif would like to see a peaceful sub-continent, and therefore requested the US to help in diffusing tensions, and also resolve the Kashmir issue for lasting peace. He made it clear that there would be no significant change in the foreign policy and his focus would be more on dealing with the domestic challenges such as economic crunch, energy crisis and terrorism. Mr. Sharif's foreign policy fits in with wider strategic thinking of the military establishment that has long dominated the agenda. Nevertheless, foreign police would remain an important component of Nawaz's rule and for that purpose he will handle it directly with the help of adviser Tariq Fatemi, who has held ambassadorial posts in the past.

The coming into power of Nawaz government raised a number of questions on foreign and security policies for example how will ties with the US move forward, would reset in relations with Russia continue, Indo-Pak ties and its future, approach towards peace and reconciliation in Afghanistan and balancing ties between Saudi Arabia and Iran.

Mr Sharif, who in the past was critical of ties with the US has since softened his stance and is endeavoring to develop a working relationship with Washington. Pakistan and India had resumed formal dialogue in 2011 that had broken down after the Mumbai attacks in 2008. The process has continued with some improvements in trade ties and people-to-people contact, but the core issues have largely remained unaddressed. The peace process has been on an unannounced halt since LoC violations earlier this year. Nawaz Sharif had spoken to the Indian Prime Minister Manmohan Singh of taking the peace process towards full normalization of ties. Mr Singh's special envoy Satinder Lambah met Mr Sharif in Lahore for follow-up discussions on how to progress with the peace process. The move was appreciated by Pakistan. Mr Nawaz Sharif also sought good ties with Saudi Arabia, Turkey, Iran and Russia. With China, who is described as "a great friend and significant economic partner", he said he would work for strengthening the strategic relationship which would benefit both the countries.

"The immediate attention will be focused on our neigbours. Unless the region is peaceful, our efforts for growth and development will not meet with success," he said. Former foreign minister Hina Rabbani Khar had introduced the region-first policy and remained unequivocal about it. She remained focused on improving ties with Afghanistan, India and Iran. Pakistan, it is expected, will be depending heavily on Saudi Arabia for a bailout in the form of oil on deferred payment and financial assistance. But while doing so it may face pressure from Riyadh on ties with Tehran. Iran-Pakistan gas pipeline inaugurated in March after years of negotiations and international pressure is also doubtful with hints of reviewing the agreement.

With Washington, Mr. Sharif's policy would be to consolidate ties, "We will build on convergence and work on divergences," the prime minister noted. Pakistan and the US have differed on counter-terrorism strategies, including drone attacks and nuclear program and he mentioned that he would like drone attacks to end. One of the foreign policy highlights has been the Pak-Russia reset. The rapprochement was partly dictated by Pakistan's worsening relationship with the West and the consequent desire to find new friends, but also because of Moscow's acknowledgment that Pakistan was an important stakeholder in Afghanistan as the coalition forces move towards complete withdrawal in 2014. Tempting prospects of economic and energy cooperation further brought the two closer.

Mr. Sharif's message recognized the importance of Europe as Pakistan's largest trading partner and an important player on world scene. He said Pakistan would remain engaged both bilaterally and multilaterally with the European Union. There was, however, no mention of multilateral forums such as the United Nations (UN) and SAARC.

Nawaz government plan to develop a comprehensive strategy and a national consensus in consultation with all political parties, security forces, media and civil society to deal with terrorism. "It is imperative to address the external dimensions of terrorism. This will require plugging the sources of external funding of various extremist groups, besides seeking cooperation of regional and global community," he said. The prime minister asked the Pakistani missions abroad to aggressively pursue economic diplomacy and explore assistance in overcoming the energy crisis.

Recommendations
Following are recommendations which could help make SAARC a vibrant, dynamic and resourceful regional bloc:

New Identity for the SAARC
SAARC countries represent almost one-fifth of the total population in the world. The member states are rich in resources and share enough commonalities to be able to drive away their differences and work together in the best interest of the peoples of the member states. SAARC needs to become strong, effective and dynamic organization and develop a new identity for itself.

SAARC should learn from European Union
SAARC should learn from European Union. They went to war and remained divided, but finally prioritized peace and development for the welfare of the people and replaced conflict with good neighborliness. It would do well for SAARC leaders to pay heed to the former president of India President Abul Kalam who said, "It would be more appropriate if SAARC can evolve as a knowledge hub to make all its member countries work together. We cannot go on talking endlessly about conflicts. We should be connected to each other - economically and peacefully." He stressed the need to develop new models of business, technology and leadership and this is what SAARC must emphasize on and work for.

People-to-People Contacts
Attaching priority to promoting people–to-people contact, SAARC has taken a number of initiatives such as the SAARC Visa Exemption Scheme launched in 1992. Earlier in 1988 during the fourth

summit held in Islamabad the members decided that certain categories such as dignitaries, judges, parliamentarians, sports people etc., would be entitled to Special Travel Document which would exempt them from visas within the region. The implementation of this exemption is regularly reviewed by the SAARC countries. It is recommended that travel facility among the SAARC states should be extended to the people as well.

Enabling Environment

To create an enabling environment South Asia must free itself from tensions, conflicts and confrontations and escalating military budgets while making concerted efforts for establishing a regional political forum, such as "South Asia Regional Forum" to reinforce intra-regional process for confidence-building, preventive diplomacy and peaceful settlement of disputes and to institute inter-regional cooperative linkages with its relevant counterparts in other regions.

Operational Readjustment

As a matter of general principle, all regional programs and activities should be based on a realistic evaluation of the socio-economic situation supported by latest economic data and information. Pre-feasibility and feasibility studies shall be undertaken prior to approval of projects. Greater attention and allocation of Gross Domestic Product (GDP) ratio should be given to education at national levels as a mean of steering the member-states to development and modernity. Health, including basic health facilities, population welfare and community development must be priority areas. Special efforts towards regional cooperation should be concentrated for the next ten years in three priority areas of trade, energy, and services sector. In other fields of cooperation, the already agreed activities, depending on their feasibility and mutuality, may continue to be implemented. These activities should however be consolidated and streamlined. Meanwhile, at this stage, no new programs and projects in areas other than the abovementioned should be undertaken.

Steps to expand Intra and Inter-regional Trade

Following steps are suggested to help expand SAARC intra-regional and inter regional trade:

- To gradually remove trade barriers within the region keeping in view the experiences of other regions, global economic trends and international commitments undertaken by the member states.
- Make joint efforts to gain freer access to markets outside the SAARC region for raw materials and finished products of member-states.
- Create a mechanism for managing intra-regional trade relations consistent with World Trade Organization (WTO) rules and disciplines and common approach where the region's interests are at stake.
- Pursue transit facilitation measures for oil and gas pipelines and other energy resources including access to international markets without succumbing to outside pressures for vested interests.
- Explore feasibility of inter-linkages of members' power-grids to enter into mutually acceptable arrangements for sharing power surpluses to overcome shortages.

Inter-Regional Cooperation

For SAARC to become an effective and useful bloc it needs to focus on economic cooperation and exploring ventures among and between member states. Once the livelihoods and economies are dependent on each other, to an extent the chances of war or confrontation may be reduced. Another important step is to end Indo-Pak rivalry through objective oriented, targeted, indigenously driven and sustained process of dialogue on the basis of equality and mutual respect.

SAARC must also seek closer linkages with other Asian regional organizations, namely, Economic Cooperation Organization (ECO), Association of South East Asian Nations (ASEAN), and Shanghai Cooperation Organization (SCO) and explore areas of common interests for mutually beneficial inter-regional cooperation, especially in trade, energy and transport and communications. Efforts should be made to enhance collaboration with all relevant organizations of the UN system including trade and finance institutions for SAARC's capacity building.

SAARC and Millennium Development Goals

Sustainable development and poverty eradication must remain the over-arching goals of SAARC with Millennium Development Goals (MDGs) integrated into time-bound national development plans and growth strategies. While making efforts to eliminate trade barriers, members must open their markets on the basis of 'fairness and equity,' at the same time ensuring that SAFTA's operations remain linked with region's development strategies. Bilateral trade agreements have not helped the region and presently the trade remains at a dismal three percent (3%). The region's sole predominant economy must make concerted efforts to prevent negative fallout of the free trade arrangement on the smaller states. To enhance Intra-SAARC business and trade, adequate logistic infrastructure is required. Regional banking facilities and mutual certification measures and standards can help expedite intra-regional business transactions. Non-Tariff Barriers are restrictive to trade and not only add to cost but also increase delivery time. To enhance SAARC's capacity to serve as a catalyst in the economic and social development of the region, a South Asia Trade and Development Bank may be established which would also help facilitate SAFTA.

Role of the Non-Governmental Organization (NGOs)

Increased engagement of non-governmental stakeholders, including NGOs, civil society and the private sector in realizing SAARC goals and objectives will help bridge the divide, between the peoples and also give impetus to the process of regional cooperation. SAARC should promote good governance, democracy, political socialization and rule of law as the preferred norms for the region. Private sector participation should be encouraged in regional cooperation projects and take measures to promote mutually beneficial joint ventures. It should also promote freedom of movement, simple visa policy promoting people-to-people contacts, business and cultural exchanges, and linking educational institutions.

Functional Methodology

Decisions in SAARC are contingent upon unanimity. Combined with existing political rivalries, the rigid insistence on unanimity on all decisions makes negotiations a cumbersome exercise often leading to a barely acceptable compromise. It would be useful if unanimity is restricted to vital issues, whereas decisions on other matters may be taken on the basis of simple majority of the total membership provided that the remaining members choose to abstain and/or are not against the decision.

Structural Reinforcement

SAARC's structural reinforcement needs coherent modalities and effective mechanism for follow-up and implementation. Some of the proposed measures are:

A. The highest authority must lie with the heads of state and government who should meet biennially or as and when necessary to provide political impetus to the regional process.

B. SAARC's organizational structure should have fewer but more decisive organs, comprising:

a. A high-level standing body, 'SAARC Troika' comprising the outgoing, the current and the next SAARC Chairmen as its members should be institutionalized as a political mechanism to evaluate and facilitate the implementation of major regional projects and decisions.

b. The Council of Ministers (COM) comprising foreign ministers of member states should continue, meeting twice a year to formulate policies for SAARC, review progress and explore and decide new areas for cooperation.

c. A new ministerial body, 'Regional Planning Council' comprising Finance or Planning Ministers of the member-states should be constituted to prepare and coordinate regional plans, and to review their implementation.

C. Standing Committee with foreign secretaries as its members should continue to operate with the same mandate.

D. A Council of Permanent Representatives (CPR) must be constituted in Kathmandu with SAARC ambassadors to Nepal or any other resident or non-resident official accredited to SAARC Secretariat on behalf of the member states to function as permanent coordinating body for overseeing implementation of SAARC decisions and action plans.

E. The present Technical Committees and any other Committees or ad hoc groups should be abolished. Instead, the CPR should have three Functional Committees (Economic, Social and Cultural) at expert-working level to meet on regular basis at the Secretariat in Kathmandu.

F. SAARC Secretariat should be reinforced as a dynamic and action-oriented organization, like any other international organization, equipped with adequate professional, financial and technological resources as well as requisite operational tools to enable it to "respond effectively and professionally to its increasing responsibilities in promoting regional cooperation in South Asia."

G. As a matter of policy and normal practice, all SAARC meetings, except the Summit and Council of Ministers meetings, should be held at the SAARC Secretariat in Kathmandu unless a member-state specifically offers to host a particular meeting.

SAARC Income Support Program

Abstract Social protection is defined as the set of policies and programs designed to reduce poverty and vulnerability. SAARC should initiate social protection programs to overcome unemployment, exclusion, sickness, disability and old age among female, and other under privileged communities. Inadequate and underdeveloped social protection systems have exposed a large population to high levels of poverty and excessive risk in this region.

SAARC Police System

Police training courses offered by Bangladesh, India and Sri Lanka for 2013 are displayed on the SAARC website under Trainings: SAARC Police Calendar. The Secretariat's website has information concerning trainings, mode of application and deadlines, among others. Police Chiefs

met Chiefs of Police Administrations from member states in the Tenth SAARC Conference on Cooperation in Police Matters in New Delhi on May31. Fifth meeting of the Focal Points of SAARC Terrorist Offences Monitoring Desk (STOMD) and SAARC Drug Offences Monitoring Desk (SDOMD) preceded the first meeting.

The Conference reviewed the progress made in implementing SAARC Regional Convention on Suppression of Terrorism and its Additional Protocol; and the SAARC Regional Convention on Narcotics Drugs and Psychotropic Substances. It discussed possible avenues of cooperation and coordination among police administrations, including issues pertaining to SAARCPOL and SAARC Institute of Criminology, among others. It also reviewed the progress made in establishing a Secure Data Base, aimed at sharing information on a real time basis among all the member states. As recommended in the conference, the SAARC Secretariat plans to publish a calendar, which, among others, will enlist trainings offered by Police Administrations of member states.

SAARC's Media Plans

SAARC Information Centre (SIC) is likely to establish a permanent SAARC television and radio network, and a news agency to improve the flow of information among member states. The idea was discussed in a seminar jointly organized by the SAARC Secretariat, SAARC Information Centre, and the government of Bhutan. SAARC endorsed Bangladesh's proposal for setting up a permanent SAARC News Agency. Bangladesh is expected to submit a concept paper for the setting up of SAARC News Agency as soon as the SIC has made a formal proposal. The government is eager to extend cooperation that would help promote trade, investment and development issues as well as enhance image of SAARC countries, they said.

Objectives of SIC

The representatives of SAARC Information Centre (SIC) have taken a pioneer step towards fostering cooperation among SAARC states by promoting their respective cultures through short documentaries. It would be encouraging and purposeful for the SAARC states to learn from SIC and work towards cooperation and integration for the good of the region.

The SAARC Information Centre (SIC) is the information hub for SAARC countries and its objectives are as follows:

- Act as a nodal agency for collecting information regarding SAARC and its member states
- Work as facilitator in professional matters for print and electronic media
- Coordinate radio and TV programs, facilitate research and conduct training and skill transfer activities.
- Act as Information Bank for SAARC and its member countries
- Cultural exchanges within South Asian region
- To bridge communication gap among all South Asian states
- To encourage write-ups on issues relating to SAARC
- To promote art, education, culture and peace.

Focus on SAARC States' Literature

The SAARC states must focus on promoting its publications and other related literature within

SAARC and around the world. It should allocate substantial funds to organizations which are working under the SAARC banner, projecting, nurturing and strengthening cultural connectivity. SAARC Secretariat should realize the importance of writers' work. The Foundation of SAARC Writers and Literature (FOSWAL) is the only organization in the eight SAARC countries legally authorized to organize seminars, conferences, literary and cultural festivals etc. for SAARC.

Answering Questions

SAARC's lack of productive and effective regional organization raises many questions such as:
Has SAARC achieved anything in nearly three decades of its existence? Why has it remained non-productive in almost all the areas? Why does SAARC not have regional human rights mechanisms? More importantly can a region so politically, socially, and economically volatile afford to ignore such an important issue? Can there be enough harmony in national and regime interests to promote cooperation, trust, and mutual confidence among the powers of the region? The very diversity of South Asia demands gradual implementation of conceptual steps towards a distinct regional identity. One such conceptualization could well be the establishment of a SAARC regional human rights mechanism.

Meetings with leaders

Sri Lankan General

Sri Lanka defeated terrorism and brought peace to its country. The war killed nearly 100,000 people from among the Sinhalese Buddhists and the Hindu Tamils and suffered daring and deadly suicide attacks on its people and sensitive installations.

In an exclusive interview to the Express Tribune former chief of the Sri Lankan army General Srilal Weerasooriya said Sri Lanka understands Pakistan's desire to put an end to terrorism on its soil but fighting against its homegrown militants is the only guarantee for peace in Pakistan. His close association with several Pakistani generals, particularly Gen (R) Pervez Musharraf has helped him understand Pakistan's politics and security threats faced by the region.

Weerasooriya, while recognizing Pakistan's military as the best disciplined force in South Asia, underscored the need for Pakistan to stop foreigners from infiltrating from the Durand Line – its porous border with Afghanistan. He urged Russia and China to play a role in peace-building in the region while suggesting that the Sri Lankan army could assist Pakistan in the war against insurgency. Some of the tactics that proved successful on the island could work here. For example, the Sri Lankan army set aside a series of ―no-fire zones and told civilians to assemble there before it repeatedly shelled insurgents. However, he cautioned that Pakistan's volatile areas were challenges that were very dissimilar to that of Sri Lanka.
The general, who also served as ambassador to Pakistan from 2002 to 2007, felt that Musharraf could have worked with the extremists as various military generals, particularly from the ISI, were major players in his cabinet to help change their mindset.

The Sri Lankan general had an interesting meeting with Ex-President Musharraf in 1999 just hours before the COAS was to take a flight back home from Colombo on October 12. Weerasooriya said that he had hinted about his uneasy relations with the then Prime Minister Nawaz Sharif and

suspected that the coup was premeditated. On militancy, Weerasooriya was quite clear that Pakistan cannot deal with militancy unless it stops infiltration in neighboring territory. He also like General Ashok Mehta predicted security problems in the region after the withdrawal of US forces from Afghanistan and its consequence on militancy in Pakistan. The two army men were unanimous in their views that Pakistan should work for a durable peace in the region and that Russia and Iran also has a role to play in this regard. General Weerasooriya, suggested that the Pakistan military, should promote de-radicalization to cope with the militancy particularly in Balochistan and thanked the Pakistan military for helping the Sri Lankan Army defeat the Tamil Tigers. General Weerasooriya said in a meeting that South Asian region needs to establish a police unit under the umbrella of SAARC to promote peace in the volatile regions.

General (retd) Pervez Musharraf

Former Chief of Army Staff General (retd) Pervez Musharraf said in a meeting that Pakistan Army is keen to promote SAARC and New Delhi and Islamabad should take the lead in this regard. According to him the disputes that breed religious fundamentalism should be resolved and socio-economic development should be prioritized. In this connection, he had proposed several agreements to promote trade ties to with India in 2007 and had invited Indian Prime Minister Manmohan Singh to visit Pakistan in 2007 and sign the agreements. But the visit and agreements did not materialize.

He stressed for greater flow of people and trade between the two countries to create enduring peace. Adding that intelligence agencies of both countries should stay away from damaging activities. Commenting on the withdrawal of foreign troops from Afghanistan, President Musharraf warned India against trying to create an anti-Islamabad Afghanistan and underlined that both India and Pakistan "should stop proxy war" in Afghanistan.

Mirwaiz Umar Farooq

Mirwaiz Umar Farooq of All Parties Hurriyat Conference (APHC) appealed to Islamabad and New Delhi, “to open the border in the disputed Himalayan region, permit free movement of Kashmiris and allow the peace process to move forward.” He called on the two states to withdraw their forces from Kashmir Valley and allow trade ties to develop for the betterment of the people. He also wanted that people of Kashmir should be made part of the peace process because according to him “it was not a dispute between just India and Pakistan. No solution without the involvement of Kashmiris will be acceptable to us as we are an important party in the Kashmir dispute.”

Imran Khan

Chairman Pakistan Tehreek-i-Insaf (PTI), Imran Khan favors improved business ties between India and Pakistan. Speaking in Islamabad in the presence of Mirwaiz Khan who he had invited, Imran said, “India and Pakistan cannot come closer until the issue of Kashmir is resolved,” and endorsed troop pullout from Indian administered Kashmir. “Demilitarization is the only way to restore peace in Kashmir,” he added. According to him, Kashmir issue has not been resolved because of lack of powerful leadership in the two countries and hoped that India will show flexibility and consider the voice of the people who are taking to the streets against its military aggression. He said, “If my party

comes into power I will put dialogue on top of my party agenda."

Conclusion

Peace, democracy and development are mutually reinforcing and must, therefore, be pursued together by SAARC countries. Macroeconomic stability, market access, debt relief, capital flows, Official Development Assistance (ODA) and above all, fair and just treatment by international financial and monetary institutions are important to eradicate poverty and promote sustainable development.

South Asia is rich in natural and human resources and technological skills. What is needed is the will and capacity to harness the resources and to capitalize on the multidimensional potential through regional cooperation based on mutual advantage. The first step is to identify areas of common potential, and to establish a reliable economic inventory of the region in a well-planned SAARC Data Bank. Special efforts in regional cooperation should be concentrated in three priority areas, namely, trade, energy, and services sectors for the next ten years. Cooperation in already agreed activities must continue depending on their feasibility and viability. The activities should however, be consolidated and streamlined. Meanwhile, at this stage, no new programs and projects should be undertaken other than the above-mentioned three priority areas.

The success and sustainability of SAARC as a regional bloc entirely depends on resolution of bilateral conflicts and with consensus on one point agenda of 'peace' in the region. It is important for all the SAARC members to work towards peace and harmony which would then lead to prosperity and progress which is the key to the betterment of the region and out future generations.

Visits/Tours

The author visited a number of cities in India, Pakistan, Nepal and Sri Lanka while researching for his paper:

Pakistan

The author traveled all over Pakistan particularly major cities; Islamabad, Karachi, Quetta, Gawadar Port, Lahore, Bahawalpur, Multan, and Sialkot and Line of Control.

India

He visited Punjab, Haryana, New Delhi, New Delhi International Club, SAARC Centre and Pakistan High Commission to India. He met Vinod Mehta, Editor-in- Chief, Magazine Outlook, former Indian General Ashok Mehta, Indian MP Mani Shankar and Professors of University of New Delhi, Editor-in-Chief Down to Earth Sunita Nairain, Dr. Dhananjay of Department of International Relations, Professors of South Asian University New Delhi.

Sri Lanka

The author visited Colombo, SAARC Cultural Office, and Pakistan High Commission to Sri Lanka, Sri Lankan Ministry of External Affairs, National Museum and Lakshman Kadirgamar Institute for International Relations and Strategic Studies. In Sri Lanka he discussed the idea of forming SAARC regional police to curb corruption, smuggling and to maintain peace in the region with concerned officials. He met Sri Lankan former Army Chief General (retd) Weerasooriya, Sri Lankan MPs

Professor Rajiva, Ajith Perero and Professors of University of Colombo.

Nepal

He visited Kathmandu to learn about Nepalese culture and role of SAARC Information Centre in promoting South Asian cultures. He met Information Minister of Nepal to explore opportunities for promoting tourism in Nepal and Pakistan.

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Meetings/Sittings
Former Prime Ministers Syed Yousaf Raza Gilani and Raja Pervez Ashraf
Former Chief of Army Staff President Pervez Musharraf
Former Director General Inter-Services Intelligence Lt General (retd) Hameed Gul
Former Chief of Army Staff General Weerasooriya
Major General (retd) Ashok Mehta
Lt General (retd) Talat Masood
Former Foreign Minister of Pakistan Hina Rabbani Khar
Jammu Kashmir Liberation Front Chief, Yasin Malik
All Parties Hurriyat Conference (APHC) Mirwaiz Umar Farooq
Chief of Jamiat Ulema-e-Islam (Fazl) Fazl-ur-Rehman
Jamaat-e-Islami leader (late) Qazi Hussain Ahmed
Senior Vice President Awami National Party Senator Haji Adil
Secretary General Pakistan Muslim League-Q, Senator Mushahid Hussain
Chairperson NA Committee on Foreign Affairs MNA Palwasha Khan
Pakistan Muslim League-Nawaz Leader Chaudhry Nisar Ali Khan
PML-N leader Tariq Azim Khan
PML-leader Pervez Rashid
Pakistan Tehreek-e-Insaf leader Dr Shireen Mazari
PTI leader Shah Mehmood Qureshi
Awami Muslim League Chief Sheikh Rashid
Former Foreign Minister Khurshid Mehmood Kasuri
Jamaat-ud-Dawa Chief Hafiz Saeed Ahmed
Indian Ambassador to Pakistan Mr. Sabharwal
Pakistan Ambassador to India Shahid Malik
Pakistan acting Ambassador to Sri Lanka
Sri Lankan Political First Secretary to Pakistan
Interior Minister of Pakistan Rehman Malik
Afghan Ambassador to Pakistan
Researchers, Journalists, Lawmakers, Writers, Politicians, etc
Members of chambers of commerce of Punjab and Haryana
Kamran Rehman, Senior Journalist, Islamabad, Pakistan
Ex-Ambassadors BA Malik, Shamshad Ahmed, Tariq Fatmi & Riaz Khokar
Muhammad Ziauddin, Executive Editor, The Express Tribune

Vice Chancellor Quaid-e-Azam University Yasin Masoomzai
Editors Times of India
Barkha Datt, Senior Indian Journalist
Mr Samarrasinghe, Director SAARC Sri Lankan Cultural Centre
Ajith Perero, MP Sri Lankan Parliament
Prof Rajiva, MP Sri Lankan Parliament
Mrs Rajapakse, Director General SAARC Sri Lanka
Prof. Navnita Chadha, University of Delhi
Ahmer Bilal Soofi, former Law Minister Pakistan
Haroon Rashid, Editor BBC Urdu Service Pakistan
Friday Times'Editor-in-Chief Najam Sethi
Advisor on Finance Pakistan Ashfaque Ahmed Khan
Former Ambassador of Pakistan to Maldives BA Malik
Former Ambassador of Pakistan to India Shahid Malik
Senior Director at Jinnah Institute of Research Raza Rumi
Muhammad Malick, Group Editor Dunya News
Director General Radio Pakistan Ms. Samina Parvez
Nayani Melegoda, Head of International Relations University of Colombo
Rauf Klasra, Editor Investigation Dunya News
Kamal Siddiqi, Editor, The Express Tribune
Prof Ajantha, Head of Journalism Unit University of Colombo
Afzal Bajwa, Editor Investigation Pakistan Observer
Irfan Shahzad, Senior Islamabad based Researcher
Amir Mateen, Senior Pakistan Journalist
Arifa Noor, Resident Editor Daily Dawn
Nusrat Javed, Senior Journalist
Imtiaz Alam, Secretary General SAFMA
Naveed Hussain, Editor National Desk, The Express Tribune
Murtaza Solangi, former Director General Radio Pakistan
Zia Khan, Senior Pakistan Correspondent for DPA

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Read more by Zahid here, or follow him on Twitter @ZahidGishkori
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