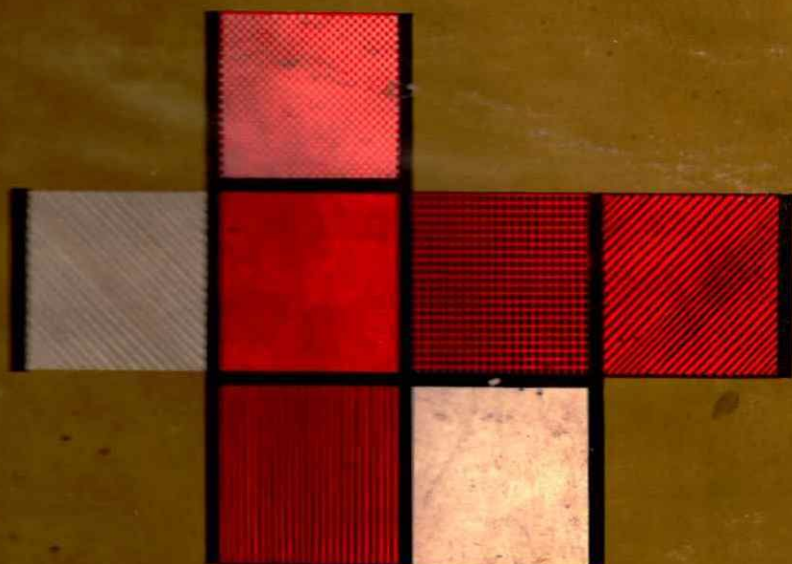


SOUTH ASIAN REGIONAL COOPERATION

**A SOCIO-ECONOMIC APPROACH TO
PEACE AND STABILITY**



**EDITED BY
M ABDUL HAFIZ
IFTEKHARUZZAMAN**

The problems of peace and stability in South Asia on the one hand and on-going efforts for regional cooperation among the countries of the region on the other and the interactions between the two are the subject of this volume. What SARC is and what it is not as an organisation for regional cooperation? What are the internal and external dimensions of the problems of peace and stability in South Asia? How regional cooperation can contribute towards ensuring lasting peace and stability in the region? What are the lessons in these respects available to SARC from the experiences of regional cooperation elsewhere in the world? These are broadly the main issues dealt with in the collection.

The book brings together a cluster of thoughts and ideas representing a cross-section of nationally and internationally reputed scholars on the subject. It will not only be of immense help to students, academicians, researchers and men of public affairs interested in contemporary socio-politico-economic problems of South Asia and prospects of peace and stability in the region but will also provide a valuable reference material for further research on the subject.

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**COLLECTION OF PAPERS
PRESENTED AT THE INTERNATIONAL
CONFERENCE ON
"SOUTH ASIAN REGIONAL COOPERATION :
A SOCIO-ECONOMIC APPROACH
TO PEACE AND STABILITY IN SOUTH ASIA"**

**SPONSORED AND ORGANISED BY
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AND STRATEGIC STUDIES**

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FOREWORD

The International Conference on South Asian Regional Cooperation held in Dhaka during 14-16 January 1985 under the aegis of the Bangladesh Institute of International and Strategic Studies was an important event, and, by all accounts was successful in generating a great deal of public interest in the SARC within and outside Bangladesh.

This Conference was unique in two respects. It was the first endeavour to involve scholars and specialists in a discussion in depth on the SARC in an atmosphere of academic freedom and objectivity. In the second place, the participants were drawn not only from the member-states of the SARC, but also from other regions in Asia, Europe and North America.

The participants came from different professions. They were distinguished scholars, diplomats, jurists, journalists and men of public affairs. The wealth of their experience, expertise and also knowledge and insights in respect of other regional systems vastly enriched the deliberations of the Conference. It also provided an intellectual input of inestimable value in carrying forward the objectives of the SARC.

The present volume includes the proceedings of the Conference and will hopefully be of interest and use to all those who are interested in the SARC and regional systems of cooperation.

I congratulate the Director-General and members of the Faculty associated with planning, editing and publication of the volume on their commendable work. I also wish to thank all others who helped in bringing out this publication.

Dhaka,
20 May, 1985

Muhammad Shamsul Huq
Chairman
Board of Governors
BIISS

INTRODUCTION

Gains from regional cooperation for socio-economic development are well known and over the years of history countries have united their efforts in different forms in pursuance of shared objectives of growth. The emergence of South Asian Regional Cooperation (SARC) fits well within the general framework of collective efforts of nations for economic development. The roots of SARC lie in an underlying realisation that this would benefit socially and economically the peoples of the region irrespective of existing divergences in political, social and economic performances of the individual countries.

Mutual gains on the socio-economic front are, however, a part of the impacts of regional co-operation and themselves may be catalytic in generating extra-economic benefits including regional peace and stability. This is of immense significance in the context of South Asia, a region which may be characterised by anything but stability. The history of inter-state relations in South Asia during the post-war period has been one of mutual mistrust and misperception, endemic suspicion and tension and occasional enmities and hostilities which have in turn militated against the desperately needed development of the countries of the region.

The problems of peace and stability in South Asia are symptomatic of the divergent images of the countries of the region about each other which are sketched by deep-rooted misperceptions and mutual mistrust which also shape the politico-strategic divides and rivalries in the region. The problems have their roots in the historical past as well as the existing disparity in the region-structure in terms of size, resources and other power-potentials of the component countries. Another source of problems is the domestic politico-economic instability which undermines the ongoing nation-building efforts of the countries. In addition,

there are a number of outstanding specific issues of bilateral discord. All these severely pollute inter-state relations, the major part of which owe their origin from the perceived rather than real nature of mutual behaviour and posture via-a-vis each other.

In this context the problems of peace and stability in South Asia on the one hand and its on-going efforts for regional co-operation on the other and the interactions between the two are the subject of this volume. What SARC is and what it is not as an organisation for regional cooperation ? What are the internal and external dimensions of the problems of peace and stability in South Asia ? How regional cooperation can contribute towards ensuring lasting peace and stability in the region ? What are the lessons in these respects available to SARC from the experiences of regional cooperation elsewhere in the world ? These are broadly the main issues dealt with in the collection. The papers contained in the book were presented during an international conference sponsored and organised by the Bangladesh Institute of International and Strategic Studies held at Dhaka during 14-16 January 1985. The objectives of the conference titled in the same manner as the book were two-fold : (a) to deliberate on the problems of peace and stability in the region—domestic, inter-state, regional and external and (b) to examine and analyse the potentials of SARC in promoting the cause of lasting peace and stability in the region. The participants who came from countries both within and outside the region were invited to contribute papers on an aspect of their own choice to bring out the experiences from their respective region and context and to look at the issues related to peace and stability from their own perspectives. As it may be observed, this has resulted in a very skewed distribution of papers in favour of internal dimension part of the theme.

This is however, justified by the fact that problems of peace and stability in South Asia originate more from within the region than from outside, and that efforts for their solution should also originate regionally. It may be a short-coming of the book that it does not present a completely coherent and comprehensive development of the theme. It embodies nevertheless a cluster of thoughts

and ideas representing a cross-section of nationally and internationally reputed scholars on the subject.

The papers have been arranged here more or less in the same order as were presented during the conference. *Shah Salahuddin's* paper presents an overview of SARC, its development since the proposal for regional cooperation was mooted, and the problems and prospects of the emerging organisation. *Norman Palmer* presents a brief appraisal of the recent and past records of cooperative efforts in the region and in the light of experiences from ASEAN and some other regional cooperation arrangements traces a prospective scenario of SARC. *Ye Zhengjia's* paper presents a Chinese perspective on the linkage between regional cooperation and stability in South Asia. *Soedjati Djiwandono* presents an analysis of the ASEAN experience from the point of view of its strategic significance while the experience of CMEA from the point of view of economic growth of member countries and its relevance to the condition of South Asia is presented by *A.E. Granovski*. A critical analysis of the prospects of SARC can be found in *Mohammad Ayoob's* paper wherein the author examines some factors considered vital to regional cooperation from a comparative perspective of SARC vis-a-vis regional cooperation elsewhere including ASEAN, EEC and the GCC. *Krishna P. Khanal's* paper explores the socio-political imperatives of the countries for having a regional cooperation organisation and attempts to present the implications for peace and stability in the region. Papers by *B M Abbas* and *Bashir Ahmad* deal with a vital area of economic development for the region—development and sharing of the region's water resources. Both the authors also present their own perspectives on the problem's bearing on regional cooperation and their mutual feed-back. The problem of rural development which is common and primary to all the South Asian countries finds a treatment by *Syed Anwar Huasin* who attempts to present rural development as a catalyser to regional peace and stability. *Dieter Braun* deals with Pakistan's foreign policy, pattern of its change over the years and the factors behind such changes—a discussion though not apparently linked with the theme of the book, nevertheless of pertinance to South Asian politics so far as it

affects peace and stability in the region. *Howard Wriggins* traces the position of Sri Lanka in inter-state relations in South Asia and presents a review of Sri Lanka's relations with its major South Asian neighbours. *K. Subrahmanyam's* paper deals with the problems of nation-building in South Asia in the backdrop of the on-going efforts for regional cooperation and attempts at unveiling the process of association of those problems with meaningful promotion of regional cooperation. *Leo E. Rose* presents the US perspectives on South Asian politics and and the US role in South Asia and in the process cross-examines some of the prevailing perceptions over US policy toward the region. *Robert A Scalapino* makes a presentation of the US-PRC relations and its relevance to South Asian politics—a paper which by examining the course of US-PRC relations examines the commonalities and differences in their policies toward the region as a whole and toward main actors of the region individually. *Ali T. Sheikh* and *Mizanur Rahman Khan* in the last two papers attempt strengthening of the case for SARC by associating regional peace and stability as well as growth of regionalism in the region with the SARC movement.

The three days of deliberations on these papers resulted in a broad consensus on the topic reflected in the recommendations as embodied in the *Final Document*. Issues raised during the discussions and comments are contained at the end of the main papers.

The book, it is intended, will not only be of immense help to students, academicians, researchers and men of public affairs interested in contemporary socio-politico-economic problems of South Asia and prospects of peace and stability in the region but will also provide a valuable reference material for further research on the subject, thus contributing to greater public understanding of SARC—its prospects and problems.

*M Abdul Hafiz
Iftekharuzzaman*

Welcome Address

Brig M Abdul Hafiz

Director General, BISS

Hon'ble President, Members of the Council of Ministers,
Excellencies, Distinguished Delegates, Ladies and Gentlemen,

It is my great pleasure and privilege to be able to welcome you all on behalf of the BISS to the Inaugural Session of the three-day international conference on "South Asian Regional Cooperation : A Socio-economic Approach to Peace and Stability in South Asia". The aim of the conference is primarily to address the problems of peace and stability in South Asia, which are in fact major impediments to socio-economic development and improvement of the quality of life in the region where nearly one-fourth of the humanity lives in abject poverty, malnourishment and chronic underdevelopment. It is also intended to relate its deliberation to SARC (that is, South Asian Regional Cooperation), specially its potentials in preparing ground for enduring peace and stability—a vital prerequisite for the much-needed development programmes in the region.

In initiating the present international conference, BISS had two main considerations in view. The first is the problem of peace and stability in South Asia—a concern that the Institute shares with the peoples of South Asia in general, and leaders, policy makers and academicians in particular. These problems of the region relate to the interaction of a complex set of forces ranging from domestic turmoils and socio-political underdevelopment and bilateral and multilateral disputes to strategic and perceptual differences often manifested in suspicion toward each other, conflicts and endemic regional instability. The level of regionalism reflected in eco-

conomic and political interactions as well as perception of the countries, both on intra-regional and extra-regional issues is, indeed, low, although the South Asian countries, mainly forming littorals to the Indian Ocean, have many things in common including colonial legacies, cultural heritage, value system, geographical contiguity etc. Bilateral relations are at the moment not what the countries in the region desire them to be like. Interactions among policy makers and officials though not infrequent rarely produce tangible result. In almost all spheres of interstate relations, there has been a conspicuous lack of break-through. What particularly prompted us to sponsor the present conference is the lack of even adequate interaction on these issues and problems involving the scholars of the South Asian countries.

The second consideration is, in fact, a corollary of the first one, i.e. how then to ensure peace and stability in the region. There exist many ways and means including balance of power, alliance with blocs or regional security systems. Then, there are the traditional diplomatic avenues like negotiation, mediation and treaties agreements, pacts. Policy exercises and scholarly discourses on these approaches to security, peace and stability took place in profusion. The Institute, however, chose to initiate debate and deliberation on a rather unexplored area e.g., regional cooperation in socio-economic fields to start with, as an approach to regional peace and stability. As the programmes of action within the SARC framework are making slow but steady progress and at the same time, the countries of the region are struggling with the problems of poverty and socio-political underdevelopment, it is time that the potentials of SARC in all the selected areas of cooperation be explored in their correct perspective. What are the problems and promises of SARC as a regional system, now poised for summit level meet sometime in 1985 ? What are the strategic, security and developmental issues that continue to affect peace and stability in South Asia ? How SARC, basically an organisation for cooperation in socio-economic fields, can relate to them ? Alternatively how SARC is going to be affected by them ? These are some of the issues on which the distinguished delegates

will deliberate during the three-day conference spread over four working sessions. The delegates will hopefully bring in the experiences and perspectives of their own regions and context. Viewpoints will differ and the same issue perhaps will be looked at from different angles hopefully raising a healthy and fruitful debate. This wide and free interaction will provide deeper insights and greater understanding and appreciation of the problems of peace and stability as well as the mechanism of resolving them. The Institute will then consider its efforts of more than one year's preparation for this conference amply rewarded.

When we opened preliminary communications with the prospective participants from home and abroad, we had a modest expectation, but the responses received over the year far surpassed our estimation. It aroused a great deal of interest and enthusiasm in the academia, intelligentsia, policy-making agencies, professional groups, press and media in the country as well. This clearly demonstrates that there is an environment conducive to the deliberations of the present conference and also international and strategic studies of the type we have been undertaking since the Institute's inception. It is again my pleasure to tell you that the conference is being attended by over 250 delegates from 18 countries including all seven member-countries of the SARC.

Before I conclude, let me say a few words about the Bangladesh Institute of International and Strategic Studies that has sponsored and organised this conference. The Institute is an autonomous centre for research and study on international relations, foreign policy, strategic and developmental issues. It was established in 1978 to undertake, encourage and promote independent research in order to advance objective understanding of different aspects of international relations and strategic matters. It is a forum for scholars, men of public affairs, students and members of professional groups to promote through discussion, lectures, seminars and publications, a wider understanding of national and international problems and policies. The Institute conducts its research on the basis of primary and secondary data. It maintains professional

links and cooperation with about 100 similar research organisations including exchange of publications with 60 such centres and institutes around the world. The present international conference however, is first of its kind to be held under the aegis of the Institute, perhaps one of the very few also in South Asia.

The Institute looks forward to a very fruitful interaction and deliberation on the theme of the conference. We are confident that the proceedings of this conference will be followed with interest. It will, in our humble assessments make significant contribution towards the promotion of peace and stability in our region.

Special Guest's Address

Humayun Rasheed Choudhury

Adviser for Foreign Affairs

Government of the People's Republic of Bangladesh

Mr. Chairman,
Distinguished Delegates,
Excellencies, Ladies and Gentlemen,

We have assembled here this morning to deliberate on a subject which has generated commendable enthusiasm in the South Asian region and remarkable interest all over the globe. An assembly of personalities of your fame and renown, who have travelled from within this region and without, is an eloquent testimony to the universal enthusiasm and approval that the concept of SARC has generated.

May I take this opportunity to extend to the delegates who have travelled from abroad a warm and hearty welcome to Dhaka. I wish them a very pleasant and comfortable stay here. A stimulating and fruitful exchange of ideas during the days of deliberations of this conference is bound to enrich both the participants and the audience.

It has indeed been very thoughtful of the Bangladesh Institute of International and Strategic Studies to hold this International Conference on South Asian Regional Cooperation: A Socio-economic Approach to Peace and Stability. The cooperation in South Asia which is now in an embryonic stage has gathered an irreversible momentum. Together the seven partners in cooperation are surely—albeit in a measured pace—moving towards the cherished goal of structured regional cooperation. To you this must undoubtedly be a matter of great satisfaction, Mr. Chairman, as you

yourself, played a significant and leading role when the idea was conceived and propounded by Bangladesh. It is thus only natural that you should have taken the initiative to organise this international conference.

The deliberations of the distinguished delegates to this conference and their reflections will be of immense benefit to the policy makers in the South Asian governments. These will provide them with valuable guidelines and precious inputs in deciding on the various policy options and charting the future course of South Asian Regional Cooperation. Furthermore, a conference of this nature is often an accurate barometer of public sentiment or opinion—a most decisive factor in all governmental decisions. Conversely, threadbare discussions in such an open conference can also serve to enlighten, educate and motivate public opinion on this very relevant subject.

Development in both its economic and social connotation is inextricably interwoven with peace and stability. South Asia—the home of about one billion people constituting nearly one-fourth of humanity has to bear the enormous burden of colossal underdevelopment. This has further been exacerbated by international economic crises beyond the control either of the regional countries or of the developing nations as a whole. The unresolved issues of an interdependent world economy are causing cumulative shrinking of the economic benefits to the countries of South Asia. They continue to menace development in South Asia, vex peace and rile stability in the region and beyond.

The developing countries have persevered for long years to bring about a New International Economic Order to strengthen peace and stability in the world. Despite the none-too-encouraging results these nations continue to sustain their efforts in this direction. Simultaneously with their efforts to forge international cooperation, the concept that cooperation among the developing countries—the worst sufferers in the deal—must be strengthened has gained widespread recognition. Economic cooperation among developing countries based on the principle of collective self-reliance hence

constitutes a vital and integral element of the just and equitable world economic order that we seek to establish. In the pursuit of ECDC, regional cooperation remains an important means.

It was thus not strange nor surprising that the quest for regional cooperation in South Asia began, what was remarkable was that it did not begin earlier. Belatedly though, the search for cooperation in South Asia arose out of a deep conviction to promote the welfare of the peoples of the region and to improve their quality of life. It grew out of an abiding commitment to usher in a lasting peace and enduring stability in South Asia. Indeed the original draft declaration of Bangladesh on South Asian Regional Cooperation in its preamble had included a reference to the promotion of peace and stability in the region.

Regional cooperation conceived in the common interest of the peoples of the constituent countries has been an extensive global experience. Nations of the world irrespective of either size and population or stage of economic development have attempted regional cooperation. The results in most of them have been found to be extremely beneficial. The pioneering example—a success story and perhaps what is upto the present time the ultimate in regional cooperation—is the European Economic Community. By pooling their resources, countries in other parts of the world have also accrued enormous benefits. Nearer home, in South East Asia, ASEAN continues to provide an example of fruitful regional cooperation among developing countries. While the results of these efforts are commendable, none of the models they provide may admit of uncritical adoption by South Asia as a ready and standard mould.

In post World War II Europe, for example, the political and economic compulsions must have acted as catalytic factors in the setting up of the EEC—assumptions which are not valid in South Asia. West European countries, unlike South Asia, were at comparable levels of development. By dove-tailing or harmonising the economies of West European states, the region was better able to withstand the post-war economic competition. From the poli-

tical point of view also, it must have been logical—and more so in the context of the cold war—that ideologically aligned states, with broadly similar polities should draw closer. The EEC is today in effect, a customs union with free movement of goods, persons, services and capital within the member states. There is close consultation and coordination in respect of fiscal policies, with a single system of value-added tax throughout the member states. Sectoral integration has been achieved in respect of coal and steel and agricultural policies of member states are being sought to be rationalised. Economic co-operation between member states has surely also contributed to greater political understanding and affinity.

South Asia is different. It has its own incentives and circumstances laden with complexities of a multiplicity of patterns. Historical obstacles, constraints arising out of colonial heritage, inherited inhibitions, legacies of differential power structures, asymmetry in economic development and diversity in socio-political systems—all these and perhaps more, constitute formidable obstacles seriously hindering regional cohesion. If the constraints to regional cooperation have been numerous, our prospects have not been restrictive either. Our geography, traditions, shared history, common cultural cross-current, socio-economic interaction among us, our views and values, common scarcity and poverty, our compatible perception of many world issues, and the common challenge to fulfil the rising expectations of our peoples accentuate the broad spectrum of our common affinities.

It is not my intention here today to dwell at length on the constraints and prospects of South Asian Regional Cooperation in its scope, content and shape. I have just briefly touched on them to commend these to your attention. I hope that these—as indeed an identification of the many benefits that will accrue to the partners in cooperation nationally, regionally and at the global plane—would receive the full benefit of your considered deliberation. And as I said earlier we shall be positively receptive to your ideas.

I should also hope that you will find time to examine questions relating to the organisational needs of a structured South Asian Regional Cooperation. As you are surely aware that although it has not yet been given a comprehensive organisational structure—a modicum of it has already evolved out of felt needs, since the Colombo meeting of the Foreign Secretaries in 1981.

Before I conclude, I must however say that we have traversed a long way since Bangladesh President wrote letters to his counterparts in South Asia in May, 1980. Although it may not have produced spectacular and dazzling results, on the substantive aspect, an Integrated Programme of Action—a modest one in nine identified areas of cooperation—has been launched, and is currently under implementation. As we consolidate our gains, the cooperative programmes should permit elaboration of the scope and nature of the activities as well as the areas of cooperation keeping, of course, in view the mutuality of interest of all the partners. As it is, the Technical Committees have been given policy directives that increasing emphasis should be placed on operational activities and the formulation of specific projects and their implementation. Protracted deliberations in seminars and workshops without any meaningful operational activities may set at nought the efforts to sustain the cooperative approach which we all have reckoned as 'beneficial, desirable and necessary'.

I am assured that the first ever Summit of the Regional Heads of State/Government of South Asia—which Bangladesh is looking forward to hosting with pride and humility—would finally consolidate and give further impetus to the evolving process of SARC. An affirmation of the commitment of the nations of South Asia at the highest level will surely generate the necessary political will and spark the imagination of the peoples of the region to the cause of South Asian Regional Cooperation.

Thank you.

Chairman's Address

Professor Muhammad Shamsul Huq

Chairman, Board of Governors, BISS

On behalf of the Board of Governors of Bangladesh Institute of International and Strategic Studies and also on my own behalf I have great pleasure in extending my warmest greetings to all of our distinguished guests present here this morning. We are, indeed, most grateful to the Honourable President and Chief Martial Law Administrator Lt. General Hussain Muhammad Ershad for taking time out of his busy schedule to inaugurate this conference. The conference is honoured by his august presence which is, indeed, a manifestation of the deep interest that he and his government have evinced in carrying forward the programme of South Asian Regional Cooperation.

2. We are also happy to have the Foreign Adviser Mr. Humayun Rasheed Choudhury as the Special Guest at this conference. He and the Ministry of Foreign Affairs have earned our gratitude by their valued assistance and cooperation in connection with this conference. Our grateful thanks are also due to other friends of the Institute who have helped in various ways to make this conference a success. Brig M.A. Hafiz, Director-General, members of the faculty, officers and staff of the Institute deserve high appreciation for bearing the brunt of the work.

Conference Deliberations : Valuable Input for the Forthcoming FM's Meeting and Summit.

3. The distinguished participants in this International Conference come from far-flung regions representing 18 countries of Asia, Europe and North America. They are all eminent in their respective disciplines. Some of them have first-hand experience

of regional systems and sub-systems in operation elsewhere. We are, indeed, most honoured to have them with us. Together they bring to bear on this conference a rare combination of knowledge, wisdom, professional expertise and experience. The papers to be presented by them dwell on different aspects of the theme of the conference and should prove to be a valuable input for the forthcoming Foreign Ministers' Meeting in Thimpu and the Summit in Dhaka.

SARC—A Dialectical Response for Peace, Stability and Development

4. The idea of the SARC mooted in the letter of the late President Ziaur Rahman of 2 May 1980 was a dialectical response to the problems that bedevilled interstate relations in the region. A searching appraisal based on an objective analysis of the historical, social, political and economic realities in the region with an informal feedback from the governments of the six sister countries at various levels created a deep conviction that the overall geopolitico-economic scenario within the region and outside rendered South Asian Regional Cooperation an imperative for peace, stability and development in the region.

The Region—a Cradle of Great Civilisations

5. The full import of this conclusion can be comprehended when it is viewed against the backdrop of the long and complex historical process leading to the emergence of the seven independent sovereign states in the region. Though all of them are relatively young as nation-states, the region to which they belong is steeped in history. It has been the cradle of great civilisations which left a deep and indelible imprint on contemporary world society with their message of human and moral values carried to far off lands.

Regional Identity Obscured by Birth-pangs

6. The birth-pangs of these newly emergent states overshadowed this shared rich cultural heritage, obscured the core of their

regional identity and left interstate relations within the region in a stage of flux, tension, distrust and discord, sometimes marked even by violence. This was a trend hardly conducive to the growth of wholesome good neighbourly relations or development of healthy and stable bilateral relations. It clouded the reality that their shared heritage instead of being an obstacle could be a source of added strength in the fulfilment of the political and economic aspirations of these new nation-states.

Aim to End State of Regional Isolation and Set a New Trend of Interstate Relations

7. Despite emotive statements on good neighbourly relations based on eloquent repetition of cliches and rhetorics, inter-state relations within our region remained at a low level and continued to drift. On a regional basis these states were placed in virtual isolation. The divided voice of this region comprising a quarter of the world population was very often conspicuous in marked contrast to the unity observed among countries in many other regions, rendering this region less effectual in its participation in international forums. Bangladesh analysis indicated urgent need for reversing this unhealthy trend and creating in its place a new trend of creative interaction beneficial to the peoples of the region by addressing the regional problems at the most fundamental level like poverty, disease, illiteracy, and building regional structures conducive to confidence-building, tension-reduction and collective self-reliance.

Turbulence Inherent in Process of Development Influenced by Domestic and Global Factors

8. Bangladesh, of course, recognised the harsh reality that turbulence and violence were inherent in the very process of national development of the newly emergent states, which was invariably also a process of change and adjustment. The nature and degree of such turbulence and violence depended on a complex web of wide-ranging factors including domestic problems and also the dynamics of international politics. According to Bangladesh analysis the capacity of a nation-state to cope with such national

and international factors is vastly enhanced through regional cooperation.

Regional Cooperation in Selected Areas : Why ?

9. In the objective conditions of the South Asian region it was considered prudent to opt for regional cooperation in selected areas of economic and cultural activities. Such cooperation was, of course, already recognised as a desirable and necessary strategy by all Third World countries within the framework of ECDC and TCDC. Existing bilateral and multilateral cooperation is, however, expected to be reinforced by the new and complementary set of relations based on shared regional goals and cooperation to achieve those goals on a footing of sovereign equality. In developing the integrated action programme all the technical studies were carried out entirely by experts belonging to the region. None of the elements in the Final Declaration was exogenously derived. It reflects the social and political realities of the region and seeks unity in diversity. Consistent with the national aspirations of the member-states, goals of regional cooperation in nine economic and cultural areas are based on a mutually recognised commonality of interests. They aim at benefits for the peoples of the nation-states and the region as a whole, through collective self-reliance. The strength of SARC lies in the spontaneous and autonomous character of the association of the states in the region and their unanimity on the integrated programme of action.

What SARC is Not

10. The South Asian Regional Cooperation is not a new bloc or alliance, as these terms are understood in common political parlance. Nor does it include any matters of regional security. The new set of relations envisaged in regional cooperation till now is limited to nine areas of economic and cultural activity as specified in the Declaration of the Foreign Ministers on 2 August 1983. But cooperation in these areas is not intended to intrude on existing bilateral and multilateral relations of the member-states. The

SARC even after it acquires an appropriate institutional structure is not to be viewed as a supranational organisation. No state alone or in combination with others can impose its decision because unanimity and not consensus is the basis for the decision making process.

Conceptual Framework of the Working Paper : Concrete Action by FM's Informal Meeting

11. This was, in essence, the conceptual framework of regional cooperation outlined in the working paper which, as the then Foreign Minister I had the honour to circulate to my colleagues in the other six countries of the region with my letter dated 25 November, 1980. An important step forward towards concrete action taken at an informal meeting of the Foreign Ministers of the seven countries during the session of the Non-Aligned Foreign Ministers' Conference in New Delhi in the first week of February 1981. This was indicated by their agreement on formally convening a meeting of the Foreign Secretaries in Colombo in April 1981 to study Bangladesh proposal and identify possible areas of cooperation. Subsequent developments indicated a progressive intensification of the preparatory efforts and an increasing thrust in the translation of the idea into a reality. The outcome was happily the adoption of an integrated programme of action at the first political meeting at the level of the Foreign Ministers on 1-2 August 1983 inaugurated by the late Prime Minister of India Mrs. Indira Gandhi in New Delhi.

Need for an Institutional Base

12. The SARC is barely a year old and still in its nascent stage. It does not yet have even a proper name. 'SARC' is just an abbreviation of South Asian Regional Cooperation. Though commendable work has been done by the Technical Committees and the Coordination Committee of the Foreign Secretaries, an appropriate institutional base still remains to be created in order to sustain the momentum of the progress and provide the initiative and drive needed for generating creative efforts towards the realisation of the full potential of regional cooperation in the selected areas.

Task Ahead : Problems and Challenges

13. In the circumstances, any attempt at an evaluation of the performance of SARC would be premature. At the same time, misgivings that continue to linger about its future cannot be overlooked. Some of the questions at the root of these misgivings are quite pertinent. For example : (1) Can meaningful regional cooperation be achieved if such cooperation is limited to the nine economic and cultural areas as specified in the Declaration ? The misgiving implicit in the question is that the selected areas of cooperation are of peripheral importance and therefore, unlikely to produce the desired impact on the inter-state relations. (ii) Related to this is the question : Can any significant progress be made even in this limited area of regional cooperation until the resolution of the major outstanding bilateral problems which act as a counterforce with its deleterious effect on the will for cooperation ? (iii) A more fundamental question is : Can cooperation among countries so divergent in their size, population, resources, stage and pattern of economic growth be at all viable ? The lack of complementarity observed in the economies of the seven countries at present is viewed as a major impediment to mutually beneficial economic cooperation, (iv) Another question that is still more challenging stems from the conspicuous divergence in the security perceptions of these states strongly rooted in their historical memories of past discords and conflicts, aggravated by the wide disparity in their military and economic strength. It is argued that the divergent security concerns of the states will continue to colour and influence the entire gamut of their external relations and foreign policy orientations and thus block the development of any meaningful cooperation even in the limited economic and cultural fields.

14. In other words, the very regio-political situation embracing interstate relations which is targetted for transformation through regional cooperation (to begin with in selected economic and social fields) stands out as the most serious and intractable impediment. The region is, thus, placed in the vicelike grip of a vicious

circle created by its own historical experiences. The central question, thus, appears to be : Is it possible to break away from this vicious circle, or, shall the states in this region continue to drift in self-imposed isolation, remain divided, fragile and vulnerable, without ever achieving peace and stability, an imperative for fully achieving the objectives of national development ?

Causes of Misgivings Examined

15. I am sure, these basic questions among others will receive the attention they deserve during the learned deliberations of the Conference. I would, however, like to share with you some of my own reflections based on Bangladesh analysis of these issues undertaken when the idea of regional cooperation was still in its very embryonic stage. The four questions are in fact inter-related and appear to be due largely to misperceptions and also imperceptions.

Empirical generalisations from the experiences of successful or unsuccessful regional groupings can be often misleading. It is, however, a historical fact that some of the most successful regional associations grew out of even more modest beginnings. In the case of SARC, economic areas of cooperation embrace sectors of such vital importance as agriculture, rural development, tele-communication, transport, science and technology. The present lack of economic complementarity and the growth pattern are pre-eminently the combined product of two forces : (a) the inherited colonial structures, and (b) the prevailing inequitable world economic order making all the Third World countries dependent on the industrial countries for access to trade, technology and resources. The argument of the lack of complementarity in fact begs the question. One of the aims of regional cooperation is to achieve such complementarity through achieving collective self-reliance. As developing countries, all the countries in the region (including India) have a vast and yet untapped potential in production, employment and market expansion. The enormous economic possibilities of harnessing and developing the sub-Himalayan regional water-resources and unexplored sea-bed resources also await to be scientifically studied and assessed.

16. None of the outstanding bilateral problems in the region is incapable of peaceful and speedy resolution, given a serious will and an objective approach. It would, however, be politically naive to deny that objectivity in bilateral relations continues to remain clouded by mutual distrust and fears. The environment in which regional cooperation can flourish can no doubt be vitiated by unresolved bilateral problems. However, to the extent the prevailing fears and distrust are the product of historical memories of past discords and conflicts, they clearly reflect an imperception of an important historical reality that history does not always repeat itself. Historical events have to be viewed in the sequence of the dynamics of changing relations. Leaders of vision and statesmanship do not remain captives of the past. An apt example close to our region is that of the new emerging relations between China and Japan.

17. Safeguarding national security is naturally of paramount importance to a nation. As in the case of the choice of a nation's social, political and economic system, it is admittedly the sovereign right of a nation-state to determine the measures necessary for its national security. However, certain misperceptions surrounding the security concerns of the states in the region need to be highlighted :

Firstly, disparity in military and economic strength is not peculiar to this region and has not barred several other regions from immensely enhancing benefits to their peoples through regional cooperation. In the latter case, the stronger state acted in a way perceived by the weaker states to be mutually beneficial.

Secondly, a deepseated cause of the divergence in the security concerns of the states in the region appears to lie in their very conceptual basis, profoundly influenced by doctrines and structures of security overarching the polarised relations between the two power blocs. The countries in the region along with all non-aligned countries and also some western countries have unequivocally rejected these doctrines as anachronistic and seriously endangering international peace. In any event, the elusive military balance that the superpowers seek in the prevailing

geo-political situation tantamounts to a contest for global military supremacy involving a frighteningly high economic and social cost. This has certainly no relevance to the genuine security interests and social realities of the Third World countries. On the contrary, it poses a threat to their security and diverts precious resources from development to wasteful arms production on an ever-increasing scale.

Thirdly, the security perceptions of the South Asian states appear to focus almost entirely on external threats as perceived by them. Ironically enough, to all practical intents and purposes, the threats to the national security of a developing country rooted in domestic causes like the problems of national cohesion, poverty, hunger, disease, illiteracy do not have the required priority in their security and strategic concerns. In stressing this vital aspect of the national security of our countries, in my address to the Institute for Defence Studies and Analyses in New Delhi on 9 April 1984, but without anticipating the tragic violence that subsequently rocked the world's largest democracy, I made the following observation : "Despite the uninterrupted political stability that India has enjoyed since her independence, she also faces the challenge of complete integration of her ethnic, religious, linguistic and other sub-national groups. In like manner, notwithstanding her impressive economic progress, India with nearly 40 per cent of her population still below the poverty line also faces the spectre of poverty. It is these internal and highly explosive problems that have in them the seeds of destabilising forces for all of the countries in the South Asian region."

18. The countries in the South Asian region have taken a step in the right direction by launching the integrated programme of regional cooperation. We cannot do away with asymmetry regionally or globally. But, asymmetry if not corroded by hegemonistic ambitions can co-exist with harmonious cooperation. The most heartening phenomenon in the contemporary world which is still shackled to out-dated and anti-democratic security concepts and structures is the increasing interdependence of the nations. The

growing extension and intensification of cooperation beneficial to peoples across the sovereign borders may eventually turn out to be the most effectual force in ending power-rivalry and realising our shared goal of a truly democratic and equitable world order. The SARC through building appropriate structures for an effective implementation of its integrated action programme for regional cooperation can strengthen this force, thus, making an invaluable contribution to the cause of peace and stability regionally and also globally. I sincerely hope, the leaders of our region will prove equal to this challenge.

Thank you, the Hon'ble Chief Guest. Thank you. Ladies and Gentlemen.

Inaugural Address

Lieutenant General

Hussain Muhammad Ershad, ndc, psc

**President and Chief Martial Law Administrator
of the People's Republic of Bangladesh**

Mr. Chairman,
Distinguished Delegates,
Excellencies, Ladies and Gentlemen

Bismillahir Rahmanir Rahim

Assalamo Alaikum

I am very happy to be present at this seminar which has been organised in order to promote cooperation in the socio-economic fields among the South Asian countries. This seminar has been glorified by the participation of eminent writers, intellectuals and men of great erudition. I like to express my thanks to the officers of the Bangladesh Institute of International and Strategic Studies (BIISS) for organising this seminar. I convey my heart-felt welcome to the guest delegates who have come to participate in this seminar.

2. The theme of the seminar is not merely relevant to our region, it is personally very dear to my heart. That the subject of discussion at the seminar has generated a great deal of enthusiasm in the region as well as outside has given me great happiness.

3. Peace and stability in South Asia is essential for world peace. And a strategy of corporate socio-economic efforts can help achieve this goal. This international seminar provides us a golden oppor-

tunity to identify the areas of cooperation, to find methods of coordination and promote friendship and cordial relations among member countries. I am confident this seminar will make a great contribution to the efforts designed to achieve socio-economic objectives of the South Asian nations. I feel that learned and constructive discussions at this seminar will go a long way towards evolving new means of attaining good and well-being of the peoples of these countries. Especially, preceding the forthcoming conference of Foreign Ministers of South Asian countries in Thimpu in a few months and a Summit Conference in Dhaka by year-end, this seminar will make very positive contribution towards discovering new frontiers of cooperation. The perceptions, thoughts and ideas of this seminar can broaden the horizon of cooperation on the one hand and ensure greater coordination in such efforts on the other. I can only hope you will always be alive to this goal.

4. The concept and awareness of the need for regional cooperation is nothing new. Neighbouring countries in different regions of the world are continuously injecting fresh vigour into cooperative efforts of this kind. However, the uniqueness of the South Asian Regional Cooperation lies in the varying degrees of development in seven member countries of SARC. Besides, there are dissimilarities in the social and political milieu of these countries. One-fourth of the total population of our planet live in these countries and the size of this region is a mere three per cent of the total land mass of the world. The economy of these countries is basically agricultural. An overwhelming majority of the population live in the villages. In the midst of great diversities, a large number of problems these countries face are identical in nature. These are poverty, scarcity and hunger which together with huge population proliferation have been posing a serious threat to the fruits of development. A number of countries have made remarkable progress in the field of scientific and technological development and all these countries have skilled manpower. There can hardly be any meaningful progress at the national level in these countries without genuine improvement in the quality of life of the masses of villagers in these countries. Cooperation and exchange of

knowledge and experience among the countries can go a long way towards meeting the basic needs of people for food, clothing, shelter, education and medicare. The huge manpower resources of these countries can be harnessed for the progress and prosperity of the nations. What is needed for this is to build up a vigorous awareness of and interest in people of all strata of life for their participation in nation-building activities. In Bangladesh we have carried out epoch-making changes in the administrative set up to take it to the people, particularly to the doorsteps of the villagers with a view to ensuring spontaneous participation of people in national reconstruction and development programmes. As a result, development process has been village-oriented and vast number of people in the rural areas are taking direct part in national uplift activities and are making great contribution to the progress of the nation.

5. These changes have kindled new hopes and enthusiasm among the people. Rural Bangladesh is now pulsating with development activities. Agriculture, industry, administration and all aspects of life have improved considerably and are registering satisfactory progress. Above all, people have been inspired with hopes and enthusiasm. Today the process of peaceful transition to democracy in the country is in progress. We are marching ahead with a positive and well-defined programme towards that goal.

6. Seven countries are now engaged in the task of broadening regional cooperation on the basis of sovereign rights and equality. The success of this endeavour dictates the formulation of short-term and long-term programmes. We have to guarantee that such a strategy of cooperation will bring benefits to each country of SARC. In order to ensure the unhindered march towards progress of each country in SARC, the more developing nations among them will doubtless assist others with their knowledge, experience and expertise. In this matter, more developing members of SARC would be required to shoulder greater responsibilities ; they would have to make some sacrifices as well. Com-

plementary economic efforts will benefit all members of SARC. On top of all, the mutual respect and confidence that will be generated among the peoples of these countries through such endeavours will be beneficial to all. Close cooperation among the neighbouring countries in various fields will save unnecessary expenditures in a variety of ways, and the governments in these countries will find time and opportunity to address themselves to the task of ameliorating the condition of the people. I feel, such cooperation will be conducive to the creation of an atmosphere of peace, amity and understanding in the region making a great contribution to the cause of world peace.

7. The United Nations has been making efforts over the years through its various economic commissions for strengthening endeavours of regional cooperation. Third World countries are committed to the regional and sub-regional cooperation implicit in ECDC and TCDC. European Economic Community is an ideal example of regional cooperation. Besides, other regional groupings like COMECON and ASEAN have achieved remarkable progress in the field of cooperation.

8. The situation in South Asia is patently different from that in other regions. Regional economic cooperation among developing countries cannot develop merely on the basis of trade relations among them as happens among developed nations. In the context of regional cooperation, corporate efforts of developing countries should aim mainly at development programmes. The countries of South Asia are diverse in their size and in a variety of other ways. With varying social and political systems the developing countries exist at different stages of development and industrialisation.

9. South Asian Regional Cooperation is a unique programme for development. It is not in any way prejudicial to the interests of any nation or grouping. The prospects for such cooperation are wide and bright. If there are any limitations, these exist in our thoughts or in political decision-making process. I believe we can

overcome all constraints to make this regional cooperation activities more tangible for the good of our people.

10. We feel honoured that the member countries of SARC have taken a decision to hold a Summit Conference in Bangladesh by year-end. We welcome this decision. We are determined to do everything to make the Summit successful.

11. The intellectual community including scientists, economists, literateurs and journalists of SARC countries can make positive and valuable contribution in formulating sound and constructive programmes for the good and well-being of the people of these countries. I trust that you will utilise the clear sense of direction that you will gain from this seminar for strengthening public consciousness and channelising it along realistic and welfare-oriented lines. Bangladesh Institute of International and Strategic Studies deserves praise and admiration for organising this seminar. I again express my thanks to BIIS for this.

12. I wish the seminar all success in its efforts to find the guiding light for reaching the goal of welfare of tens of millions of people of this region by expanding the socio-economic horizon of regional cooperation.

Khoda Hafez
Bangladesh Zindabad

Vote of Thanks

Justice Mustafa Kamal

Member, Board of Governors, BISS

Hon'ble President and Chief Martial Law Administrator, Lt Gen Hussain Muhammad Ershad has been extremely kind to grace the occasion and speak for us despite his demanding preoccupation. His encouraging words will be a source of inspiration for the organisers as well as participants of the conference. I on behalf of the Board of Governors, Bangladesh Institute of International and Strategic Studies, members of the BISS Faculty and on my own behalf convey our deep gratitude to him.

The Conference of this scale could hardly be possible on the part of the BISS but for the constant and affectionate guidance of Professor Muhammad Shamsul Huq, the Chairman of the Board of Governors. We owe him more than thanks.

The Board of Governors, Bangladesh Institute of International and Strategic Studies was extremely understanding and helped us with invaluable advice and suggestions. We are deeply indebted to the Board.

The generous help and assistance of the Ministry of Foreign Affairs, particularly that of Mr. Humayun Rasheed Choudhury, Principal Foreign Secretary and Adviser to the President on Foreign Affairs has gone a long way to make our venture a worthwhile one. The Ministry's South Asia Wing and UN Directorate were ever helpful. Our sincerest thanks to them.

The members of the Council of Ministers, the diplomatic missions, academia, the press and media and other professions spared their valuable time to attend the conference. Our heartfelt thanks to all of them.

Most of the hard but invisible tasks for the conference were and are being performed by the Director-General of the Institute Brig M.A. Hafiz and the Faculty members and staff of the Bangladesh Institute of International and Strategic Studies. They deserve very high appreciation for their devoted works.

Many individuals and organisations assisted us in different ways. We are grateful to all of them. Last but not the least, we express our deep thankfulness and appreciation to the participants and in particular the distinguished scholars from abroad many of whom are visiting Bangladesh for the first time. We wish them a fruitful and enjoyable stay in Bangladesh.

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FINAL DOCUMENT

1. An international conference on "South Asian Regional Cooperation : A Socio-economic Approach to Peace and Stability in South Asia" sponsored and organised by the Bangladesh Institute of International and Strategic Studies, was held in Dhaka during 14-16 January 1985.

2. The conference was attended by about 300 distinguished participants. They included 30 eminent scholars from 17 countries of South Asia and other regions of Asia, Europe and North America. The participants represented academic institutions, research organisations and governmental and non-governmental bodies.

3. The conference was inaugurated by the President and Chief Martial Law Administrator of Bangladesh Lieutenant General Hussain Muhammad Ershad. The President in his inaugural address said "Peace and Stability in South Asia was essential for world peace. And a strategy of corporate socio-economic efforts can help achieve this goal. This international seminar provides us a golden opportunity to identify the areas of cooperation, to find methods of coordination and promote friendship and cordial relations among member countries."

In the inaugural session the significance of the SARC was also highlighted by Mr. Humayun Rasheed Choudhury, Principal Foreign Secretary and Adviser to the President for Foreign Affairs, Professor Muhammad Shamsul Huq, Chairman of the Board of Governors of BIIS and Brig M Abdul Hafiz, Director General, BIIS. Mr. Justice Mostafa Kamal, member of the Board of Governors of the BIIS proposed the vote of thanks.

4. This conference was the first of its kind in Dhaka. In all twenty papers covering different aspects of the theme were presented in four working sessions of the conference. Presentation of papers was followed by stimulating discussion by designated discussants and general participants. The Working Sessions were followed by a concluding plenary session, presided by Prof. M. Shamsul Huq.

5. The conference went into in-depth examination of the potentials, prospects and constraints of the SARC. The idea of such a conference to be held in Bangladesh was specially welcomed by the participants since the proposal for South Asian Regional Cooperation was mooted by the late President Ziaur Rahman of Bangladesh. It was hoped that the interest generated by the deliberations of the conference will go a long way in strengthening and advancing efforts towards achieving the objectives of the SARC. It is further hoped that the momentum generated by this conference would be maintained through organising more such conferences in future within the region.

6. The participants highlighted different aspects of SARC as a regional system, examined the problems of peace and stability in the region—both internal and external and assessed the potentials of SARC in contributing toward lasting regional peace and stability. There was a consensus that despite many impediments substantive progress has been made in regional cooperation among the South Asian countries. The spontaneous and independent character of the association of states in the region and their unanimity on the Integrated Programme of Action were perceived to be two important features of the SARC.

7. Though divergence in security perceptions among the countries of the region and disparity in their military and economic power were realities not to be ignored, it was felt that such an asymmetry should not be viewed as an impediment to the development of mutually beneficial regional cooperation. It was recognised that nation-states in this area were still in a process of evolution and regional cooperation would facilitate this evolutionary process.

8. It was also felt that peaceful and speedy resolution of problems in the region would pave the way for accelerated progress in regional cooperation. Such an objective was considered to be achievable since the member-states of the SARC were committed to the principle of non-alignment and to the cause of international peace.

9. The areas already identified for cooperation within the SARC framework were of vital importance to the region economically and

socially. The region as a whole has a vast production, employment and market potential with a great scope for progressive enlargement of the areas of regional cooperation.

10. Excellent work has already been done by the Technical Committees and the Standing Committee of Foreign Secretaries thus setting the stage for providing an institutional base to SARC. This was considered necessary for sustaining the momentum and further intensification of efforts and concrete action.

11. The conference felt in this connection that a SOUTH ASIAN INSTITUTE should be established in the region to carry out in-depth studies on various aspects of regional cooperation. This institute could provide the much-needed intellectual support and policy-inputs for the development of the SARC.

12. Despite many problems and challenges there was complete agreement that the SARC was a step in the right direction and reflected the statesmanship of the leaders of the countries of the region. In the objective conditions of the South Asian region it was also felt that the leaders were prudent to opt for a socio-economic approach to regional co-operation. It could be reasonably expected that social and economic co-operation in the selected areas has clearly the potential of assuming a maningful dimension and also contributing to peace and stability of the region through growing inter-dependence and mutual confidence-building thus generating a climate conducive to increasing co-operation.

13. The conference felt that the stronger the SARC, the more effectual the South Asian region would be in playing its due role in the various international forums and negotiations including the North-South dialogue.

14. The conference participants expressed their profound thanks and congratulations to BIISS for organising a very fruitful conference. The organisers not only provided a forum for free and frank exchange of views on the vitally important theme of the conference, but also extended generous hospitality to the guests.