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South Asian Association for Regional Cooperation (SAARC)

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The South Asian Association for Regional Cooperation (SAARC) was established with the signing of the **SAARC Charter** in Dhaka on 8 December 1985.

The idea of regional cooperation in South Asia was first raised in November 1980. After consultations, the foreign secretaries of the seven founding countries—Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka—met for the first time in Colombo in April 1981.

- Afghanistan became the newest member of SAARC at the 13th annual summit in 2005.
- The **Headquarters and Secretariat** of the Association are at **Kathmandu, Nepal**.

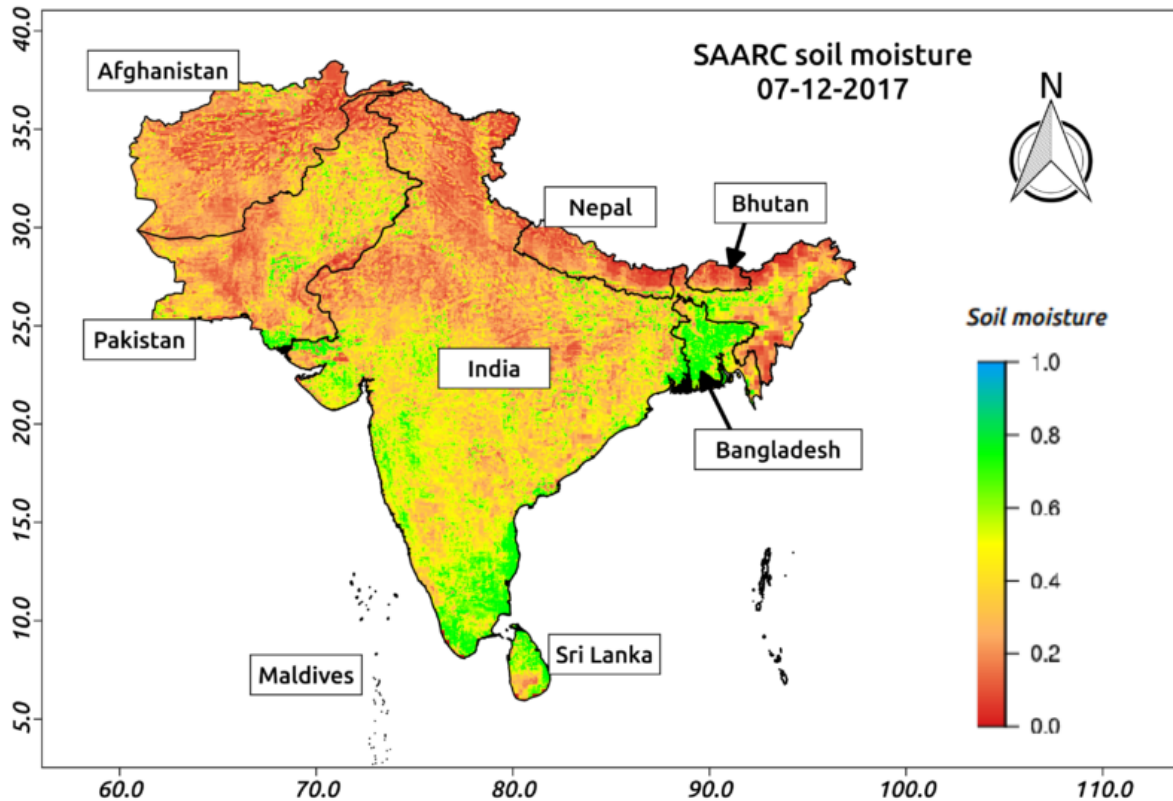
Principles

Cooperation within the framework of the SAARC shall be based on:

- Respect for the principles of **sovereign equality, territorial integrity, political independence, non-interference** in the internal affairs of other States and mutual benefit.
- Such cooperation shall not be a substitute for bilateral and multilateral cooperation but shall complement them.
- Such cooperation shall not be inconsistent with bilateral and multilateral obligations.

Members of SAARC

- SAARC comprises of eight member States:



- Afghanistan
- Bangladesh
- Bhutan
- India
- Maldives
- Nepal
- Pakistan
- Sri Lanka
- There are currently nine Observers to SAARC, namely: (i) Australia; (ii) China; (iii) the European Union; (iv) Iran; (v) Japan; (vi) the Republic of Korea; (vii) Mauritius; (viii) Myanmar; and (ix) the United States of America.

Areas of Cooperation

- Human Resource Development and Tourism
- Agriculture and Rural Development
- Environment, Natural Disasters and Biotechnology
- Economic, Trade and Finance
- Social Affairs
- Information and Poverty Alleviation
- Energy, Transport, Science and Technology
- Education, Security and Culture and Others

The Objectives of the SAARC

- To **promote the welfare** of the people of South Asia and to improve their quality of life.
- To **accelerate economic growth**, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realize their full potentials.
- To **promote and strengthen collective self-reliance** among the countries of South Asia.
- To **contribute to mutual trust**, understanding and appreciation of one another's problems..
- To **promote active collaboration** and mutual assistance in the economic, social, cultural, technical and scientific fields.
- **To strengthen cooperation with other developing countries.**
- To **strengthen cooperation among themselves in international forums** on matters of common interests; and
- To cooperate with international and regional organizations with similar aims and purposes.

Principal Organs

- **Meeting of Heads of State or Government**
Meetings are held at the Summit level, usually on an annual basis.
- **Standing Committee of Foreign Secretaries**
The Committee provides overall monitoring and coordination, determines priorities, mobilizes resources, and approves projects and financing.
- **Secretariat**
 - The SAARC Secretariat was established in Kathmandu on 16 January 1987. Its role is to coordinate and monitor the implementation of SAARC activities, service the meetings of the association and serve as a channel of communication between SAARC and other international organizations.
 - The Secretariat comprises the secretary-general, seven directors, and the general services staff. The secretary-general is appointed by the Council of Ministers on the principle of rotation, for a non-renewable tenure of three years.

SAARC Specialized Bodies

- **SAARC Development Fund (SDF):** Its primary objective is funding of project-based collaboration in social sectors such as poverty alleviation, development, etc.
SDF is governed by a Board consisting of representatives from the Ministry of Finance of the Member States. The Governing Council of SDF (Finance Ministers of MSs) oversees the functioning of the Board.

- **South Asian University**
South Asian University (SAU) is an international university, located in India. Degrees and Certificates awarded by the SAU are at par with the respective Degrees and Certificates awarded by the National Universities/ Institutions.
- **South Asian Regional Standards Organization**
 - **South Asian Regional Standards Organization (SARSO)** has its Secretariat at **Dhaka, Bangladesh**.
 - It was established **to achieve and enhance coordination and cooperation among SAARC member states** in the fields of standardization and conformity assessment and is aimed to develop harmonized Standards for the region to facilitate intra-regional trade and to have access in the global market.
- **SAARC Arbitration Council**
It is an **inter-governmental body** having its office in **Pakistan** is mandated to provide a legal framework/forum within the region for fair and efficient settlement of commercial, industrial, trade, banking, investment and such other disputes, as may be referred to it by the member states and their people.

SAARC and its Importance

- SAARC **comprises 3% of the world's area, 21% of the world's population and 3.8% (US\$2.9 trillion) of the global economy**.
- **Creating synergies:** It is the world's most densely populated region and one of the most fertile areas. SAARC countries have common tradition, dress, food and culture and political aspects thereby synergizing their actions.
- **Common solutions:** All the SAARC countries have common problems and issues like poverty, illiteracy, malnutrition, natural disasters, internal conflicts, industrial and technological backwardness, low GDP and poor socio-economic condition and uplift their living standards thereby creating common areas of development and progress having common solutions.

SAARC Achievements

- **Free Trade Area (FTA):** SAARC is comparatively a new organization in the global arena. The member countries have established a **Free Trade Area (FTA)** which will increase their internal trade and lessen the trade gap of some states considerably.
- **SAPTA: South Asia Preferential Trading Agreement** for promoting trade amongst the member countries came into effect in 1995.
- **SAFTA: A Free Trade Agreement** confined to goods, but excluding all services like information technology. Agreement was signed to reduce customs duties of all traded goods to zero by the year 2016.
- **SAARC Agreement on Trade in Services (SATIS):** SATIS is following the GATS-plus 'positive list' approach for trade in services liberalization.

- **SAARC University:** Establish a SAARC university in India, a food bank and also an energy reserve in Pakistan.

Significance for India

- **Neighbourhood first:** Primacy to the country's immediate neighbours.
- **Geostrategic significance:** Can counter China (OBOR initiative) through engaging Nepal, Bhutan, the Maldives and Sri Lanka in development process and economic cooperation.
- **Regional stability:** SAARC can help in creation of mutual trust and peace within the region.
- **Global leadership role:** It offers India a platform to showcase its leadership in the region by taking up extra responsibilities.
- **Game changer for India's Act East Policy:** by linking South Asian economies with South East Asian will bring further economic integration and prosperity to India mainly in the Services Sector.

Challenges

- **Low frequency of meetings:** More engagement is required by the member states and instead of biennial meetings should be held annually.
- **Broad area of cooperation** leads to diversion of energy and resources.
- **Limitation in SAFTA:** The implementation of SAFTA has not been satisfactory a Free Trade Agreement confined to goods, excluding all services like information technology.
- **Indo-Pak Relations:** Escalated tension and conflict between India and Pakistan have severely hampered the prospects of SAARC.

Way Forward

- In a region increasingly targeted by Chinese investment and loans, SAARC could be a common platform to demand more sustainable alternatives for development, or to oppose trade tariffs together, or to demand better terms for South Asian labour around the world.
- SAARC, as an organisation, reflects the South Asian identity of the countries, historically and contemporarily. This is a naturally made geographical identity. Equally, there is a cultural, linguistic, religious and culinary affinity that defines South Asia.
- The potential of organisation to maintain peace and stability in the region should be explored by all the member countries.
- SAARC should be allowed to progress naturally and the people of South Asia, who make up a quarter of the world's population should be offered more people-to-people contact.