

# South Asia Wants To Get Its House in Order

by Ramtanu Maitra

Exhibiting a fresh attitude to cooperate for mutual benefit, the South Asian nations held what observers described as a “landmark” summit in Islamabad, Pakistan on Jan. 4-5. The summit shows the potential to pave the way for developing a regional common market and to bring peace among the South Asian nations.

In the 18 years since the inception of the South Asian Association of Regional Countries (SAARC)—consisting of India, Pakistan, Bangladesh, Sri Lanka, Nepal, and Maldives—this is the first time that the nations came together with the expectation of achieving some breakthroughs.

## Indian Leadership

Addressing the summit, Indian Prime Minister Atal Behari Vajpayee, the eldest politician in the group and representing the most populous and powerful nation in the SAARC, made an impassioned appeal for improving South Asia’s image and standing in the world. “We must make the bold transition from mistrust to trust, from discord to concord, and from tension to peace,” he said.

Pointing out that the SAARC countries had the potential, talent, and resources to make South Asia an economic powerhouse, Vajpayee said, “We only need the necessary political will to make this happen.” “History can remind us, guide us, teach us, or warn us; it should not shackle us. We have to look forward now, with a collective approach in mind,” he emphasized.

Bangladesh Prime Minister Khaleda Zia identified six potential sectors for economic development in South Asia by curbing terrorism, crime, and drug abuse, and by promoting the region as a common investment zone for the world.

The optimism that prevailed was best expressed by Indian External Affairs Minister Yashwant Sinha, who had labored hard with his Pakistani counterpart, Khurshid Mahmud Kasuri. Sinha told the SAARC Journalists Summit on Jan. 3: “I have absolutely no hesitation in saying that the winds of change are blowing in the SAARC region. In Islamabad, I have a sense of history. . . . Agreements have been reached on the issues that were considered not only as conflicts, but also perhaps impossible.”

## Regional Trade Area

The most remarkable part of the agreement reached at the Islamabad summit was the drafting of an accord for a South Asian Free Trade Area. Unlike “free trade” agreements between countries of very different economic and technological levels (such as the North American Free Trade Agreement, NAFTA), this accord would not drive down production and living standards, but would function as a common market, in which the member nations would trade with one another on a preferential basis, in the interests of all. From Jan. 1, 2006, the seven states will begin dropping their tariffs to 0-5%. Deadlines for implementing the tariff regime will differ according to respective states’ economic strength and domestic economic conditions.

South Asia is home to a fifth of the world’s population, and nearly half its poor have an average income of \$450 per year. Despite such dire need for economic development in the region as a whole, SAARC has been afflicted with a history of mistrust and suspicion among its members.

Last year’s summit was cancelled when Indian Prime Minister Vajpayee refused to travel to Pakistan because of bilateral tensions. This year, however, he chose to make this historic journey to Islamabad to take part in the summit, eight months after kick-starting fresh peace moves with a “hand of friendship” offer to Pakistan.

The trip, his first since 1999, marks the first visit by an Indian leader to Pakistan since their near-war confrontation less than two years ago. There is little doubt that it was the emergence of India as a major power in Asia, and the Indian Prime Minister establishing himself amongst a handful of top world leaders, that led to the successful summit.

## The India-China Factor

In recent months, India has widened its economic and political relationship with China, and the two are now involved in working out a framework to demarcate the India-China disputed border in the Himalayas. The non-demarcated border, a legacy of the British Raj, was earlier considered a non-resolvable dispute between the two countries. Most Western analysts have said over the years that friendly relations between India and China can advance only up to a point, but would always get stuck on the border dispute.

But after Vajpayee’s visit to China last June, very high-level envoys were appointed by both nations to work out a framework to resolve the dispute. From all available reports, the progress in this area is phenomenal.

With India and China willing to cooperate and expand economic and technological influence well beyond their geographical boundaries, a sea-change has come about in the attitude of the smaller nations in Southeast and South Asia, toward both India and China, and among themselves as well.

In South Asia itself, India has worked out preferential trade with Sri Lanka and Nepal, and is in the process of doing

so with Bangladesh. India has also brought together a cooperative grouping, BIMST-EC (Bangladesh, India, Myanmar, Sri Lanka, Thailand-Economic Cooperation), which embraces nations beyond South Asia. India is playing an active role in developing the infrastructure which would land-link the Indian subcontinent to Indochina. That east-west route, once it finds its way through Pakistan, would link up the South China Sea to Iran, and beyond to Europe.

These developments have created an atmosphere of friendship among the participating nations and had a very positive effect on the 12th SAARC summit.

### Security Quagmire

What still haunts the South Asian countries is the security situation, left over from the Cold War days. Sandwiched between massive opium fields in the east and the west of the subcontinent, South Asia had been inflicted with insurgencies, separatist movements, and pure lawlessness. In recent years, particularly since 9/11, the lawlessness of the militant Islamic groups in the west of Pakistan in particular, has added yet another dimension to South Asia's insecurity. Days before the SAARC summit was held, Bhutan, with its army led by King Jigme Wangchuk himself, had dismantled the anti-India insurgency camps within its territory and handed over a large number of rebels to the Indian government. There are also indications that at the request of India, similar actions have been launched by Myanmar, to drive out the anti-India rebels who had set up their camps in northwest Myanmar.

Some claim that a serious economic development program would improve the security situation. But, ground realities indicate (as has become clear in Afghanistan) that economic and infrastructural developments would remain highly vulnerable, at the mercy of insurgents, if these insurgents are not removed or politically neutralized.

The most volatile of these security issues is the dispute over the claim of the state of Jammu and Kashmir. Both India and Pakistan claim the state, and they have fought two wars over Kashmir. The 55-year-old dispute has given rise to a massive number of terrorist groups, and more than 50,000 people have died in the India-held part of Kashmir at the hands of the terrorists and the Indian military. Nonetheless, Pakistan continues to infiltrate militants inside the Indian part of Kashmir and openly encourages *jihad* within Kashmir.

Over the years, the SAARC became a victim of the Kashmir dispute. Although the group's charter does not allow Kashmir to be brought up in the multilateral forum, Pakistan steadfastly did so, to draw India's ire and make the forum useless. This time around, however, Islamabad's willingness to make the SAARC forum a success stems from its realization that India is moving ahead economically and politically, despite Pakistan's best efforts.

Writing recently in the Pakistani news daily *The Dawn*, Iqbal Haider, a former Pakistani Cabinet Minister, pointed

out that "the so-called *jihad* could not force India to budge an inch, or motivate any country, including our closest allies, to pressure India to resolve the issue peacefully. Nor was the Indian economy or its image damaged in any significant manner. . . . On the contrary, Pakistan was on the verge of being declared a 'terrorist state'; our economy continued to suffer, and religious extremism spread like a plague in Pakistan and brutalized our society."

What Iqbal Haider meant is that the militant groups that have been allowed to grow within Pakistan, became a menace to Pakistan's stability. During December, two serious assassination attempts were made on Pakistani President Musharraf's life. The assailants were none other than the very militants who also oppose improvement of India-Pakistan relations.

### India-Pakistan Bilateral Talks

Sri Lankan President Mrs. Chandrika Kumaratunga, whose country has been ravaged by the Tamil secessionist terrorists for the last 20 years, hailed the recent thaw in Indo-Pakistan relations, saying that their efforts to reduce tensions had infused the summit with a renewed sense of purpose and vigor.

On the sidelines, while the SAARC summit was in progress, Pakistani President Pervez Musharraf and Indian Prime Minister Vajpayee met to discuss bilateral issues. Although a section of the media, and many analysts, were claiming that a solution of the Kashmir dispute is in the offing following these discussions, the intent for holding the discussions was something different. What the two leaders agreed upon is to start a "composite dialogue" which encompasses all the bilateral disputes between India and Pakistan, including Kashmir.

For the South Asian region, an improvement in India-Pakistan relations would provide a great boost. To expect a solution to the Kashmir dispute around the corner is naive, and is not an essential ingredient at this point in time.

The internal security situation in Pakistan is highly unstable. While some of this is associated with the Kashmir dispute, probably more is related to what is happening in Afghanistan. From the look of things on the ground, it is unlikely that the Afghan situation would improve over the next few months. That means that Pakistan will have to keep its attention focused to neutralize the militants operating along the Pakistan-Afghanistan border.

Meanwhile, India will be holding general elections in a few months. It is highly unlikely that such a monumental event as the resolution of the 55-year-old Kashmir dispute could take place in this context. Prime Minister Vajpayee is also involved in working out a resolution of the India-China border dispute. There is no doubt that negotiations have advanced significantly in this area, and resolution of that dispute will remain the goal of Atal Behari Vajpayee in the coming days.