

SAARC- South Asian Association for Regional Cooperation

[UPSC Notes]

What is SAARC?

SAARC is the acronym for South Asian Association for Regional Cooperation, which was established on December 8, 1985, when eight countries – Afghanistan, Bangladesh, Bhutan, Pakistan, Sri Lanka, Maldives, Nepal, and India signed the charter in Dhaka. The SAARC headquarters are located in Kathmandu, Nepal. Mr. Weerakoon, a Sri Lankan diplomat, is the 14th Secretary-General of the SAARC. He assumed charge in March, 2020.

SAARC summits are usually held biennially and hosted by member states in alphabetical order. The member state hosting the summit assumes the Chair of the Association.

Functions of SAARC

The functions of SAARC, as defined in its charter, are as follows:

- To promote the welfare of the South Asian population by improving their quality of life.
- It helps to boost economic growth, cultural development, and social progress and allows each and every individual to live their life with full dignity and potential.
- To strengthen and promote the concept of self-sustenance among South Asian countries.
- To help the member countries develop coordination and cooperation with other developing countries.

Members of SAARC

There are 8 founding members and 9 observer members of the SAARC:

Founding Members

The 8 founding members are-

1. India
2. Afghanistan
3. Bangladesh
4. Bhutan
5. Nepal
6. Pakistan
7. Sri Lanka

8. The Maldives

Observer Members

There are currently nine Observers to SAARC, namely:

1. Australia
2. China
3. EU
4. Japan
5. Mauritius
6. Iran
7. Republic of Korea
8. Myanmar
9. The United States

Principles of SAARC

The cooperation within the framework of the SAARC states that:

- The principles of sovereign equality, territorial integrity, non-interference in the affairs of other states, and political independence are to be respected.
- Bilateral and multilateral cooperation is not to be replaced by such corporations, but it should be a component of their own.
- Such corporations won't be inconsistent with multilateral and bilateral obligations.

Objectives of SAARC

The objectives of SAARC according to the Charter are:

- To improve the quality of life of people in South Asia.
- Providing every individual with the opportunity to live with dignity and fulfil their potential by accelerating economic growth and cultural development in the region and maintaining social progress.
- To strengthen and promote South Asia's collective self-reliance.
- To improve mutual trust and understanding among the member countries and appreciate the solution to the problems.
- Actively promote mutual assistance and cooperation in the fields of the economy, society, technology, and culture.

Specialised bodies of SAARC

The member countries of SAARC have collectively constituted four specialized bodies of SAARC. The following are the specialized bodies of SAARC-

- **SAARC Arbitration Council- Pakistan:** This is an intergovernmental body which is based in Pakistan to perform legal work within the region to provide a fair settlement of industrial trade, commercial banking, or any other dispute.
- **SAARC development fund- Bhutan:** It is a Bhutan-based funding body whose primary purpose is to fund collaborations in social sectors like development and poverty reduction.

- **South Asian University- India:** The South Asian University is situated in India, where the degrees and certificates are awarded by the South Asian University.
- **South Asian Regional Standard Organisation- Dhaka:** The South Asian regional standards organization is based in Dhaka. It was established to enhance and achieve cooperation and coordination among the member countries to develop harmony within the region in order to facilitate inter-regional trade and access to the global market.

Achievements of SAARC

SAARC is accredited with the following achievements of launching:

- **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.
- **SAPTA:** South Asia Preferential Trading Agreement for promoting trade amongst the member countries came into effect in 1995.
- **SAFTA:** A South Asia Free Trade Agreement confined to goods, but excluding all services like information technology was signed to reduce customs duties of all traded goods to zero by the year 2016.
- **Free Trade Area (FTA):** 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.

Importance of SAARC

As the largest regional cooperation organisation, SAARC's importance in stabilising and effectively transforming the region is becoming increasingly self-evident. Other than this, SAARC holds the following importance:

- The SAARC is a very important body as it consists of 21% of the world's population, 3% of the world area, and 3.8% of the global economy, which is equal to 2.9 trillion US dollars.
- There is a synergy among the member countries of SAARC as they have some common grounds in tradition, dress, food, and political viewpoints.
- SAARC countries have some very common problems among themselves, like poverty, technology, backwardness, illiteracy, malnutrition, employment, industrial backwardness, poor GDP, socio-economic conditions, etc. These can be sorted at this level by welcoming some common solutions provided by the member countries.
- SAARC has made significant contributions to the development of civil society and track-two initiatives.
- SAARC members are among the top troop-contributing countries to UN peacekeeping missions. With the US withdrawal from Afghanistan, a joint peacekeeping force from the SAARC region under the UN aegis could be explored to fill the power vacuum that would otherwise be filled by terrorist and extremist forces.

Importance of SAARC for India

SAARC holds a geostrategic significance for India. It can counter China's OBOR initiative by engaging Nepal, Bhutan, the Maldives and Sri Lanka in the development process and economic cooperation. It offers India a platform to showcase its leadership in the region by taking up extra responsibilities.

SAARC will be a game-changer for India's Act East Policy as linking South Asian economies with South-East Asian will bring further economic integration and prosperity to India mainly, focussing specifically on the services Sector. SAARC will thus provide primacy to the country's immediate neighbours and can help in the creation of mutual trust and peace within the region.

Challenges to SAARC

The first and most important challenge that SAARC is facing is the continuous tensions between India and Pakistan over the issue of Kashmir, which is directly hampering the likelihood of SAARC. Other than this, other challenges include:

- The annual meeting frequency of SAARC is considerably low. Ideally, the members of SAARC should get engaged on a common platform at least twice annually.
- Because of the broad range of cooperation, energy, and resources get diverted.
- There has been a lack of satisfactory implementation of the SAARC free trade agreement.