

CHAPTER - I

INTRODUCTION

1.1 Background of the Study

The South Asian Association for Regional Cooperation (SAARC) comprises the seven countries of South Asia viz. Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The SAARC was established when its Charter was formally adopted on 8 December 1985 by the Heads of State or Government of South Asian Nations. The President of Bangladesh General Husen Mohammad Ershad had assumed the Chairmanship of the First SAARC Summit after its formal establishment. Bhutan was the first country that proposed the President of Bangladesh General Ershad to host a Summit. The proposal was seconded by India and Maldives.¹

In the First SAARC Summit, the Heads of State or Government underscored the historic significance of their first ever South Asian Summit Meeting. They considered it to be a tangible manifestation of their determination to cooperate regionally, to work together towards finding solutions at their common problems in a spirit of friendship, trust and mutual understanding and to the creation of an order based on mutual respect, equity and shared benefits.²

The main objective of the Association is the acceleration of the process of economic and social development in Member States through collective action among agreed areas of cooperation. The SAARC was established as a regional organization under the article 52-54, section-8 of the UN Charter. It is also found and developed the regional organization through international conference.³

The Association provides a platform for the peoples of South Asia to work together in a spirit of friendship, trust and understanding. It aims to promote the welfare of the peoples of South Asia to improve their quality of life through accelerated economic growth, social progress and cultural development in the region. Cooperation within the framework of the Association is based on respect for the principles of

¹ Indra Bahadur Shrestha, *A Study of International and Regional Organizations*, Kathmandu : Kanchan Printing Press, 2058 BS, p. 243.

² SAARC Secretariat, *SAARC Summits (1985-1988)*, Kathmandu : SAARC Secretariat, 1990, p. 49.

³ Gopal Sharma, *Antarastriya Sangathanharuko Ruprekha (Structure of International Organizations)*, Kathmandu : Vidhyarthi Pustak Bhandar, 2047 BS, p. 1.

sovereign equality, territorial integrity, political independence, non-interference in internal affairs of the Member States, and mutual benefits (see appendix - 2).⁴ Regional cooperation is found as a complement to the bilateral and multilateral relations of the SAARC Member States. The SAARC Charter is a manifestation of the political commitment for cooperation in the region. Decisions are taken on the basis of unanimity. Bilateral and contentious issues are excluded from the deliberations of the SAARC. Strong geo-political motivation was a main factor to establish of the SAARC.

1.2 Objectives of the Study

The main objective of this study is to explain the common socio-economic challenges among South Asian Countries. The following are the specific objectives:

- a. to explain the concept and context of regionalism.
- b. to document the historical background of the SAARC.
- c. to examine the bilateral issues among South Asian Countries.

1.3 Statement of the Problem

Fourteen Summits and many more meetings have been held within twenty-two years but the concrete result and well-being of the people of the South Asian region have been rather modest. South Asia suffers from the lack of political will and implementation of decisions, and complex bilateral issues among South Asian Countries. The gaps between the promise and performance, policy formulation and implementation, rhetoric and action have been remained wide. There are common and complex issues in the region, which people are facing together in different countries.

The study attempts to answer the following questions:

- a. What are the common socio-economic challenges among South Asian Countries?
- b. What are the bilateral issues among South Asian Countries?

1.4 Significance of the Study

South Asian region is characterized by unity in diversity in size, geography, language, culture, population, religion, ethnicity and natural resources that proves the South Asia is different and unique regional organization in the world. Regional organizations are leading to the globalization. In this context, the study of South Asia is

⁴ SAARC Secretariat, *SAARC Charter*, Kathmandu : SAARC Secretariat, 2002, pp. 4-5.

very essential because its role and importance are increasing in the world politics. But the scholars as well as general people of South Asia are not enthusiastic with the activities of the SAARC. So, this study is an attempt to justify its significance by presenting:

- a. A clear picture of social, economic and political aspects of South Asia.
- b. The role and importance of the SAARC as a regional organization in the world politics.
- c. The common and complex issues in the region and bring out suggestive measures for an effective functioning of the SAARC.

1.5 Limitation of the Study

The title of the dissertation itself, more or less, explains the limitation of the study. Some of the limitations are as follows:

- a. Primarily, the study is limited on socio-economic challenges among South Asian Countries. It has specifically examined the common socio-economic challenges of the region, which South Asian Countries have been facing together.
- b. Secondly, it is limited to bilateral issues among South Asian Countries. It mainly focused some major and complex bilateral issues among South Asian Countries that have been hindering to the development of South Asia.
- c. Thirdly, it covers the period of the twenty-two years from 1985 to 2007 but it primarily focused the period of five years from 2000 to 2004 on social and economic aspects of South Asian Countries.

1.6 Methodology

In order to examine the common socio-economic challenges among South Asian Countries, descriptive approach is applied. For description, it is depended on documented literatures of different forms. Thus, 'library method' is adopted for the collection of data. 'Interview method' is also used to collect qualitative data (see appendix - 5).

The methods applied are as follow:

) Data Collection

a) Primary Sources

The primary sources include governmental and regional documents, speeches given by the Heads of the State or Government, non-formal talks and interview with regional officials such as SAARC Secretary General, Director of the

SAARC Secretariat, Diplomats, Political analysts, Journalists and Persons related with the SAARC region.

Interview: This research involved the direct (face to face) interview as the main information-collecting tool. It is an important tool within the descriptive method, was used to collect necessary information for this academic research. Through the use of the direct interview under the descriptive method, I have collected qualitative information on social, economic and political aspects of South Asia. Information collected by the use of direct interview has been presented in chapters II, III and IV.

In addition to the direct interview and non-formal talks with the learned personalities also helped to understand their view about various aspects related to South Asia.

b) Secondary Sources

The secondary sources include books, journals, magazines, seminar papers, research reports, unpublished works and newspapers have been studied and analyzed. The information available in the internet web sites has also been used in course of the analysis.

Documentation: In the process of documentation, information/data were collected from the Central Library of TU, Center for Nepal and Asian Studies (CNAS) Library, Center for Economic Development and Administration (CEDA) Library, Nepal- Bharat Library, SAARC Secretariat Library, Keshar Library, National Library, Foreign Affairs Library and Central Department of Political Science Library.

Through the process of documentation, qualitative and quantitative information/data on historical, social, economic and political aspects of South Asia were collected. Due to financial constrains, the study could not conduct its fieldwork in all its member countries (except Nepal) for its documentation.

Tabulation and analysis of information and data

Data analysis, being a continuous process of reviewing the information as it is collected, classifying it and drawing conclusion. It is very important in the research process. In the course of interpreting the data available from all sources, historical, descriptive and comparative methods have been used.

1.7 Literature Review

Socio-economic challenges of South Asia are not a new topic for the researchers of Political Science. The present study is largely in theoretical nature. So, the literature corresponds with it. Literature related to the topic is reviewed in Chapter I, which provides theoretical understanding and experiences of the South Asia.

Many writers, authors, journalists and diplomatic experts have given their opinions about the South Asia. Some studies have identified the philosophical arguments on the subject matter and have informed the readers of the socio-economic challenges of the South Asia. The study has collected information from the following books, journals, and magazines to show the literature review as references. The relevant literature of the topic is available here after. However, the other literatures are available across the dissertation.

Chandra K. Sharma⁵ has analyzed that the Himalayan block which consists of Pakistan, India, Nepal, Bhutan and Bangladesh is emerging out again to reach the horizon of their glorious past with new energy and modalities. He states that South Asia that presents more or less a single eco-system which all the Member States can profitably participate. There are two major parts of the eco-system, namely the Himalayan water system and the Indian Ocean system. Both of these are vast reservoirs of valuable resources. The Himalayan water resources and the resources of the sea are the immense treasures that need to be properly utilized in the interest of the people of South Asia. These are major avenues where cooperation in a regional context can be viable and meaningful. He writes that the Himalaya is the vast perennial source of the big river system in South Asia. High Himalayas extending over 2400 km. long mountain range from east to west is an important resource of South Asia. He mainly stresses that effective use of this abundant resource can bring about immeasurable benefits through the generation of hydro-power, irrigation, river navigation and marine resource development. In the final analysis, the key to the development of large-scale water schemes in the Himalayas is regional cooperation, as this will help to obtain more external finance and the ability to attract external finance will depend on the level and quality of regional cooperation that can be promoted.

⁵ Chandra K. Sharma, *Water and Energy Resources of the Himalayan Block*, Kathmandu : Sangeeta Sharma, 2040 BS.

Hriseekesh Upadhyaya⁶ in his article "Nepal and SAARC Secretariat: Challenges and Opportunities" in the *Journal of South Asia Forum*, writes SAARC Secretariat is the first international body of regional political significance to be set up in Nepal. As such, it will have wider implications both within Nepal and Nepalese image abroad. Nepal has maintained cordial relations with all other six members of the SAARC. The setting up of the SAARC Secretariat in Kathmandu has aroused considerable interest and curiosity in Nepal. He states that Kathmandu is aiming at for itself as an important linkage point in the regional political and cultural relations of South Asia. By hosting the Secretariat of an organization, Nepal has now the opportunity to enhance its image in the international arena.

Shankar Man Sing⁷ writes the SAARC possesses immense resources of greater significance such as water and human resources. Seven countries of South Asia have agreed to work together within a very short period. The author asserts development via cooperation in the region is known as a great potential towards regional prosperity. He mainly focuses on the problems and prospects of South Asian region and presents alternative views on regional issues involving particularly of the SAARC nations viz. Bangladesh, Bhutan, Nepal, Pakistan, Sri Lanka, Maldives and India. He states that the development of hydropower of Nepal with its estimated potential of 83,400 MW offers considerable scope not only to meet the anticipated demand for power in the kingdom but also in meeting the increasing demand of this region for powers. The Himalayan and the seabed resources of the region through mutually beneficial regional cooperation embrace enormous possibilities for all members of the SAARC. In the final analysis, first priority of the SAARC is to mobilize internal and external resources to carry out programmes under the Integrated Programme of Action (IPA) within the region.

Atiur Rahaman⁸ in his article "Political economy of inter-regional cooperation in the SAARC and ASEAN experience" in Bhabani Sen Gupta (ed.), *SAARC-ASEAN Problems and Prospects of Inter-regional Cooperation*, writes that there are good prospects of trade expansion between the SAARC and ASEAN. Both are rich in natural

⁶ Hriseekesh Upadhyaya, "Nepal and SAARC Secretariat: Challenges and Opportunities", *South Asia Forum*, Kathmandu : SAARC Secretariat, 9, Autumn, 1987.

⁷ Shankar Man Sing, *SAARC from Dhaka to Kathmandu*, Kathmandu : Ratna Pustak Bhandar, 1987.

⁸ Atiur Rahman, "Political Economy of Inter-Regional Cooperation in SAARC and ASEAN Experience", in Bhabani Sen Gupta (ed.), *SAARC-ASEAN Problems and Prospects of Inter-Regional Cooperation*, New Delhi : South Asian Publishers Pvt. Ltd., 1988.

resources. He suggests, the SAARC has to follow the idea of trade promotion of the ASEAN for better quality of life of South Asian People. He states that the SAARC shares some of the ideas and has benefited from the experiences of ASEAN in the area of cooperation and structural set up.

B. P. Shrestha⁹ gives a clear account of the economic and geo-political situation of South Asia and makes a critical review of the present proliferation of the SAARC. He writes with regard to poverty, illiteracy and diseases have not the required priority in their strategic concerns. Growing imbalances in the region between population and environment, between plan and performance, between growing prosperity and raising poverty are serious sources of instability and insecurity in the region. The author views its externalization can pose a threat to peace and stability of the region that is hampering the progress and development of the SAARC. He states that the bilateral stresses always stand on the way to regional peace, amity and co-operation. The success of regional cooperation depends on how far bilateral relationship could be improved within regional framework. Regional cooperation has been extended to core economic areas such as trade, it is realized that intra-regional trade expansion is not enough and that trade linked with economic growth.

Lok Raj Baral¹⁰ has analyzed that South Asia is the second largest socio-cultural entity in the world. It has two land-locked, two Island-locked and three coastal countries with their respective political, economic and cultural tradition. However, the SAARC is neither for security purposes; nor it is a military alliance. All are non-aligned and deeply committed to the principle of the UN Charter. The author asserts, from both the country's economic point of view and the South Asian Regional Cooperation perspective, Nepal's energy sector appears to be quite attractive. Nepal has vast theoretical potentiality and economic potentiality of electricity generation at present from its hydropower resources. Himalayan water resources and their proper sharing is only economic aspiration of Nepal. The water resources (Himalayan resources) are the only potential of exploitation for Nepal's economic development as well as for the benefit of India and Bangladesh. He

⁹ B.P. Shrestha, *SAARC on Economic Perspective*, Kathmandu : Centre for Nepal and Asian Studies (CNAS), TU, 1988.

¹⁰ Lok Raj Baral, *The Politics of Balanced Interdependence Nepal and SAARC*, Kathmandu: Ratna Pustak Bhandar, 1988.

states that Bangladesh, India and Nepal have the prospect of "Water diplomacy" which can be gradually managed within the framework of the SAARC.

Partha S. Ghosh¹¹ views cooperation and conflict are to nations that love and hate are human beings. They are contradictory. South Asia is no exception. In South Asia, the forces of cooperation are over-shadowed by conflicts. South Asia is a region of rapidly growing political awareness. The long drawn independence in India, the liberation movements in Sri-Lanka and to a limited extent in Bangladesh, Nepal and Pakistan have resulted in the political socialization of the people in this region. The author writes the intra-regional relations in South Asia from a foreign policy perspective with superpower linkages intertwined, there in rather than from the perspective of the internal politics of the region and to then relate it to the fabric of the region's external linkages. The domestic political issues of the countries concerned, for example the ethnic conflict in Sri Lanka, the Bangladeshi refugees in India, the Pakistani support and material assistance to Sikh terrorists in the Punjab, the Hindu-Muslim tensions and riots in India, the rise of ethnic Nepali political demands in some part of India etc. have cast their shadows on the efforts for mutual cooperation.

N. P. Baskota¹² has emphasized that the economic development in both the developed and developing countries is making South Asian Countries more interdependent ultimately. The regional process is further affected by a deep discord between India and Pakistan. It has a greater responsibility in promoting trust among South Asian Countries. The author asserts economic growth can be accelerated by promoting interdependence among economies based on gains from trade and allocation of resources to areas where mutual interest may be found key to regional growth and development. Political co-operation is limited; the climate for economic co-operation is not wholly favorable. He states that India can play a crucial role to the development of the SAARC but India's policy so far of avoiding key issues involving the sharing of water resources has been brought under the regional forum.

¹¹ Partha S. Ghosh, *Cooperation and Conflict in South Asia*, New Delhi : Manohar Publications, 1989.

¹² N. P. Baskota, *Regional Economic Cooperation in South Asia: Nepalese Prospective*, New Delhi : Daya Publishing House, 1990.

Ramesh Prasad Koirala¹³ has analyzed that the water resources will provide large economic benefits to the peoples of the SAARC. River basins are precious natural resources. The river is such an elemental part of life of the developing country and civilization. So far as it is known that it develops transport, industries, irrigation, and hydropower and promotes peace and harmony and connects one country with another. He states that the South Asian Rivers are not only becoming the most attractive economic resources but also the symbol of national identity. So the rivers of South Asia are waiting to be transformed into beneficial instrument of development.

K. K. Bharagava¹⁴ in his article "The SAARC: Challenges and Opportunities" in KB Lal, HS Chopra and Thomas Meyer (eds.), *The European Community and SAARC*, writes a general information about Memorandum of Understanding (MoU) which was signed between SAARC and European Commission (EC) on 10 July 1996 in Brussels. The Memorandum of Understanding (MoU) envisages cooperation between the two organizations on exchange of information, training, programmes, technical assistance and any other areas jointly agreed to. He states that relationship between EC and SAARC in the context of global development strategies can be drawn only on the basis of appreciation of experience of these two regional organizations so far in the field of regional cooperation.

Panna Kaji Amatya¹⁵ in his article "Development and Cooperation in South Asia: A Nepalese Prospective" in the *Journal of Nepali Political Science and Politics*, states that South Asia is a region of the poorest countries with vulnerabilities to instability accruing from problems such as grinding poverty, hunger, illiteracy, low levels of development, unemployment, religious fundamentalism, and culture and ethnic heterogeneity. Regional cooperation may also range from correcting trade imbalances to establishing complementary industries as well as joint regional ventures in place of competitive ones to harmonize their economic policies in the region, thereby taking such measures that maintain interdependence among them and benefit the Member Countries.

¹³ Ramesh Prasad Koirala, *Nepal's Role in Collective Utilization of Its Water Resources*, Kathmandu : The Team Publication Pvt. Ltd., 1990.

¹⁴ K. K. Bharagava, "The SAARC: Challenges and Opportunities", in KB Lal, HS Chopra and Thomas Meyer (eds.), *The European Community and SAARC*, New Delhi : Radiant Publishers, 1993.

¹⁵ Panna Kaji Amatya, "Development and Cooperation in South Asia: A Nepalese Prospective" in *Journal of Nepali Political Science and Politics*, Kathmandu: Political Science Association of Nepal, 3, 1994.

He states that the national problems are national responsibilities but regional problems require regional solution. It is high time that the countries in the region have tried to solve their regional problems first at home after all.

Bishwa Keshar Maskey¹⁶ in his article "Economic and Social Cooperation in South Asia: A New Development Paradigm" in the *Journal of Development and Administrative Studies*, states that the SAARC is less inspired by external incentive or threat than the internal motivation of its Member States for cooperative development. Cooperative regime is not a game of power politics in which one can easily get victories and defeats. As its norms, values, procedures and institutions rest on the shared interests of its members, it can easily be interpreted as a joint enterprise that involves initial investment cost but ultimately yields positive pay offs. He states that the regional peace requires cooperation not only in defense but also in social and political transformations. South Asian States have invested too much money on military (security) and far less on civilian defense, including conflict prevention, resolution and management, there is a need for an assessment on the comparative cost efficiency of non-military with military means of achieving security. He says that the future of the SAARC is contingent on its steady economic evolution rather than political one; for, the basic condition of human life (social, psychological, and political etc.) is being governed by the economic equilibrium of society. Poverty, inequality, illiteracy unemployment are mostly the product of economic disequilibrium.

Mario T. Tabycanon, John C. S. Tang, A. H. Bhuiyan and A. K. M. Hural Afsar¹⁷ have analyzed that the joint venture offers prospects for collective action in the solution of common national problems. Joint venture as an ideal form of international cooperation is good and desirable. South Asian Countries have limitations in financial resources so that they could not achieve real benefit due to lack of financial support. They state that the multilateral ventures have explored and implemented as much as possible that the developing countries have to plan their strategies for energy use with great care and utilize a wide range of energy resources, specially those that are renewable. In the final

¹⁶ Bishwa Keshar Maskey, "Economic and Social Cooperation in South Asia: A New Development Paradigm", *The Journal of Development and Administrative Studies*, Kathmandu: Centre for Economic Development and Administration (CEDA), TU, 13 & 14, (1 & 2), 1994-1995.

¹⁷ Mario T. Tabycanon, John C. S. Tang, A. H. Bhuiyan and A. K. M. Hural Afsar, *Possibilities and Problems of Research and Development Cooperation among Developing Countries in East and South East Asia*, Germany : A Publication of Gesellschaft Fur Technishe Zusammenarbeit (GTZ), 1995.

analysis, none of energy sources and technologies will alone offer a complete solution to the energy requirement of national development.

Baladas Ghosal¹⁸ describes an issue of internal politics and external relations of South Asian States. He states that some of the most serious foreign policy challenges in recent years have come from conflicts about the right of self-determination. These conflicts were formerly associated with decolonization processes and contests for ethnic power sharing in post-colonial states. They have now become the major problem of politics in the successor states of South Asia and thus the increasing significance of the two-way interaction between external forces and domestic politics. The author mentions on every aspect of the linkages between domestic politics and foreign policy of South Asia. The link between diplomacy and domestic politics is integral, each affecting the other.

Ananda P. Shrestha¹⁹ in his article "South Asia Economic Cooperation Problems and Prospects an Appraisal" in Shrish S. Rana (ed.), *South Asia Economic Cooperation Problems and Prospects*, writes on the issue of the importance of natural resources of the SAARC. He states that the opening of industrial zones in respective capitals of Member States and multiple interaction programmes are necessary to bring the SAARC nations closer. Success or failure of the SAARC as a regional grouping could well depend on India's magnanimity. The employment issues occupy a central place in the study of under development in the world that has been ignored by the policy-makers of South Asia. He states that the harnessing of the hydropower sector is needed to develop the SAARC in highways, river ways and railways.

Kishor Kumar Guru-Gharana²⁰ in his article "SAARC Preferential Trading Arrangement (SAPTA) Problems and Prospects" in Shrish S. Rana (ed.), *South Asia Economic Cooperation Problems and Prospects*, writes that the regional economic

¹⁸ Baladas Ghosal (ed.), *Diplomacy and Domestic Politics in South Asia*, New Delhi : Konark Publishers Pvt.Ltd., 1996.

¹⁹ Ananda P. Shrestha, "South Asia Economic Cooperation Problems and Prospects an Appraisal" in Shrish S. Rana (ed.), *South Asia Economic Cooperation: Problems and Prospects*, Kathmandu : Academic Research and Development Action Council (ARDAC) in cooperation with Coalition for Action on South Asian Cooperation (CASAC) and Friedrich Ebert Stiftung (FES), 1997.

²⁰ Kishor Kumar Guru-Gharana, "SAARC Preferential Trading Arrangement (SAPTA) Problems and Prospects" in Shrish S. Rana (ed.), *South Asia Economic Cooperation Problems and Prospects*, Kathmandu : Academic Research and Development Action Council (ARDAC) in cooperation with Coalition for Action on South Asian Cooperation (CASAC) and Friedrich Ebert Stiftung (FES), 1997.

cooperation develops the South Asian Countries gain collectively if they work jointly to expand the markets for their products in other regions. He states that the LDC's members will also gain if the promised special favors and concessions as well as technical assistance are materialized. Intra- SAARC transport network has to be improved if the goal of trade expansion is to be realized. Transport networks such as railway, road, air and sea (as well as river navigation) have to be established and developed. Without such improvement in transport network, intra-SAARC trade expansion cannot be achieved to a significant degree. In the final analysis, transit facilities are the necessary and most important vehicle for intra- regional trade expansion.

B. Satyanarayan²¹ views most of the South Asian Countries are having limited domestic markets. It is difficult to demonstrate superiority of economy of scale in these domestic markets. The accompanying acceleration of economic growth tempo in each country within the region results in an increase in the scale of intra-regional trade. One possible way to accelerate the economic growth of the South Asian region is through the economic cooperation from out side the region. The important means are the expansion of imports of South Asian products by outside countries. He states that the prospects for outside economic assistance are not bright; measures to boost up regional export earnings and the necessity for forgoing intra-regional cooperation among the South Asian Countries have to give priority. The expansion of intra-regional trade required increased exchange of a multitude of goods between all the countries of the region. He emphasized that not to expand trade for its own sake, but to expand trade in the interest of an overall economic development of the region.

Sridhar K. Khatri²² in his article "The Question of 'Political will' and the Challenge of Deepening Regional Cooperation in South Asia" in the *Journal of Political Science*, writes on the issue that the 'political will' has been lacking in the region due to the bilateral problems between India and her neighbors. It has been lacking in the absence of a long-term vision in South Asia. He states that South Asian Nations will arrive at a common security perspective in the near future. The excessive reliance on

²¹ B. Satyanarayan, "Regional Economic Cooperation in South Asia: Scope and prospects" in M. D. Dharamdasani (ed.), *Cooperation Among South Asian Nations*, Varanasi : Shalimar Publishing House, 1998.

²² Sridhar K. Khatri, "The Question of 'Political will' and the Challenge of Deepening Regional Cooperation in South Asia" in *Journal of Political Science*, Pokhara : Prithvi Narayan Campus, 1 (1), 1998.

bureaucracy is another factor for the lack of 'political will' in regional cooperation in South Asia. The political leaders have made lots of commitments no doubt, but these commitments have been breached and have never been fulfilled.

Nancy Jetly²³ describes an in-depth analysis of some major issues of internal security, which are great concern for the whole region. The author views multi-dimensional and insightful overview of the political and economic contexts of South Asian security, delineating in considerable depth and detail the challenges of ethno-nationalism and issues of nation-state in South Asia. He provides an in-depth analysis of the challenges of religious fundamentalism, ethno-sectarian strife and cross-border terrorism in the region. Most pluralistic societies across the world are facing challenges of identity and viability as nation states. South Asia also is facing a number of internal challenges to its security; most South Asian Countries are engaged in the complex task of nation building amidst growing pressures from their diverse ethnic, linguistic and religious groups. Challenges of governance and lack of consensus on fundamental socio-economic issues make for increasing levels of economic and political discontent within national politics. The inability of the state to satisfy the rising aspirations of large sections and groups of people who have over many years remained at the margin of development processes precipitates turmoil and instability.

Dhruba Kumar²⁴ states that partition in 1947 has led to a perpetual enmity between the two born states as India and Pakistan. The unending conflicts and four wars (1948, 1965, 1971 and 1999) between them had been punctuated by several efforts at amelioration and normalcy. 1965 and 1971 wars were fought merely on the religious grounds and for national pride without comprehending the economics of war and military rationality. The author further states in 1998 May-July, Kargil war involved not only the ground troops but also Air Force that was not the case before. In May 1998, India openly asserted its nuclear weapons power status and weaponization will continue in South Asia. He writes that the Kashmir symbolizes the continuing insecurity in South Asia. The continuing tension over Kashmir could lead to war with the potentially of nuclear exchange in South Asia.

²³ Nancy Jetly (ed.), *Regional Security in South Asia: The Ethno-Sectarian Dimensions*, New Delhi : Lancers Book, 1999.

²⁴ Dhruba Kumar, *Minds of War and Minds of Peace in South Asia*, Kathmandu : Centre for Nepal and Asian Studies (CNAS), TU, 1999.

Khadga K. C.²⁵ in his article "SAARC: Its Challenges and Future Prospects" in the *Journal of Political Science*, states that the regional cooperation does not gain its momentum by its own force unless it derives its motive power from mutual trusts and understanding of its patterns. He writes, the SAARC is focusing even on bringing about all round improvement in political relationship that may also have a direct impact on the economic relationship as well the SAARC in its present stage challenges ahead and future prospects. Political stability in South Asia and a satisfactory solution of its complex problems are the fundamental requirement for regionalism. In his view, India and Pakistan on Kashmir conflict is further creating a serious threat to the regional balance of power unlike the consolidation of the SAARC spirit. The security environment in South Asian region has brought about substantive changes especially with recent introduction of the nuclear issue. The political tension and mutual suspicion has led to caution and hesitancy among the regional countries in accepting proposal for enhancing economic co-operation.

S. L. Sharma and T. K. Oomen²⁶ have analyzed that the linkages between ethnicity and nationalism as those between national and state ethnicity in parts of South Asia. It has some continuity with the traditional caste system, it may be qualitatively different from ethnicity in the rest of the world and for the same reason, and it may pose a more serious challenge to national building in South Asia. They state that policy of pluralism brings the state in harmony with civil society. The cultural pluralities on the conceptualization of nation articulate the linkage between the nation and the state in South Asia. In the final analysis, an alternative paradigm and theoretical articulation makes distinction to comprehend the complexity of nation and nationality in South Asia.

Kousar J. Azam²⁷ has analyzed that the term 'ethnicity' was first used in social science in 1953 to mention the characteristics of an ethnic groups. Ethnicity remains valid in an environment that has been overtaken by a blurring of distinctions between the concepts of race, ethnicity and identity. Ethnicity is a kind of consciousness about the status and problems of an ethnic group. The author asserts that ethnicity takes shape on

²⁵ Khadga K. C., "SAARC: Its Challenges and Future Prospects" in *Journal of Political Science*, Pokhara : Department of Political Science and Sociology, Prithvi Narayan Campus, 2 (1), 1999.

²⁶ S. L. Sharma and T. K. Oomen, *Nation and National Identity in South Asia*, Hyderabad : Orient Longman Limited, 2000.

²⁷ Kousar J. Azam, *Ethnicity, Identity and the State in South Asia*, New Delhi : South Asian Publishers Pvt. Ltd., 2001.

the basis of primordial characteristics such as religion, language, race, caste, etc. The majoritarian concept of democracy has led to the isolation of minorities and the consequent assertions based on ethnic identities. Ethnic conflicts particularly in the form of secessionist movements have posed a serious challenge to the state in South Asia.

Mohan Prasad Lohani²⁸ states that the testing of nuclear weapons by India and Pakistan in May - June 1998 followed by a test launching of missiles with nuclear weapon carrying capacity is perhaps the most significant development in the area of security in South Asia. All five non-nuclear small states in the region, implicitly or explicitly, deplored this act as threat to the security of the region. He views, the never-ending hostility between India and Pakistan has fed the steady growth in military spending. Insecurity in South Asia has its roots in bad governance engineered by bad leadership.

Mohan Prasad Lohani²⁹ in his article "16 Years of SAARC: An Overview" in Shiva Dutta Dhakal (ed.), *Sangam*, describes that the first cycle of co-operation (1985 to 1992) was able to expand the areas of co-operation under Integrated Program of Action (IPA) such as environment, terrorism and drugs. He states that terrorism and drug trafficking continue to cause serious matter to the Member States and pose a threat to the prospects of peace and stability in the region. The SAARC had moved from the symbolic phase in the first cycle to the substantive phase covering the core areas of co-operation in the second cycle that commenced with the seventh SAARC Summit in Dhaka in 1993. There was a clear consensus at the seventh Summit on the need for intensifying co-operation in such core areas as poverty alleviation and preferential arrangements for intra-regional trade promotion.

P. L. Bhola³⁰ has analyzed that in 1960's the world was divided between the countries having missiles or not that may be called Advanced Missile Technology States (AMTS) and Non-missile Technology States (NMTS). The ballistic missile technology, the components and the complete ballistic missiles on a selective basis are kept in mind to their own national interest in the 1970's and the 1980's. The author states that missile proliferation is not a problem to any particular region. It is, in fact, a global problem.

²⁸ Mohan Prasad Lohani, *Security in South Asia*, Kathmandu : Institute of Foreign Affairs (IFA), 2001.

²⁹ Mohan Prasad Lohani, "16 Years of SAARC an Overview" in Shiva Dutta Dhakal (ed.), *Sangam*, Kathmandu : Shiva Dutta Dhakal, 10, January, 2002.

³⁰ P. L. Bhola, *The Spectrum of South Asian Relation*, Jaipur : RBSA Publishers, 2001.

South Asian Nations are keen to roll back or cap the ballistic missile development programmes in the region. The proliferation of missile systems, particularly in the areas of political tension undermines regional stability and peace.

Rita Manchanda³¹ has analyzed that the women are symbol of peace since the inception of human civilization. They have been victimized in different types of conflicts within the South Asian Nations either mentally or physically. South Asia is one of the most conflicts prone in the world. Politicized religion has fostered cultural violence undermining the impulse to promote social reform with regard to the position of women. The author asserts that the meaning of peace for women cannot be separated from the broader question of unequal relationship between men and women in all spheres of life and the family. It is a radicalization of the women and peace connection. But it is also true that they are separated by caste, culture, ideology, religion, ethnicity and nationality.

Urmila Phadnis and Rajat Ganguly³² have analyzed that the phenomenon of ethnicity as an intrinsic component of the socio-political realities of multi-ethnic states in South Asia as well as in most of the countries of the world. The plural status of South Asia is the enormous challenge faced by the nations in the region which each of them has suffered from ethno-nationalist turbulence and ethnic conflict. They state that ethnic identity is significant but not a sufficient requisite for evoking ethnicity. It is the mobilization and manipulation of group identity and interest by the leadership that leads to ethnicity. In the final analysis, all the major regions and sub-regions of the world have experienced some form of ethnic nationalism and conflict and the situation prevailing in South Asia is particularly acute.

Sumit Guha³³ writes, the history of human population is a special interest when, human beings are aware of the burden, they place on the eco-system. Asia has long contained a major fraction of world population, and East and South Asia have accounted for most of that fraction. The author writes on various aspects of the population of South Asia over the past twenty-five years, and highlights debates in the population history of Asia, Europe and American.

³¹ Rita Manchanda, *Women, War and Peace in South Asia*, New Delhi : SAGE Publications Pvt. Ltd., 2001.

³² Urmila Phadnis and Rajat Ganguly, *Ethnicity and Nation Building in South Asia*, New Delhi : SAGE Publications Pvt. Ltd., 2001.

³³ Sumit Guha, *Health and Population of South Asia from Earliest time to the Present*, New Delhi : Permanent Black, 2001.

Girin Phukon³⁴ states that the term 'Ethnic' implies the sense of belonging together as the cultural group of a given society. It may be understood as an organizing principle used by a group of people in order to differentiate themselves from other groups in terms of race, language, customs, mode of living culture, religion and so on. All the major regions and sub-regions of the world have experienced some forms of ethnic tension. The author states that the ethno-cultural diversities in South Asian Countries are connected with the size of the population and the territory of a state, political geography, migration and minority syndrome. Ethnicization of politics and politicization of ethnic identity has shared the ethnic consciousness in the South Asian Countries. Thus, ethnic conflict has adversely affected the political process of South Asian States. Some of the ethnic groups of these states have been launching a violent struggle against the state. The ethno-cultural mismatch with the political boundaries, a product of colonial rule, is the single most important cause of political unrest in South Asia. In the final analysis, the impact of ethnicity on politics in South Asian Countries is so vast that it is impossible to deal with each and every dimension.

Minirul Hussain and Lippi Ghosh³⁵ state that the religion has been playing a very crucial role in the South Asian society and very often politicization of religion in order to gain and maintain power has also affected the SAARC activities. The SAARC region is a very distinctive civilization, geo-graphical, socio-economic and political region. Natural diversity has been a part of this region that consists of the diversity of race, language, culture, polity economy and religion. The Muslim, Sikh, Jain, Christian and Buddhist in India, the Hindu and Christian in Pakistan, the Hindu, Buddhist and Christian in Bangladesh, the Hindu, Christian and Muslim in Sri Lanka and the Muslim, Buddhist and Christian in Nepal constitute the religious minority groups. The further state each religious minority in South Asian Country has its own problems vis-à-vis the majority and the state besides its own internal problem.

Baljit Singh³⁶ states that the regional cooperation in South Asia is facing rough weather. Instead of emerging as an effective instrument of meaningful cooperation in the

³⁴ Girin Phukon, *Ethnicity and Polity in South Asia*, New Delhi : South Asian Publishers Pvt. Ltd., 2002.

³⁵ Minirul Hussain and Lipi Ghosh, *Religious Minorities in South Asia*, New Delhi : Manak Publications Pvt. Ltd., 2002.

³⁶ Baljit Singh, "Regional Cooperation in South Asia: Problems and prospects" in *South Asian Survey*, New Delhi: SAGE Publications Pvt. Ltd., 12 (2), July -December 2005.

region, the SAARC has become a consultative body. In its 20 yearlong history, it is the SAARC's failures rather than its achievements that stand out. The SAARC could neither enlarge the constituency of cooperation nor minimize the areas of confrontation in South Asia. Consequently, South Asia is lagging behind other regions in terms of regional cooperation, which is necessary for the overall growth, progress and development of the region. This dismal scenario raises a big question about the present and the future of regional cooperation in South Asia. In his view, the South Asian region is suffering from the long-standing India-Pakistan rivalry, whose bilateral relations are still operating in the Hindu-Muslim communal framework. This has made the SAARC a dysfunctional, non-performing and sick regional organization in the world.

Rajiv K. Chander³⁷ views economic cooperation in South Asia has started in 1985 with the establishment of the SAARC in 1985. Since its inception regional cooperation has further advanced and extended especially in preferential trade areas. Now, South Asia is stepping beyond preferential trade to free trade area. This is expected to open up the regional economies for the betterment of the lives of the people and reduce the regional poverty. He states that the institutionalization of economic cooperation in the early 1990s with the establishment of the committee on economic cooperation saw a steady growth in the scope and pace of economic cooperation with the scheduled entry into force of SAFTA on 1 January 2006. The SAARC is poised to enter into a qualitatively different phase of significantly deeper and wider economic cooperation.

Y. N. Khanal³⁸ in his article "South Asian Association for Regional Cooperation: An Overview" in Shiva Dutta Dhakal (ed.), *Sangam*, states that nationalism and regionalism mix only in political and economic accommodation of each other. 'Political will' is central to the establishment and progress of the SAARC region. The balance between nationalism and regionalism that it presupposes is essentially a political matter sublimated to a level of statesmanship. Slow development of the SAARC recognizes as beneficial, desirable and necessary mirrors both for the state of the region. This political will is an important element in the furtherance of the SAARC objectives. Serious

³⁷ Rajiv K. Chander, "Regional Economic Cooperation in SAARC" in *Economic Integration in South Asia*, Kathmandu : Nepal Rastra Bank, Research Department, International Finance Division, 2005.

³⁸ Y. N. Khanal, "South Asian Association for Regional Cooperation: An overview" in Shiva Dutta Dhakal (ed.), *Sangam*, Kathmandu : Shiva Dutta Dhakal, 10, January, 2002.

problems both political and economic have multiplied within and between Member Countries. He further states that the terrorism as a highly political subject; a terrorist in one country may be seen as a freedom fighter in another.

M. Siddiqi³⁹ writes about India's population and area, India is the largest country in the SAARC region. India's trade with the SAARC countries was not substantial during the last decade and the position also did not have substantial change in the post-SAARC period. The exports to the SAARC countries were never above 5 percent of the total exports of India. The need of the SAARC nations to get united and work together in harmonious way has long since been emphasized at different for a within the SAARC region. The author views, if the SAARC nations come together in various fields; they will no longer be the dependents and puppets of the developed nations. They have been making them to dance to their tunes. These nations have to forget the narrow and baseless issues, which prove to be stumbling blocs on the path of the development of their region.

1.8 Organization of the Study

This study is organized into five chapters. They are as follows:

The first chapter is the introduction that includes background of the study, objectives of the study, statement of the problem, significance of the study, limitation of the study, methodology, literature review and organization of the study. The second chapter examines historical background of regionalism and SAARC. The third chapter entitled, socio-economic challenges among South Asian Countries has focused on the common socio-economic challenges of the region. The fourth chapter explains the bilateral issues among South Asian Countries. The last chapter offers summary, findings and suggestions.

³⁹ M. Siddiqi, *India and SAARC Nations*, New Delhi : Maxford Books, 2006.

CHAPTER - II

Historical Background of Regionalism and SAARC

2.1 Regionalism: Concept and Context

Generally, region is defined in geographical terms. It means area smaller than a state but the understanding of the term in the context of international relations has two connotations.

- a. A region is invariably an area embracing the territories of three or more states. These states are bound together by ties of common interest as well as geography. They are not necessarily contiguous, or even in the same continent.
- b. These areas where far flung and geographically scattered nations form an association or a real community of states for common interests.

One of the earliest contributions in the development of the theory of region is that of B. V. Boutros Ghali who defines:

"A region or a regional system as organisms of a permanent character, grouping in a geographically determined region of more than two states which by reason of their proximity, their communities of interests of their affinities ... (establish) an association for maintenance of peace and security in their region and for the development of their economic, social and cultural cooperation with the final purpose of forming a distinct political entity."⁴⁰

Regional means the science of place that is the study of the surface of the earth, the location and distribution of its physical and cultural features, the area patterns or places that they form, and the interrelation of these features as they affect humans. Between World Wars, a number of regional arrangements came into existence in the interwar period (1918-39), although some were in embryonic form and were never fully organized. One of the most obvious examples was the little entente that was composed by Czechoslovakia, Yugoslavia and Rumania after the conclusion of the war; it grew out of a series of bilateral mutual assistance treaties among the three countries. It gradually

⁴⁰ Shanti Ram Bhandari, *Problem of Regional Integration in South with Special Reference to SAARC*. Unpublished MA Thesis, Department of Political Science, Post Graduate Campus, PU, Biratnagar, Nepal, 1995, p. 39.

developed into a broader political organization and after 1933 came to close diplomatic confederation with definite organizational structure.⁴¹

There were many other attempts through agreements to form groupings of states in Eastern Europe and the Balkan area, but with the inception of the Balkan entente in 1934 these attempts could not lead to any real regional arrangements. The five-power treaty signed by Belgium, England, France, Germany and Italy in 1925 regarded the western frontiers of Germany. The most important of the seven Locarno pacts seemed to lay the foundation for regional collaboration for a specific purpose; but it was not implemented to the extent necessary to bring about a regional arrangement into effective operation.

Growing importance of international regionalism evidenced by the appearance of many new regional arrangements. Furnish has given six perplexing difficulties to which the development of so many 'arrangements' since 1945 have given rise. The first is "the continuing confusion arising from the lack of precision in definition." A second difficulty arises from the "overlapping networks of agreements." A third difficulty is caused by the "exclusion of certain states from regional arrangements" in their areas or the refusal of other states to adhere to such arrangements. The fourth and fifth difficulties are that some so-called regional arrangements are preoccupied "with conditions inside the area as a means of attaining objectives outside the area", and, conversely, "that too much internal organization may lead to difficulties in linking the arrangements one with another and each with the United Nations." The sixth difficulty is "concerned with the relevance of such arrangements to the maintenance of peace and security in the light of the series of revolutions which have taken place in military technology since 1945".⁴²

The co-existence of regional arrangements and a nearly universal world organization is a fact of contemporary international life. Both meet a real need in the area of inter-states cooperation. In the words of John C. Stoessinger:

⁴¹ Ward P. Allen, *Regional Arrangements and the United Nations*, USA : Department of State, 1946, pp. 5-6.

⁴² Narman D. Palmar and Howard C. Perkins, *International Relations*, New Delhi : CBS Publishers and Distributors, 1985, pp. 597-598.

“The record supports neither the "building block theory" of regionalism nor the opposite contention that regional arrangements are necessarily antithetical to the principles of the United Nations Charter. Rather, the evidence shows that frequently the United Nations has been a second line of defense for regionalism, and that sometimes-regional arrangements have served as backstops for the world organization. Certainly, there is ample room for both types of political order building on the international scene.”⁴³

E.N. Van Kleffens, former Dutch Ambassador to the United States, formulated this definition: "... a regional arrangement or pact is voluntary association of sovereign states within certain area or having common interest in that area for a joint purpose, which should not be of an offensive nature in relation to that area".⁴⁴ Today scholars use different synonyms like 'orbit', 'alliance', 'block' 'zone', 'treaty', and 'pact' to denote regional arrangement or regionalism.⁴⁵ Regional systems seem to have continued from the ancient times. For example, ancient Greek Federation, Treaty of 1856 that provided neutrality to Alpas Peninsula, Treaty of 1863 related to ionic peninsula, Law of Congo of 1885 in the 19th century. Norman Federation, Inter-American Union, Balkan Group, Locarno Treaty and Common Wealth etc. were the systems under regional concept.

Most of the western scholars have evolved theories and concepts on regionalism inspired by the security perceptions of the western block in the wake of Cold War, the main objective being the containment of communism. But gradually divergent approaches to the study of the regionalism have come into existence with new concepts and categories. According to the existing approach regional systems can be broadly categorized into the following three types:⁴⁶

- a. Regional systems, which are essentially subordinates of the international system especially from the strategic, military and security points of view.
- b. Regional groups that have come together, for fulfilling some limited (economic) objectives.

⁴³ Hedwig Hintze, *Regionalism Encyclopedia of the Social Sciences*, New York : Macmillan Press, 17, n.d., p. 597.

⁴⁴ E. N. Van, Kleffens, "Regionalism and Political Pacts" in *The American Journal of International Law*, USA : n.p., October 1949, p. 669.

⁴⁵ Ram Kumar Dahal, *Dakshin Purbi Asia Ra Dakshin Asia (South East Asia and South Asia)*, Kathmandu : New Hira Books Enterprises Pvt. Ltd., 2002, p. 116.

⁴⁶ Partha S. Ghosh, *Cooperation and Conflict in South Asia*, New Delhi : Manohar Publications, 1989, p. 7.

- c. Comprehensive regional organizations with the objectives of achieving political harmony and economic and social development.

Needless to say that the SAARC based on the objectives listed in its Charter, falls into the third category of the above-mentioned regional systems. Regional cooperation means association among the states within a region to promote common needs and resolve common problems.⁴⁷ Regional co-operation purely is on humanitarian ground, free from exploitation, for the welfare of the people without any strings attached. A main objective of regional cooperation is the preservation of their national identity, to live in peace and amity with their neighbors and safeguard territorial boundaries and improve economic conditions. Regional cooperation has brought about significant transformations in some of the region's strategic options, political actions, and economic orientation and development gains.⁴⁸

The idea of regional cooperation emerged gradually after World War II, since many countries had been suffering from new economic and political problems. It aims at co-operation on a regional basis after determining the modality, including institutional arrangements for such cooperation. According to location, size, scope, aims and objectives, there are many regional cooperation existence in the world. For example:

- a. The NATO and WARSA pact alliances are bound by a military pact for security purposes,
- b. OAS and Arab League for political cooperation,
- c. On the contrary, there are examples of regional cooperation in the economic field like EEC, COMECON, GEC and ASEAN.⁴⁹

Dynamics of regional cooperation shows major three patterns of emergence of regionalism. First, a great power may view an area geo-politically important and hence try to foster a sense of regionalism among the nations sharing a common values, cultural background and similar economic and political system. It all began in 1951 with the setting up of the European Coal and Steel Community. European Community is the example of this system. Second, a regional group comes into being when a number of likeminded regimes in an area form an association to cope with the threatening regional

⁴⁷ Krishna Hachhethu, *Nepal's Perception on Regional Cooperation in South Asia*. Unpublished MA Thesis, Central Department of Political Science, TU, Kirtipur, 1986, p. 1.

⁴⁸ Ali E. El. Agraa, *Regional Integration: Experience, Theory and Measurement*, London : Macmillan Press, 1999, p. 37.

⁴⁹ Rajesh S. Kharat, *Bhutan in SAARC: Role of Small State in a Regional Alliance*, New Delhi : South Asian Publishers Pvt. Ltd., 1999, p. 33.

environment. ASEAN is the relevant case hears. Third, big power of the region takes along to small neighbors under some kind of grouping for its own as well as other's interest. The Gulf Cooperation Council (GCC) may be cited as the example.

Regional integration is the concept at the back of regional organizations. Earnest B. Hass has defined regional integration as the "process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new larger centre whose institutions possess or demand jurisdiction over pre-existing nation states."⁵⁰ This is a process that links several nations of a region in collective decision-making system. Regional organizations translate this process into institutional framework.

The concept of regional integration is different from the similar concept of internationalism/regionalism, international/regional cooperation, international /regional organization. From the fifties, international relations theory became popular with many scholars, statesmen and states (especial European) are the integration theory. International integration theory is an umbrella for a great variety of approaches and methods—functionalism, neo-functionalism, federalism, pluralism and regionalism—retaining the significant contents of original theory.⁵¹ It has been put into practice in the real world through the evolution of regional communities, functional organizations and international institutions. As many integration theorists concentrate on international organizations and on the issue of how they can be converted from instrument of states to structures over them, these are also known as theories of international organizations.

Regional integration arrangements are mainly the outcome of necessity felt by nation-states to integrate their economies in order to achieve rapid social and economic development, decrease conflict, and build mutual trusts between the integrated units. Regional integration is a process in which states enter into a supranational regional organization in order to increase regional cooperation and diffuse regional tensions. There have been several efforts at regional integration, including ASEAN and Mercosur. Perhaps the most famous attempt at regional integration has been the European Union.

⁵⁰ Hedwig Hintze, *Regionalism Encyclopedia of the Social Sciences*, New York : Macmillan Press, 13, n.d., p. 388.

¹² Vinaya Kumar Malhotra and Alexander A Sergouniun, *Theories and Approaches to International Relations*, New Delhi : Anmol Publications Pvt. Ltd., 1998, p. 14.

Regional integration has been defined as an association of states based upon location in a given geographical area, for the safeguarding or promotion of the participants, an association whose terms are fixed by a treaty or other arrangements. Philippe De Lombaerde and Luk Van Langenhove define regional integration as a worldwide phenomenon of territorial systems that increase the interactions between their components and create new forms of organisation, co-existing with traditional forms of state-led organisation at the national level. According to Hans Van Ginkel, regional integration refers to the process by which states within a particular region increase their level of interaction with regard to economic, security, political, and also social and cultural issues.⁵² In short, regional integration is the joining of individual states within a region into a larger whole. The degree of integration depends upon the willingness and commitment of independent sovereign states to share their sovereignty.

Regional integration initiatives, according to Van Langenhove, should fulfil at least eight important functions: 1. the strengthening of trade integration in the region 2. the creation of an appropriate enabling environment for the development of infrastructure programmes in support of sector development; 3 economic growth and regional integration; 4. the development of strong public sector institutions and good governance; 5. the reduction of social exclusion and the development of an inclusive civil society; 6. contribution to peace and security in the region; 7. the building of environment programmes at the regional level; and 8. the strengthening of the region's interaction with other regions of the world.⁵³

A theory of regional integration that places major emphasis on the role of non-state actors – especially, the “Secretariat” of the regional organization involved and those interest associations and social movements that form at the level of the region – in providing the dynamic for further integration. Member States remain important actors in the process. They set the terms of the initial agreement, but they do not exclusively determine the direction and extent of subsequent change. Rather, regional bureaucrats in league with a shifting set of self-organized interests and passions seek to exploit the inevitable spill-overs and unintended consequences that occur when states agree to assign some degree of supra-national responsibility for accomplishing a limited task and

⁵² http://www.en.wikipedia.org/wiki/neofunctionalism_international_relations#functionalism

⁵³ http://www.en.wikipedia.org/wiki/functionalism_international_relations#newfunctionalism

then discover that satisfying that function has external effects upon other of their interdependent activities. According to this theory, regional integration is an intrinsically sporadic and conflictual process, but one in which, under conditions of democracy and pluralistic representation, national governments will find themselves increasingly entangled in regional pressures and end up resolving their conflicts by conceding a wider scope and devolving more authority to the regional organizations they have created. Eventually, the citizens will begin shifting more and more of their expectations to the region and satisfying them will increase the likelihood that economic-social integration will spill-over into political integration.

Prior to regional integration theory and research about regional integration were understandably dominated by the experience of the European Economic Community/European Community/European Union. As both the pioneer and greatest success in regional integration, it proffered the model that other regions were expected to imitate and it offered itself as a partner in forging inter-regional relations.

There are a mix of factors and conditions that make the integrative process smooth and fast. These are geographical proximity, similar political systems, favorable public opinion, cultural homogeneity, similar experiences in historical and internal social development, political stability, similar levels of military preparedness and economic capabilities, bureaucratic compatibilities, previous collaborative efforts . Although not all of these conditions are essential for integration to take place, the absence of more than a few will definitely reduce the possibility of success.

The old have inspired all theory of regional integration and closed European process and the issue is whether they can be pressed into service to explain what is going on in the new and open regions of the rest of the world. It has been argued that they can be placed somewhere within a two-dimensional property space formed by the following variables:

Ontology: whether the theory presumes a process that reproduces the existing characteristics of its Member-State participants and the inter-state system which they are a part, or presumes a process that transforms the nature of these sovereign national actors and their relations with each other; and

Epistemology: whether the evidence gathered to monitor these processes focuses primarily on dramatic political events or upon prosaic socio-economic-cultural exchanges.

Regional organizations are products of mutual cooperation and common interest of states. Regional organizations have been formed from the common interest and common efforts of the states. As the countries are free and sovereign, they are free to make regional treaties and to establish regional and international organizations according to those treaties. Different kind of organizations can be established on the basis of regional treaties. After the Second World War, formal regional organizations came into existence in different parts of the world. Article 52 of UN Charter permits "the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security are appropriate for regional action provided that such arrangements or agencies and their activities are consistent with the purposes and principles of the United Nations (see appendix - 1)."⁵⁴

Regional organization is the art of creating and administering regional societies composed of independent states to facilitate co-operation in realizing common purposes and objectives. The relative cultural, economic, political, ideological and geographic similarity within a region lends itself to more effective organization. Moreover, it is easier for nation states to organize and participate in schemes of regional integration-political as well as economic of continent size or even smaller areas thus leaving no room for super power intervention.

During Cold War period small countries started non-aligned on either pole between two superpowers (USA/USSR) because they need to establish their own organizations without siding with any of them for preserving their existence, for elimination of inequality between great and small countries. From this time onward different organizations started to be established in the different parts in the world. North Atlantic Treaty Organization (NATO) was established on April 4, 1949 under the American leadership. Similarly, WARSAW pact was established on May 14, 1955 under the leadership of the USSR. European Economic Community (EEC) was established on January 1, 1958 for economic development. It has been changed as European Union since June 1, 1994. Similarly, Organization of Petroleum Exporting Countries (OPEC) was established on November 15, 1960, ASEAN on August 8, 1967 and Organization of African Unity (OAU) on May, 1962 with the objectives of maintaining economic equality and preserving economic benefits among countries.

Regionalism is almost as old as history. The listing of social units brought together by the force of the sword or by the endogenous and resolute wish of leaders and peoples is inexhaustible. Aware of the potential risk in breaking historical linearity into

⁵⁴ UN Publications, *UN Charter*, New York : UN Publications, 1945, pp. 21-22.

neat pieces, the weaving of regional ties has been historically dominated by five cycles. Such as Military regionalism, Nineteenth Century regionalism, post First World War, post Second World War and New regionalism.⁵⁵

The subject of regionalism numerous approaches and theories were generated within international relations over the more than 6 decades. The mainstream theories of regionalism are functionalism and neo-functionalism. Regionalism is a term used in international relations. Regionalism also constitutes one of the three constituents of the international commercial system (along with multilateralism and unilateralism). It refers to the expression of a common sense of identity and purpose combined with the creation and implementation of institutions that express a particular identity and shape collective action within a geographical region. Regionalism is becoming a central and most vital approach of integration theory. The success of integration theory in a West European Milieu has encouraged many scholars to assume and believe that the transition from the state system to an integrated global society is via regional integration.

The first coherent regional initiatives began in the 1950s and 1960, but they accomplish little, except in Western Europe with the establishment of the European Communities. Some analysts call these initiatives old regionalism. In the late 1980s, a new regional integration (also called new regionalism) began and still continues. A new wave of political initiatives prompting regional integration took place worldwide during the last two decades, while, in international trade, after the failure of the Doha round, regional and bilateral trade deals have mushroomed. The European Union can be classified as a result of regionalism.⁵⁶ The idea that lies behind this increased regional identity is that as a region becomes more economically integrated, it will necessarily become politically integrated as well. Relationship between globalization and regionalism are intertwined. Globalization is something driven by regionalism-with development of regional markets it may have contributions to globalization.

By the end of the Second World War, then, regionalism had not still entered the vocabulary of international relations. By the 1940's however, an increasing number of influential people had already advocated escape from a theoretical and ineffective universalism into practical and workable regionalism. The region as a unit of analysis

⁵⁵ <http://www.cris.unu.edu/admin/documents/wpro.drigo>

⁵⁶ http://www.himalmag.com/southasian_briefs.htm

became important not only in the Cold War context, but also as a result of the self-consciousness of regions themselves. Because of the subsequent demands by states that had already made heavy political investments in regional arrangements such as the Inter-American System, the Commonwealth and the Arab League, regionalism made its appearance even in the finalized UN Charter.

Regionalism means association among many states within a region to promote common goals, meet common needs and resolve common problem in the regional level. Regionalism can be defined as a counter movement to any exaggerated or oppressive form of centralization. It cannot be understood only from the viewpoint of political control or governmental administration.⁵⁷ Regionalism originated in Europe. The European Union (EU) has provided the inspiration to other region for cooperation or integration in regional level.⁵⁸

Regionalism is a multi-dimensional phenomenon at once psychological, geo-cultural and politico-economic in its nature and manifestation with negative and positive overtones.⁵⁹ Regionalism, besides its strategies, geo-political and foreign policy dimensions, has been a major plan of development cooperation and integration in many parts of the world. There are examples of a variety of regional groupings that have transformed the conventional outlook and aspirations into more open, dynamic and wider systems and practices of peaceful-coexistence, collective responsibility and regional development.⁶⁰ Regionalism represents the regional idea in action as an ideology, as a social movement, or as the theoretical basis for regional planning; it is also applied to the scientific task of delimiting and analyzing regions as entities lacking formal boundaries.⁶¹

Regionalism is a political force generated and sustained by a variety of factors including proximity, functional interests, homogeneity and common threat perception. Another factor is acceptance of pivotal power in the region. But the crucial part of that is

⁵⁷ Hintze, op. cit., f.n. 4, p. 209.

⁵⁸ *South Asian Survey*, New Delhi : SAGE Publications, 12 (2), July -December 2005, p. 155.

⁵⁹ Iabal Narain, *Regional Politics in India*, Jaipur : Printwell Publishers, 1985, p. 79.

⁶⁰ Edward D. Mansfield & Helen V. Miner, *The Political Economy of Regionalism*, New York : Colombia University Press, 1997, p. 68.

⁶¹ Rupert B. Vance, *International Encyclopedia of the Social Sciences*, New York : Macmillan Press, 12, n.d., p. 378.

the pivotal role of a particular power in the region has to be accepted by other nations in the region and by that nation also. In the ASEAN, Indonesia economically or technologically overshadows others. One more example of domination is the Organization of American States (OAS), which is dominated by the United States of America. The problem is that if that pivotal role is not accepted unanimously by other nations of the region, there will be a constant fear of its hegemonic role creating hindrances to regional cooperation. It appears that the SAARC vis-à-vis India poses the same problem. India's pre-eminent role continues to determine and influence the behavior of other members within the SAARC.

In fact, regionalism in international relations has become a widespread phenomenon in the post-Cold War era. Apart from the consideration of collective security, the desire for a collective approach in solving economic and social problems and achieving collective progress has served as the motoring force for the growth of regionalism. It has become a vehicle for mutual cooperation and social and economic progress for the states forming parts of well-defined regions. The study of regionalism and its theoretical aspects has therefore witnessed a spurt in 1960s and 1970s. It has also assumed more importance since the world was divided into rival power blocks on political and ideological lines.⁶²

The post-Cold War phase in international relations has witnessed a growing trend towards regionalism. In this process, new organizations are being created to suit the changing global political scenario. A large number of countries in different parts of the world are organized themselves for a wide variety of cooperative ventures based on regionalism, which has proved to be an effective device to attain their financial, economic and social objectives. The evolution of regional organizations such as European Union (EU), Association of South East Asian Nations (ASEAN) and South Asian Association for Regional Cooperation (SAARC) is some of the moves to this direction.

The term, theory, in social sciences is different from the realm of natural or exact sciences. Each theory is based on its own logic but not necessarily acceptable to the

⁶² E. Sudhakar, *SAARC: Origin, Growth and Future*, New Delhi : Gyan Publishing House, 1994, p. 1.

others. In social sciences, it may be defined as a way of organizing knowled for guide research towards valid answers.⁶³

Neo-functionalism is a theory of regional integration, building on the work of David Mitrany. One of its protagonists was Earnest B. Haas, a US-political scientist. Jean Monnet's approach to European integration, which aimed at integrating individual sectors in hopes of achieving spill-over effects to further the process of integration which is followed the neo-functional school's tack. Haas later declared the theory of neo-functionalism obsolete, after the process of European integration started stalling in the 1960s, when Charles de Gaulle's empty chair politics paralyzed the institutions of EEC and EURATOM. Neofunctionalism has also been called too eurocentric and hence incapable of describing the process of integration in general.⁶⁴

Neo-functionalism reintroduced territorialism in the functional theory and downplayed its global dimension. Neo-functionalists focused their attention in the process of integration among states, i.e. regional integration. Initially, states integrate in limited functional or economic areas. Thereafter, partially integrated states experience increasing momentum for further rounds of integration in related areas.

Neo-functionalism has always been a reflexive theory. It did not spring forth mature and complete from the brain of its founder, Earnest B. Haas. Indeed, his initial work came out of a critical encounter with its precursor, the functionalism of David Mitrany. During its golden age from the 1960s to the mid-1970s, the theory underwent further substantial modification, largely as the result of efforts to apply it comparatively outside of Western Europe. This made its proponents increasingly aware of factors that made this region of the world so much more propitious for moving ahead with integration. Parametric variables such as the fact that all of the member polities were democratic, that their citizens enjoyed the freedom to organize collectively within and across national borders, that the distribution of the benefits from integration were both dispersed and variable across time and units. The issues relating to the external security of the region were being taken care of by another international organization, that changes in national ruling elites and the socio-economic coalitions that brought them to power could block and even reverse agreements already reached. The levels of development,

⁶³ Quincy Wright, *The Study of International Relations*, Bombay : The Times of India Press, 1970, p. 14.

⁶⁴ http://www.en.wikipedia.org/wiki/neofunctionalism_international_relations_theory

size of country and product mix cut across each other, and so forth, had to be incorporated within the theory, not left outside it. The result was a vastly more complex vision of the integration process and one that quite explicitly predicted a wider range of possible outcomes – not only across regional settings but also within the same region depending on the evolution over time of institutions, policies and payoffs.

Main exponent of neo-functionalism is Earnest B Haas. He has been identified mainly with this theory. His main purpose was to reformulate the older or classical functionalist's propositions in the light of three requirements: first, that of making them more realistic and meaningful; secondly, that of bringing them into an ordered relationship with other theoretical approaches and themes in social sciences; and thirdly, that of producing verifiable propositions which could be tested against the empirical evidence obtainable from the history of European integration.⁶⁵

Neo-functionalism thus proposes to reach its ultimate goal of a supranational community not by avoiding controversial issue areas but by stressing cooperation in areas that are politically controversial. It proposes to hurdle political obstacles standing in the way of cooperation by demonstrating the benefits common to all members of a potential political union.⁶⁶

The neo-functionalist argument is that political integration comes about not because of functional needs or technological change as such, but owing to the integration of political forces-interest groups, parties, governments, international agencies-which seek to exploit political pressures in pursuit of their own interests. In specific circumstances, it is argued, the conflicts involved in such a process are resolved so as to give greater powers and competence to common organizations, and increase the scope and significance of decisions taken jointly rather than separately by national governments.⁶⁷ Neo-functionalists, thus, prefer to stress cooperative decision-making processes and elite attitudes in order to evaluate the progress toward integration.

⁶⁵ Paul Taylor, *International Cooperation Today*, London : Elek Books Ltd., 1971, p. 52.

⁶⁶ Charles W. Kegley & Eugene R. Wittkopf, *World Politics: Trends and Transformation*, New York : ST. Martin Press, 1981, p. 455.

⁶⁷ Charles Pentland, *International Theory and European Integration*, London : Faber and Faber Ltd., 1973, p. 100.

The initial steps towards integration are economic but this has crucial political implications in decisions as to how much national sovereignty, it is necessary to delegate to the new union. Although, differences creep up over the need to take political decisions but these differences prove harmless for integration as each interest group sees benefits in abiding by the integrative process and losses in abandoning it. Procedural consensus prevails among majority of the interest groups, and their expectations and demands are directed towards integration. This was reinforced by the existence and the activities of the European Economic Commission (EEC) which was a central coordinating body and which the pressure groups did not wish to offend even if their attitudes towards it might be sometimes negative. In this way, the whole decision-making machinery is based towards integration. In Haas's word: "The decision-making process, in its institutional setting, stimulates interest groups to make themselves heard and political parties to work out common positions, it creates pressure on high national civil servants to get to know and to establish rapport with their opposite members; and it sharpens the sensitivities of the legal profession".⁶⁸

First in the uniting of Europe (1958), Haas mentioned about a new center, whose institutions possess or demand jurisdiction over the pre-existing national states. It was a rigorous, demanding definition of political community, similar to that given by the federalists. But by the mid-sixties, however, his concept of political community centers around the notion of supranationality as a distinct political form, a unique style of making international decisions, unique because of the nature of the participants, the context in which decisions are made, and the quality of the decisions produced supranational not federation, confederating or intergovernmental organization, seems to be the appropriate regional counterpart to the national-state which no longer feels capable of realizing welfare aims within its own narrow borders, which has made it peace with the fact of interdependence in an industrial and egalitarian age.⁶⁹

Regionalism is a major focus to study international politics in both the theory and practice. The process of regionalism began from American and European continent. Regionalism in third world country particularly in Africa and Asia appeared from late

⁶⁸ Joseph Frankel, *Contemporary International Theory and the Behavior of States*, London : Oxford University Press, 1973, p. 55.

⁶⁹ Earnest B. Haas, *The Uniting of Europe: Political, Social and Economic Force, 1950-57*, New York : Standford University Press, 1958, p. 151.

1940s. The beginning of regionalism was marked with the proliferation of the Regional Defense Organizations (RDOs) in the 1940s and early 1950s. While in 1950s and early 1960s political considerations generally played the vital role in shaping the regional groups. Economic motive began to be more prominent since late 1960s. Jacques Delors, president of the European Community to perceive regionalism is one of the most powerful components of 21st century.⁷⁰

Regionalism is one of the most common features of the politics of most of the Asian, African, and Latin American countries where lack of integration is evident among the several religious, cultural, ethnic or tribal groups, which are generally regionally-based, are relatively autonomous, self-contained and traditionally hostile towards one another.⁷¹ The trend toward regionalism is one of the most interesting developments in international relations. This trend is an outcome in part of the necessity of pooling national resources for protection in a divided and war-threatened world, but it is also an outgrowth of other pressure, which is driving nations together in the present era. Indeed, it may indicate that the nation-state system, which has been the dominant pattern of international relations for some centuries, is evolving toward a system in which regional groupings of states will be more important than the independent sovereign units.

International regionalism is properly developed and is closely integrated into a more universal framework such by the United Nations; it can fill a real gap in the existing pattern of international society. Regionalism has been playing important role in the international politics. Some of the regional organizations were for military alliances. These include North Atlantic Treaty Organization (NATO), South East Asia Treaty Organization (SEATO), the Baghdad Pact, and the WARSAW Pact. While the first three were aligned with the United States, the last was with a Soviet alliance system. They were created in the context of the Cold War. While NATO still exists, the others have either become defunct or are formally dissolved. The other organizations are Organization of American States (OAS), the Arab League, Organization of African Unity (OAU), the European Community (EC), now EU, the Association of South-East

⁷⁰ Muhhamad Shamsal Haq, *International Politics: A Third World Perspective*, Dhaka : Academic Publishers Limited, 1983, p. 7.

⁷¹ Ramesh Kumar Verma, *Regionalism and Sub-Regionalism in State Politics*, New Delhi : Deep & Deep Publications, 1994, p. 4.

Asian Nations (ASEAN) and the South Asian Association of Regional Cooperation (SAARC).

The last three are meant generally for regional economic cooperation. The SAARC and other regional organizations (EU, ASEAN, OAS, OAU, etc.) are established as a regional organization under the permits of the UN Charter, section-8, article 52-54. The main objective of the organizations is: the acceleration of the process of economic and social development of Member States through collective action among agreed areas in the spirit of friendship, trust and understanding for better quality of life of South Asian people. There are quite similarities between the SAARC and other regional organizations in institutional setup and objectives. But there is also difference between them in the field of social, economic, political problem and divergent security perception that is still rising in the SAARC. Trust, understanding and cooperation are remaining in other regional organizations, but in the SAARC, it has just opposite. Intra/inter- states conflict, bilateral issues are remains in high in the SAARC but in the other regional organizations it has normal, and they have been addressing it to solve them by peaceful dialogue within the framework of organization but in the SAARC still lack of this culture.

Regional organizations emerged in the 1950s and 1960s in both Asia and Europe. This occurred during the Cold War and during a time of western de-colonisation. In Europe, the 1957 Treaty of Rome launched the Economic Community. During the Vietnamese conflict, the Association of South-East Asian Nations (ASEAN) was created in even more modest terms. The ASEAN seemed to be aimed essentially at containment, thwarting communist expansion into South-East Asia. However, in a more recent period, someone in South East Asia put forward the Franco-German as an example of a strong motivation for neutralizing tensions via regional cooperation. When the superpower confrontation ended and due to economic globalisation, by 1990, a new dynamic emerged with enlargement and euro as unique currency, the European Union obtained a new dimension. ASEAN, too, with its free trade area initiative and its own enlargement to the Indo-Chinese countries, is now asserting itself inside the East Asia trend towards regional building. There is a major difference: economically, the European Union is a strong area, not South East Asia, which is still dominated by Japan or China.

Modern technology and science are pushing the world simultaneously to the direction of regionalism and globalization. Economic disintegration, disorder and violence are the resistance offered by nationalism to the irresistible counter-pressures of regionalism and globalization. As of today, there are only two functioning and highly respected regional organizations in the world. They are, in order of their importance and seniority, the European Community (EC) and the Association of South East Asian Nations (ASEAN).

2.1.1 Regionalism in Asia

Asian interest in regionalism is a recent development compared to Europe, Latin America, and the Middle East. Asian leaders (those in South East Asia being a singular exception) have been slow to embrace or encourage the norms and structures of multilateral cooperation. On the institutional side, the pace of activity in the past twenty years has risen dramatically. The noodle bowl of Asian regionalism -ASEAN, SAARC, OPEC etc., is not quite as thick or rich as its spaghetti-bowl counterpart in Europe. Pan-Asianism surfaced as an idea in the 1930s, reappeared briefly in the Bang Dung moment of the 1950s, more recently has inspired two modest projects sponsored by Thailand (the Asian Cooperation Dialogue), and China (the Boa Forum). Governments are usually the main players, but they have been supported and frequently prodded by a proliferation of track-two policy networks and civil society-based activities.

The new institutionalism in Asia is the product of an associational revolution producing trans-national contacts and networks at an unprecedented rate. The resulting institutional landscape is increasingly complex and multi-layered, some of it centered on sub-regions within Asia. From a sub-regional perspective, the most important regionalism in Asia is centered in South-east Asia. In longevity, success and achievement, ASEAN remains the most important organization in Asia. Whatever its problems, it has with internal divisions, expanded membership, intermittent leadership and institutional design, ASEAN now embraces all of the countries of South-east Asia, operates a functioning Secretariat, and promotes comprehensive activities that include more than 500 meetings per year and an unmistakable maturity. It also has the capacity to play multiple roles as facilitator, inhibitor and driver of multilateral activities that extend beyond South-east Asia including its role within OPEC.

Regional forum and the ASEAN plus three processes, that connects it directly to China, Japan, India, the United States and its other dialogue partners. In South Asia, there exists a high level of regional consciousness and trans-border connections but only a very low level of institution building. The SAARC has a modest record of achievement in creating functional cooperation and it has no impact on political and security issues also.

Asian regionalism is a rising tide but not the dominant force in regional politics, security and economics. The significance of Asian regionalism is rather subtler. A decade ago the preferred axis of regional cooperation was across the Pacific. There were virtually no Intra-Asian processes and none that brought together the major powers of Asia and America's allies without the presence of the United States.⁷² The situation is now much more complex with an emerging penchant for multilayered regionalism and the creation of a web of Intra-Asian processes. This has the ironic effect of increasing the general importance of regionalism while blurring the significance of any one regional identity or institution. Multilateralism is raising importance while the number of contender increases and ASEAN vies for influence and attention.

From the perspective of leadership, Mohamed Bin Mahathir was the founder of the East Asia regional idea in its modern form and Kim Dae Jung has taken a strong interest in deeper East Asian cooperation. But neither of them commands region-wide respect nor leads a country with the resources to play an effective great power role. At the inter-governmental level, several states are proposing specific initiatives. ASEAN countries are working collectively and individually to assume the drivers seat in setting the pace and direction of regional cooperation. The leaders of East Asia, China and Japan are more frequently competitors than collaborators. Both find it more effective to launch occasional initiatives, avoid direct disagreements, and allow South Korea and the middle powers of South-east Asia to be out front.⁷³

China's neighbors have seen the advantages of engaging China in regional processes and have generally been reassured by its participation in them. Asian regionalism is divided into two branches. There is on the one hand, an impression that focuses on residual Cold War issues of the Taiwan Straits, the Korean Peninsula, and

⁷² <http://www.boloji.com/analysis/index.htm>

⁷³ <http://www.rieti.go.jp/index.html>

various Islands in the South China Seas. The same image focuses on tremendous cultural, linguistic and religious differences across Asia, and points out the importantly different strains of Islam, Buddhism and Confucianism are hitting the different parts of Asia, making it very difficult to think in terms of any kind of collective Asian values. Asia as a region is also marked by very big population differences- China, Indonesia and Japan versus much smaller countries- Maldives, Bhutan with associated huge differences in terms of levels of economic development.

The image that grows out of this perception is that it is not surprising that cooperation in Asia and the creation of extensive regional identity are exceptionally difficult compared to many other parts of the world, particularly compared to Western Europe. Asia is a region that is ripe for rivalry and site of great-power conflicts. However, there is an interesting history that looks at a very different aspect of Asian regional connections and focuses much more on changes over history and increasing economic ties across Asia, as well as cross-border production, banking, transportation, communications, and the ways in which these are actually creating a situation that makes Asia ripe for cooperation.

From the mid-nineteenth century until World War II, Asia was very much fragmented by the great power conflicts in Asia. Fragmentation in Asia was continued with the Cold War particularly in so far as alliances formed around China and the Soviet Union on the one hand, and the US on the other, and simultaneously as the process of decolonization borne many new independent states in Asia. Decolonization process focused on cooperation across borders and more on creating a sense of nationalism, creating consolidated national identity at home, especially in the 1960s and the 1970s. With the end of the Cold War, the fall out of the Asian financial crisis and the deepening of globalization, the complex intertwined relations among politics; economics and culture have acquired a salience that cannot be ignored. Old and new identity struggles and sharp societal cleavages in many Asian societies pose a serious threat to political stability and economic and social well being in the region.⁷⁴

Tribhuvan Nath Jaiswal, Professor of Central Department of Political Science said the American security policy played an important role in Asian regional

⁷⁴ Nat J. Colletta, Teck Ghee Lim, Anita Kelles-Viitanen, *Social Cohesion and Conflict Prevention in Asia*, Washington DC : World Bank, 2001, p. VI.

fragmentation; the US foreign policy toward Asia was quite different from US policy toward Europe. In Europe, the US was very supportive of the early moves toward European integration, and simultaneously the US put in place the NATO alliance that created the security community that was forcing all of the European countries to cooperate with each other, along with the US.⁷⁵ In contrast, the US policy in Asia was predicated on what many people call the "hub and spoke" principle that is to say, Washington was the hub and to the various capitals of Asia individual spokes went out, but there was very little that connected these Asian countries to one another. In fact, connections to one another were made through Washington DC. So the legacy of separation in Asia continued well after the end of World War II, and was strengthened in part by US security policy in ways that made Asia very different from the ways in which Europe responded to US security policy.

There are three drivers of Asian regional connections. Many of the governments in Asia, particularly Japan, certainly China, and probably Indonesia, have been very ambivalent about how much formal organizations they wish to create and how much they are willing to surrender their sovereignty in the interest of some greater regional identity. There has always been that resistance, particularly in East Asia unlike South-east Asia. China does not trust to Japan, Japan is skeptical about China, and Korea does not really trust either China or Japan. National mistrust in North-east Asia seems to be much stronger than has been in South-east Asia, and continues to separate these countries.⁷⁶

The obstacles to Asian regionalism are enormous. They include ideological and policy differences, political and personal rivalries, illiteracy, abject poverty, population differentials, localism, and mountain barriers. On the other hand, certain common features facilitate cooperation among the countries of Asia. Particularly among these are the supranational, almost non-national character of nationalist movements, the imperative of common action to obtain necessary outside aid, something approaching a common standard of living and the presence of a single dominant power.

Regionalism in Asia began with the holding by Pundit Jawaharlal Nehru of the first Asian Relations Conference in Delhi in March 1947, five months before India's

⁷⁵ As told by Tribhuwan Nath Jaiswal, Professor of Central Department of Political Science, during an interview on 8 August 2006.

⁷⁶ <http://www.rieti.go.jp/en/index.html>

Independence. That conference spoke of the spirit of Asian solidarity against colonialism and its legacy of poverty, disease and economic backwardness. The first ever attempt at regionalism in Asia was made at the Asian Relations Conference in March 1947 but it largely focused on the decolonization movements taking place in Asia.⁷⁷ The first regional grouping in Asia emerged in the East Asia region called South-East Asian Treaty Organization (SEATO), which was a military alliance supported by the US. From South Asia Pakistan became a member of SEATO. India opposed the formation of SEATO. After the Bag Dung Conference in the 1950s, India together with some other countries, took an initiative in 1961 to form the Non-Aligned Movement (NAM). Except Pakistan all other South Asian Countries then became members of NAM.⁷⁸

The process of regionalism in Asia seemed to be identical with Asian resurgence. Economic factor did not exclude such resurgence though; its basic objective was to search for unity, cooperation and integration among Asian states to strengthen their common struggle for decolonization and common approach in world politics. That had been expressed in two Asian Relation Conferences in 1947 and 1949 in New Delhi, Bag Dung Conference in 1955 and other meetings. These developments could not be launched specific regional Charter because these attempts were dominated by politico-strategic considerations, military pact and alliance, de-colonization and Asian resurgence.⁷⁹ However, Arab League and OPEC were established in the Middle East and ASEAN in South East Asia. But in South Asia, regionalism did not appear before 1980.

⁷⁷ ISACPA, *SAARC Development Goals (SDGs) 2005-2010*, Kathmandu : Independent South Asian Commission on Poverty Alleviation (ISACPA), 2004, p. 80.

⁷⁸ *Ibid*, p. 81.

⁷⁹ Anuradha Muni & S. D. Muni, *Regional Cooperation in South Asia*, New Delhi : National Publishing House, 1984, p. 13.

2.1.2 Regionalism in South Asia

Representatives of most of the Asian States attended the Asian Relations Conference held in March 1947 that was regarded as the first outward expression of the new awakening in Asia. It set up a provisional council with Jawaharlal Nehru as President and approved the creation of an Asian Relations Organization with Headquarters in New Delhi. A resolution adopted unanimously by the nineteen States represented at the Asian Relations Conference held in New Delhi in January 1949, recommended that the participating States explore the possibilities of regional arrangements within their areas. South Asian regionalism came into being with the positive goal of preparing the conducive regional environment.⁸⁰

The Asian-African Conference at Bandung in 1955 was one of the most remarkable international gatherings in the history and seemed to mark the new role of Asia and Africa in world affairs. Its final communiqué expressed a desire for cooperation in economic, cultural and other fields, agreement to establish liaison officers in the participating countries, and a hope for prior consultation of participating countries in international forums.⁸¹

While India was thinking in terms of South Asian Cooperation, some of her neighbors were showing an interest in extra-regional affiliations. Sri Lanka in fact sought to become a member of ASEAN and Pakistan was always looking towards the Arab world. While Sri Lanka's request was turned down by ASEAN, Pakistan continued to put a lot of efforts into making successful political, economic and cultural links with West Asia. Moreover, the differences in the political and strategic perceptions of the South Asian Countries have kept them away from evolving a regional organization.

However, the need for forging regional cooperation on strategic lines was also encouraged by the superpowers, in their own different ways. It is a common knowledge that the Soviet leader Leonid Brezhnev wanted to build an Asian security system with India taking up a leading position. But India showed little interest in this idea. During the tenure of President Jimmy Carter, the USA too was keen to establish a cooperative regional security framework in South and South-east Asia. For this purpose Jimmy Carter

⁸⁰ Ahmed Emajuddin, *SARC: Seeds of Harmony*, Dhaka : University Press Limited, 1983, p. 1.

⁸¹ Hintze, op. cit., f.n. 11, p. 589.

sent emissaries to India and Pakistan. While India's response remained lukewarm, President Zial-ul-Haq of Pakistan was favorably disposed towards the American idea.⁸²

In South Asia, during the first decade after independence (1947-1957), foreign policy concentrated on anti-colonialism and global peace. Consequently, relations with smaller countries in the neighborhood were neglected. Regional politics in South Asia fed on conflict and poverty. South Asian Nations could not do more than preoccupy themselves with quarrels and conflicts.⁸³

Tensions between India and its neighbors were exploited to serve extra-regional interests. The dominant strategic interests associated with the Cold War that did not allow any attempt to create regional groupings outside the Cold War context. South Asia was eventually divided into Cold War rivalries. Thus, regionalism could neither be imposed from the global hegemonic forces, nor could it be evolved through autonomous initiatives from within the South Asian region. Despite this situation, each South Asian Country had bilateral relations with various regional economic groupings. These countries also remained members of international groupings like group of G-77 and United Nations Conference on Trade and Development (UNCTAD). In the mid-1980s, regionalism eventually came into being in South Asia with the formulation of the SAARC.

The social, economic, political and cultural aspects of inter-state relations, problems and programmes of co-operation demonstrate the development of South Asian relations in early 1980s. Regional cooperation among the South Asian Countries are no longer a luxury, but a necessity. It is not a less crucial fact that where as other countries on the globe started regional cooperation immediately after the Second World War. The South Asian Countries could start such cooperation only after 38 years of the beginning of the process of de-colonization in the region. Narendra Prasad Upadhyay, Editor of Telegraph Weekly claims that the SAARC does not expand the concept of regionalism because lack of linkage between capital to capital of the SAARC countries, and mistrust and hegemony role of India.⁸⁴

⁸² S. D. Muni, "SAARC-Building Regionalism from Below" in *Asian Survey (Berkeley)*, New Delhi : SAGE Publications Pvt. Ltd., XXV (4), April 1985, p. 292.

⁸³ ISACPA, *loc. cit.*, f.n. 38.

⁸⁴ An interview with Narendra Prasad Upadhyay, Editor of Telegraph Weekly on 19 August 2006.

In the framework of regional cooperation as visualized in South Asia, regionalism is not substitute of bilateralism but complements. But the ascendancy of bilateralism, which is heavily loaded with strategic considerations, will weaken rather than strengthen regionalism. Somehow and in some ways, mechanism can be found to establish an organic linkage between bilateralism and regionalism.

South Asia does not play active effective role specially, in economic sector in international politics but it has been attracted the attention of the world community in political sector. Informal meetings of the Heads of the State or Government, Council of Ministers and Foreign Secretaries of the SAARC countries have been holding in the sidelines of the United Nations General Assembly sessions in New York to talk the regional and international burning issues and to fulfill the common interests and goals of Member States.

The powerful countries of the world have been trying to establish their effect in South Asia in the name of terrorism and Kashmir dispute since 1970s because South Asia is strategically important place. India and Pakistan are powerful countries in the region. They have been trying to draw attention of world community in the name of Kashmir dispute and nuclear issue. India has been demanding for permanent membership of UN, that shows the active presence of South Asia in international politics.

South Asia has emerged as a regional entity in the international political system with the creation of the SAARC but it failed to strengthen regional cohesiveness. Regional cooperation in South Asia cannot be said to have evolved into a complete bloc in terms of 'regionalism and economic integration' due mainly to the prevalence of conflict over the desire of peace and stability.

The political experiences of the developing countries of the region got down to work out their destinies in independent way, which is the upsurge of regionalism that will cause widespread anxieties in terms of perceived threats to the viability of political system and survivability of the nation.⁸⁵ A very puzzling trend is that the forces of regionalism acquire threatening postures irrespective of the size and social diversities of a country. Nearer the home, India and Pakistan offer two useful profiles of contrasting trends from a comparative perspective in this regard.

⁸⁵ Ramakant (et. al.), *Regionalism in South Asia*, Jaipur : Aalekh Publishers, 1983, p. i.

The South Asian regionalism is locked into the eight countries formula. If the eight Member States are to make regionalism work for the sake of the people rather than the national establishments, alternate visions are necessary. One formula for peace and prosperity is to promote openness in the areas of mistrust and conflict where the neighbors have bilateral problems between each- other. When South Asian leaders convene in Male for the Fifteenth South Asian Summit, it will be expected the SAARC Summiteers to address this in practical step towards regionalism.

2.2 SAARC: Origin and Growth

The first concrete proposal for establishing a framework for regional cooperation in South Asia was made by the late President of Bangladesh, Ziaur Rehman, on May 2, 1980. Prior to this, the idea of regional cooperation in South Asia was discussed in at least three conferences viz. the Asian Relations Conference in New Delhi in April 1947, the Baguio Conference in the Philippines in May 1950, and the Colombo Powers Conference in April 1954. Since 1977 the Bangladesh President seemed to have been working on the idea of an ASEAN-like organization in South Asia. During his visit to India in December 1977, Ziaur Rehman discussed the issue of regional cooperation with the new Indian Prime Minister, Morarji Desai. In the inaugural speech to the Colombo plan consultative committee, which met in Kathmandu in December 1977, King Birendra of Nepal gave a call for close regional cooperation among the South Asian Countries in sharing river water. President Ziaur Rehman had also informally discussed the idea of regional cooperation with the leaders of the South Asian Countries during the Commonwealth Summit in Lusaka (1979) and the Non-aligned Summit in Havana (1979). Finally, the Bangladesh President seemed to have given a concrete shape to the proposal after his visit to Sri Lanka and discussion with the Sri Lankan President, J. R. Jayawardene, in November 1979.

Several factors seemed to have influenced President Ziaur Rehman's thinking about establishing a regional organization in South Asia during 1975-1979:

- a. Change the political leadership in the South Asian Countries and demonstration of accommodative diplomacy by the new leaders. In India, power had shifted from Indira Gandhi to the Varatiya Janata Party regime. In Pakistan, power had passed on from Bhutto to General Zial-ul-Haq, in Sri Lanka, from Bandaranaike to Jayawardene, and in Bangladesh, General Ziaur Rehman had succeeded in consolidating his power as civiligrized.⁸⁶ These new regimes, which appeared in South Asia, were generally sympathetic to the West. At the regional level, they emphasized mutual understanding and harmony in approaching bilateral and multilateral issues.
- b. Ziaur Rehman need for Indian support to legitimize his coup detect regime.
- c. An acute balance of payment crisis of almost all the South Asian Countries, which was further aggravated by the second oil crisis in 1979.
- d. Failure of the North-South dialogues, and increasing protectionism by the developed countries.

⁸⁶ Kharat, op. cit., p. 36.

- e. Publication of an extremely useful background report by the committee on studies for cooperation in development in South Asia, identifying many feasible areas of cooperation.
- f. Assurance of economic assistance for multilateral cooperative projects on sharing water resources of Ganga and Brahmaputra by United State's President Jimmy Carter and British Prime Minister James Callaghan during their visit to India, Pakistan and Bangladesh in January 1978, and
- g. The Soviet military intervention in Afghanistan in December 1979 and the resulting rapid deterioration of the South Asian security situation.

During this critical period, President Ziaur Rehman's initiative for establishing a regional organization, which could permit the leaders of the South Asian Countries and opportunity to improve their understanding of one another's problems and to deal with conflicts before they turn into crisis, became much more appealing.

Mana Ranjan Joshee, former Chief Editor of the Rising Nepal said when North-South Cooperation dialogue proposed by India, but North Block rejected his proposal and suggested to India for South-South Cooperation because India is an able and responsible country for beginning of South-South Cooperation. Then India did emphasize to South-South Cooperation dialogue. After the intervention of USSR in Afganistan, Bangladesh was afraid to intervention of USSR in South Asia, to prevent USSR intervention from their own maritime area, President Ziaur Rehman proposed idea of regional cooperation to South Asian Nations to preserve their national identity and save maritime areas from USSR intervention that facts was flash out by Rehman on the time of Kathmandu visit in informal press met.⁸⁷

President Rehman circulated formal letter on 2 May 1980 to the Head of States or Governments of Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. In his letter, President Ziaur Rehman stressed the seriousness of the regional situation and asked for the creation of a climate for regional harmony through the establishment of a framework for regional cooperation.⁸⁸ This was an active period of diplomacy by Bangladesh for over a year. The welcome response and information consultations at official and political level continued on the occasion of their meetings at various forums like UN and NAM between June-September 1980.

⁸⁷ An interview with Mana Ranjan Joshee, former Chief Editor of the Rising Nepal on 16 August 2006.

⁸⁸ Muni, op. cit., p. 391.

Bangladesh President in his letter tentatively indicated economic, social, technical, scientific and cultural fields as possible areas for regional cooperation.⁸⁹ The responses from different South Asian capitals were positive. However, some reservations were shown by India and Pakistan at the initial stage in view of the prevailing apprehension and mistrust in their bilateral relationship. But the proposal was not rejected by either of them. All member countries warmly welcomed the proposal of the President and the replies to President letter had been received from all the countries. In fact, he had great contribution for the birth of the organization. In this sense, late President Ziaur Rehman can be taken as designer of this organization. Bangladesh prepared and circulated a 'Working Paper' on the proposal for regional cooperation in South Asia in November 1980. The 'Working Paper' advocated regional cooperation on the ground that previous cooperation at the bilateral level or within such forums as the Non -Aligned Movement (NAM) and the Commonwealth. It had not fully exploited the potential of regional cooperation that exists and the consequential benefits will bring collectively and individually to the countries of the region.⁹⁰

The proposal underlined certain principles that could serve as a basis for the framework and it was seeking to promote peace and stability in the region through adherence to the principles of the United Nations and the Non-alignment. The proposal determined the principle of sovereignty, national independence, territorial integrity, non-interference in one another's internal affairs, non-use of force and peaceful settlement of disputes.⁹¹ As a result of these activities, the South Asian region emerged in favor of building regional co-operation from below, without much political disputes and including those areas which are beneficial to all the seven countries. Controversial issues or areas were not involved in this proposal. Talking to newsmen during a brief stopover in Paris on his way home from the United States on 31 August 1980, Bangladesh President Ziaur Rehman postulated his proposal of regional cooperation in South Asia in the following words:

⁸⁹ SAARC Secretariat, *From SARC to SAARC: Milestones in the Evolution of Regional Cooperation in South Asia (1980-1988)*, Kathmandu : SAARC Secretariat, I, December 1988, p. 2.

⁹⁰ Kumar Misra, *Towards a Framework of South Asian Regional Cooperation: Colombo to Kathmandu*, New Delhi : Foreign Affairs Report, XXXI, 12 December, 1982, p. 214.

⁹¹ SAARC Secretariat, *op. cit.*, p. 7.

“We hope that we will be able to work out a meeting between Ministers and that a Summit of leaders can be held in the near future. It is unfortunate that in this region we do not have a forum as they have in South-east Asia or Arab or African countries. The countries of South Asia share many common values that are rooted in their social, ethnic, cultural and historical traditions. Perceptions about certain specific events or political situation of the world may differ, but such differences do not seem to create a gulf between them that cannot be bridged.”⁹²

The proposal of Bangladesh was promptly endorsed by Nepal, Sri Lanka, Maldives and Bhutan but India and Pakistan were skeptical initially. India's main concern was the proposal's reference to the security matters in South Asia. Indian policy makers also feared that President Ziaur Rehman's proposal for a regional organization might provide an opportunity for the small neighbors to regionalize all bilateral issues and to join with each other to gang up against India. Pakistan assumed that it might be an Indian strategy to organize the other South Asian Countries against Pakistan and ensure a regional market for Indian products, thereby consolidating and further strengthening India's economic dominance in the region. However, after a series of quiet diplomatic consultations between the South Asian Foreign Ministers at the UN Headquarters in New York from August to September 1980, it was agreed that Bangladesh prepared the draft of a ‘Working Paper’ for discussion among the Foreign Secretaries of the South Asian Countries. The Bangladesh draft paper, sensitive to India's and Pakistan's concern, dropped all references to security matters and suggested only non-political and non-controversial areas for cooperation. Between 1980 and 1983, four meetings at the Foreign Secretary levels (April 21-23 1981, Colombo; November 2-4 1981, Kathmandu; August 7-8, 1982, Islamabad and March 28-30, 1983, Dhaka) took place to establish the principles of organization and identify areas for cooperation. The first meeting of Foreign Secretaries of all seven South Asian Nations was the first and formal attempt for the establishment of the SAARC.

This proposal contained the principles of non-use of force and peaceful settlement of disputes, which endorsed by Sri Lanka's Foreign Secretary at the Colombo Meeting in 1981. Foreign Secretary of Sri Lanka said that an important priority of the SAARC was the possibility of settlement of disharmonies or disputes within the region

⁹² S. D. Muni & Lok Raj Baral, *Refugees and Regional Security in South Asia*, New Delhi : Konark Publishers Pvt. Ltd., 1996, p. 30.

without external interference or manipulation.⁹³ In this meeting, only five areas were identified out of the eleven areas suggested in the 'Working Paper'. These five areas along with the respective coordinator for each are as follows:⁹⁴

- a. Agriculture - Bangladesh
- b. Rural Development - Sri Lanka
- c. Telecommunication - Pakistan
- d. Metrology - India
- e. Health and Population Activities - Nepal

Indira Gandhi became the first SAARC Head of State to talk of the SAARC in political terms. This made the Summit feasible. At New Delhi on 1 August 1983, Prime Minister Indira Gandhi said:

“The world can survive and progress only with a strong sense of the unity of human kind and tolerance of the right to political diversity within this framework. We seven must conduct our affairs so as to eliminate tension and promote greater peace and stability in the region. The threat of nuclear war must be averted. We should ever be vigilant against the attempts of external powers to influence our functioning.”⁹⁵

This meeting on the process of providing institutional shape for South Asian Countries selected South Asian Regional Cooperation (SARC) as its name among other proposed names South Asian Association for Cooperation (SAAC), Organization of South Asian States (OSAS), Association of South Asia (ASA), Association of South Asia for Cooperation (ASAC), South Asian Regional Cooperation (SARC) and issued declaration with clear objectives and principles. This declaration is called 'Delhi declaration'.

After three years of preparatory discussion at the official level, the focus of discussion shifted to the political level in 1983. The first South Asian Foreign Minister's conference was held in New Delhi from August 1-3, 1983, where the Integrated Program of Action (IPA) on mutually agreed areas of cooperation i.e., agriculture, rural development, telecommunications, meteorology, health and population control,

⁹³ Muni, *op. cit.*, p. 403.

⁹⁴ ISACPA, *loc. cit.*, f.n.39.

⁹⁵ Verinder Grover, *UNO, NAM, NIEO, SAARC and India's Foreign Policy*, New Delhi : Deep & Deep Publications, 1992, p. XII.

transport, sports, arts and culture, postal services and scientific and technical cooperation was launched. Formally beginning an organization known as the South Asian Regional Cooperation (SARC), following the New Delhi meeting, three more meetings of the Foreign Ministers were held (Male from July 10-11, 1984, Thimpu from May 13-14, 1985, and Dhaka from December 5, 1985) to finalize the details and determine the date and place for the first meeting of South Asian Heads of State or Government. At the Dhaka Foreign Ministers level meeting, a decision was taken to change the name of the organization from South Asian Regional Cooperation (SARC) to South Asian Association for Regional Cooperation (SAARC). The change in the acronym was based on the thinking that while SARC refers to the process of South Asian Regional Cooperation, the SAARC marks the establishment of an Association (organization) to promote and develop such cooperation. Finally, the First SAARC Summit Meeting of the Heads of State or Government of the South Asian Countries was held at Dhaka from December 7-8, 1985.

South Asian Association for Regional Co-operation (SAARC) started with the first meeting of the Foreign Secretaries held in Colombo in April 1981 and extended up to March 1983. The convening of the meeting of the Foreign Ministers in New Delhi in August 1983 marked the beginning of the second phase. The development elevated the process from the official to the political level. It witnessed the launching of the Integrated Programme of Action (IPA) through the declaration of South Asian Regional Co-operation (SARC) and the resultant commencement of co-operation among the Member States. In the third and final phase, the Heads of State or Government met in Dhaka in December 7-8, 1985 and formally decided to establish the South Asian Association for Regional Co-operation (SAARC).⁹⁶

**DETERMINATES FACTORS FOR ORIGINS OF THE SAARC
ARE GIVEN BELOW:**

- 1) Political factors
 - i. To promote cooperation in the region, India and Pakistan had sort out their differences and decided to work together for the solution of problems of the region.
 - ii. Changed the political leadership in the South Asian Countries. Such as in India, Indira Gandhi returned to power in January 1980 and in Pakistan,

⁹⁶ Sudhakar, op.cit., p. 10.

power had passed from Bhutto to Zial- Ul-Haq. They demonstrated accommodation diplomacy through emphasized mutual understanding and harmony in approaching bilateral and multilateral issues.

iii. Visits by US President Jimmy Carter and British Prime Minister James Callaghan to South Asian Countries in January 1978, which was encouraged to establish regional organization for peace, amity and cooperation in the region by offers of economic help to South Asian Countries.

2) Security factors

i. The Soviet military intervention in Afghanistan in December 1979 underlined the significance of the geographical homogeneity of South Asia and pointed towards a new source of common concern, anxiety and security threat.

ii. The US President-Jimmy Carter stressed in his state of the union address reference to Soviet military intervention in Afghanistan on 23 January 1980 that the US objective in the prevailing situation was to encourage the establishment of a cooperative regional security in South Asia.⁹⁷

3) Economic factors

i. The South Asian Countries were plagued by numerous economic problems. Such as poverty, unemployment, imbalanced growth, lack of infrastructure and backwardness in industrial and agricultural sector. In addition, they face problems in relation to their balance of payments, balance of trade and an excessive burden of external debt. On the other hand, trade restrictions and mercantilist attitudes to trade policies were pursued by the developed countries in the name of self-regulation and economic discipline. There was no proper concessional aid supplied by donor countries to the developing countries, in spite of the fact that the progress to the donor countries was dependent on the raw materials supplied by the underdeveloped countries. That was necessary to foster increased trade-relations among those countries. They had realized the importance of developing trade relations between themselves. The growth of strong economic relations between themselves can help to produce a collective bargaining capacity in international economic relations, which can help in improving their capacity to negotiate for more equitable terms in trade and aid.

ii. The third world call for a New International Economic Order (NIEO) which was address the problems of social and economic injustice prevailing in poor and developing countries of the world. It has led to the

⁹⁷ Muni, op. cit., p. 394.

North-South dialogue and prospects for South-South cooperation.⁹⁸ Third world or developing countries lay emphasis on the transformation of the international political economy and the creation of a New International Economic Order (NIEO) through North-South dialogue. The developing countries assume that their economic independence, emancipation and development can be achieved by establishing a New International Economic Order (NIEO). South Asian Countries have been struggling for the establishment of a New International Economy Order (NIEO), because they are still dependent upon the developed countries for disposal of about 2/3 of their export, and face unequal and exploitative terms in having to do so. Due to the growing protectionist tendencies and reversionary trends in the developed countries, the growth prospects of the developing countries had become rather uncertain. Hence, there was an urgent need for South Asian regional economic co-operation for mutual advantage.

- iii. The South Asian States were conscious about the need to remove tensions and infuse cordiality in the region by playing down their differences and encouraging co-operation in social, cultural and economic fields, as well as in trade. There was also a growing realization that a joint approach to major regional problems could be mutually beneficial for each other within the region itself. This strategy could promote interdependence in the region that was provided a firm foundation for regional co-operation in South Asia.

Areas of cooperation of the SAARC are: Agriculture and Rural, Biotechnology, Communications, Information & Media, Economic, Energy, Environment, Human Resources, Legal, People-to-People Contacts, Poverty Alleviation, Science and Technology and Meteorology, Social, and Tourism. The SAARC Secretariat has extended support to establish regional centers in its member countries to promote regional cooperation in different areas assigned to them. Governing Board manages each centre. The Board comprises representatives of Member States, SAARC Secretary-General and the Ministry of Foreign/External Affairs of the host government. The Director of the centre acts as Member Secretary to the Governing Board, which reports to the Standing Committee through the Programming Committee. The established regional centers are:

- a. SAARC Tuberculosis Centre (STC), 1992, Kathmandu,

⁹⁸ HANS J. MORGENTHAU, *POLITICS AMONG NATIONS: THE STRUGGLE FOR POWER AND PEACE*, CULCULTTA : SCIENTIFIC BOOK AGENCY, 1967, P. 86.

- b. SAARC Documentation Centre (SDC), 1994, New Delhi,
- c. SAARC Meteorological Research Centre (SMRC), 1995, Dhaka,
- d. SAARC Agricultural Information Centre (SAIC), 1998, Dhaka,
- e. SAARC Human Resources Development Centre (SHRDC), 1999, Islamabad
- f. SAARC Coastal Zone Management Centre (SCZMC), 2004, Male,
- g. SAARC Information Centre (SIC) 2004, Kathmandu,
- h. SAARC Cultural Centre (SCC), 2004, Kandy.

The Charter of the Association provides for the following Institutional Setup⁹⁹:

The Summit: The highest authority of the Association rests with the Heads of the State or Government, who meet annually at the Summit level. The Fifteenth SAARC Summit will be held in Maldives.

The Council of Ministers: It Comprises the Foreign Ministers of Member States. The Council is responsible for formulating policies, reviewing progress, deciding on new areas of cooperation, establishing additional mechanisms as deemed necessary, and deciding on other matters of general interest to the Association.

The Council is expected to meet twice a year and may also meet in extraordinary sessions by agreement of Member States. Informal meetings of the Council are also held on the sidelines of the United Nations General Assembly Sessions in New York.

The Standing Committee: The Standing Committee comprising the Foreign Secretaries of Member States is entrusted with the task of overall monitoring and coordination of programmes approving projects and programmes, and modalities of financing; determining inter-sectoral priorities; mobilizing regional and external resources; and identifying new areas of cooperation. It meets as often as deemed necessary and submits its reports to the Council of Ministers.

The Standing Committee is authorized to set up Action Committees comprising Member States concerned with implementation of projects involving more than two but less than seven Member States. A Programming Committee assists the Standing Committee that comprising senior officials to scrutinize the Secretariat budget, finalize the Calendar of activities and take up any other matter assigned to it by the Standing Committee. The Programming Committee has also been entrusted to consider and submit their reports to the Standing Committee for action on the reports of the Technical Committees.

⁹⁹ SAARC Secretariat, *SAARC: A Profile*, Kathmandu : SAARC Secretariat, 2004, pp. 5-7.

The Technical Committees: The Technical Committees comprise of representatives of Member States. They formulate specialized programmes and projects in their respective fields under the SAARC Integrated Programme of Action (SIPA). They are responsible for monitoring the implementation of such activities and submit their reports to the Standing Committee through the Programming Committee.

Action Committees: The Standing Committee may set up Action Committees comprising Member States concerned with implementation of projects involving more than two but not all Member States.

Secretariat: The Secretariat was established on January 16, 1987 in Kathmandu. Its role is to coordinate and monitor the implementation of the SAARC activities, service the meetings of the Association and serve as the channel of communication between the SAARC and other international organizations. The Secretariat has also been increasingly utilized as the venue for the SAARC Meetings. The Secretariat comprises of Secretary General, a Director from each Member State and general services staff. The Secretary General is appointed by the Council of Ministers upon nomination by a Member State on the principle of rotation in alphabetical order for a period of three years. Sailendra Kumar Upadhyay, former Foreign Minister said that the Bangladesh got a post of first SAARC Secretary General, and Nepal got an opportunity to establish SAARC Secretariat in Nepal, which mandates passed by the First SAARC Summit in the basis of contribution for the SAARC formation. It proves the contribution of Nepal and Bangladesh for the SAARC formation.¹⁰⁰

The formation of the SAARC is a landmark step taken by the leaders of the region. The main rational behind was to develop a congenial environment through Summit diplomacy where all nations could interact peacefully with each other, cultivate sustainable peace and promote mutual economic well being by harnessing available resources in the region through the process of economic integration. Nevertheless, after 21 years of establishment, neither South Asian Nation have been able to push the process of integration into full swing nor the organization itself has become viable that could promote peace and harmony or prevent conflicts in the region.

¹⁰⁰ As told by Sailendra Kumar Upadhyay, former Foreign Minister, during an interview on 15 September 2006.

In the entire process of this emerging new regionalism, there are very interesting an initiative that is likely to transform the entire SAARC process into a robust people-centric project oriented programme. Equally interesting aspect has been growing orientations towards larger initiatives that involve countries outside the region. All member countries are situated in the geographical region of South Asia, between the Himalayas in the North and the Indian Ocean in the South. Their people have close cultural affinities and ethnic bonds and face similar development problems. South Asia has three land-locked, two islands and three coastal countries with their respective political, economic and cultural tradition. The SAARC is neither security nor a military alliance. All countries are Non-aligned and deeply committed to the principle of the UN Charter.¹⁰¹

Among the SAARC countries, Pakistan, Bangladesh, Maldives and Afghanistan are Muslim, Sri-Lanka and Bhutan are Buddhist, Nepal and India are Secular States. South Asia is a land of extreme contrast. It is the home to One-fifth of the world population but occupies only 3.3 percent of the total land area of the earth. It contains a small country like Maldives with total land area of 0.3 thousand sq. km. and a big country like India with 3288 thousand sq. km. area.¹⁰²

The geo-political and economic realities have brought the seven countries of South Asia together to work individually and collectively for peace, stability and development in the region. The SAARC is born with the desire of promoting peace, amity, stability and progress in the region and is based on respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in the internal affairs of other states and mutual benefits. The countries of South Asia have been bound together not only by the age-old cultural, social and historical transitions but also by the common aspirations of their people to live together, now and for ever, in peace, stability and prosperity. The South Asian Countries of the SAARC are characterized by diversity in climate, language, religion, ethnicity and varied culture which cannot be found anywhere in the world. There is also a great diversity in the

¹⁰¹ Bishwa Pradhan, *SAARC and Its Future*, Kathmandu : Durga Devi Pradhan, 1989, p. II.

¹⁰² M. L. Qureshi, *Survey of Economy Resources and Prospects of South Asia*, Colombo : Marga Institute, 1981, p. 5.

geographical size, population and natural resources endowments. Generally, according to the division of powers there are four actors in regional system in South Asia. They are:

- a. Core elite power,
- b. Middle powers,
- c. Small powers, and
- d. Mini powers.

In this region, India exists as core elite power, Pakistan and Bangladesh as middle powers, Nepal and Sri-Lanka as small powers and Bhutan and Maldives as Mini Powers.¹⁰³ South Asia region is the region of those countries, which have ancient civilization, culture and history. The SAARC is an organization, which follows the principles of Non-aligned policy, theory of *Panchaseel* and Principle of UN Charter and International Law. South Asian Countries have a common historical background, cultural homogeneity and sociological affinities apart from a compact and coherent regional formation.¹⁰⁴ Going back to the origin of the SAARC, it will be appropriate to note that while the late President of Bangladesh Ziaur Rehman is rightly considered to its architect, it is to his Majesty late King of Nepal, Birendra Birbikram Shah that credit goes for first sponsoring the idea of regional cooperation in the region.

The launching of the South Asian Association for Regional Cooperation (SAARC) is the result of the explicit desire and efforts of the state of South Asia formalizing the status of the region. Size, location, population, resources, military power, Nuclearisation and trade prospects determine the role and importance of South Asia in international politics. Small changes in South Asia, immediately affects to the world that proves its role and importance in the world politics.

Common civilization heritage, ecological and natural resources system, geographical proximity, social and cultural features and foreign policy of non-alignment claim saliency of cooperation in South Asia. Mana Ranjan Joshee, former Chief Editor of the *Rising Nepal* said before Thirteenth SAARC Summit, US Ambassador James AF. Moriyarti said the USA has no position in the SAAR but when Thirteenth SAARC

¹⁰³ Dahal, op. cit., p. 119.

¹⁰⁴ Ahmed Salahuddin, *The Identity of the Sub-Continent*, New Delhi : India International Center, 1987, p. 79.

Summit inducted Afghanistan as member, and China and Japan as observers. Than Moriarty has put interest USA as observes in the SAARC that determines the importance of the SAARC in the world politics.¹⁰⁵

The Fourteenth SAARC Summit opened in New Delhi on 3 April 2007 with Afghanistan formally inducted as the Eighth Member of the regional grouping. Afghanistan, which was so far enjoying the status of a special invitee was formally, inducted after all the Heads of State and Governments signed a declaration to this effect. The Heads of State or Government welcomed the entry of the Islamic Republic of Afghanistan into the SAARC. This was a historic moment as Afghanistan assumed its rightful place as a valued member of the SAARC fraternity. This is a historic Summit of the SAARC.

The Heads of State or Government welcomed the People's Republic of China, Japan, European Union, Republic of Korea and United States of America, to be associated as Observers to the SAARC. The region would benefit from these external linkages and help its economic integration with the international community. The Heads of State or Government also welcomed the Islamic Republic of Iran to be associated as Observer to the SAARC. The Fifteenth SAARC Summit will be held in Male.

In the mid-1980s, regionalism came into being in South Asia with the formulation of the SAARC to promote the welfare of the peoples of South Asia and to improve their quality of life through economic growth, social progress and cultural development but the SAARC has not meet the objectives of the Association in comparison to EU and ASEAN. Challenges of the South Asian Countries are complicated and increasing day by day. To show the clear picture of socio-economic condition of the region, common socio-economic challenges among South Asian Countries are explain in the next chapter.

¹⁰⁵ An interview with Mana Ranjan Joshee, former Chief Editor of the Rising Nepal on 16 August 2006.

CHAPTER - III

SOCIO-ECONOMIC CHALLENGES AMONG SOUTH ASIAN COUNTRIES

3.1 Introduction

The countries of South Asia have been linked by age-old cultural, social and historical traditions. They have enriched the interaction of ideas, values, cultures and philosophies among the people and the states. These commonalities constitute solid foundations for regional cooperation for addressing the economic and social needs of people more effectively. South Asian region is improbable that influential American thinking assigns a major place to South Asian interests in the evolving world order. Many enlightened persons in the developed world believe that positive contribution to the socio-economic development in South Asia is a way to contribute to world peace and prosperity.¹⁰⁶

Human beings are not the products of economic and social theory. Economic and social theories are product of human thought. Economic growth and social development are not only interdependent and mutually reinforcing but also inseparable in policy and programme level. And they are not the choices of a nation that a society can think of affording one and leaving out the other. Even if one succeeds without another, it may be ephemeral. For the sustainable and qualitative development either of them is inevitable together with the environmental protection. There are intertwined relationship between the SAARC and its socio-economic challenges. Socio-economic sector is a core part of the SAARC. If any kind of impact lies on core part of the SAARC, their effect lies on the entire development of the SAARC.

A dynamic strategy based on sustained, comprehensive and uninterrupted political consultations will have to be followed if the nations of South Asia are to overcome the social, economic and political hurdles, which have retarded the process of

¹⁰⁶ K. K. Bharagava, *Conference on Sharing South Asia's Future: Role of Regional Cooperation*, Kathmandu, 19 May 1994, p. 7.

regional cooperation.¹⁰⁷ Progress of the SAARC depends on the ability and will of the leaders who are required to show a spirit of give and take in handling the various issues confronting them in the overall interest of all in the region.¹⁰⁸ South Asia has a lot of natural resources and rich in nature in terms of water resources, bio-diversity energy etc. but lack of appropriate management South Asia has been facing complex socio-economic challenges. Such as Poverty, Terrorism, Illiteracy, Unemployment, HIV/AIDS, Population growth, Trafficking in women and children for prostitution, Drug trafficking and abuse, Trade etc.

Common social and economic challenges among South Asian Countries have been mentioned below in detail.

3.2 Social Challenges

South Asia is a mountainous region stretching in China in the North, Indian Ocean in South, Burma in East, and Afghanistan and Iran in West. It is a more multilingual, multiethnic, multi-religious, multi-communal, multi-sectoral and multi-cultural from social perspective than other regions of the world.¹⁰⁹ This society seems to be a transitional one crippled by different social problems. Some developed urban areas seem to imitate the developed society, but majority of the agro-based population living in rural areas is in transitional state after traditional society. Therefore, this region is taken as an amalgam space of westernization and culturalization.

Social unity of this region has become a challenge because of social diversity, discrimination and inequality. While the SAARC countries are close in social exchange, they differ in term of language and religion. There are social and economic challenges at the same level. Dev Raj Dahal, head of FES-Nepal, claims the government and business groups in the region are only focusing on capital. In consequence, social sector of the SAARC lies on shadow.¹¹⁰

¹⁰⁷ K. K. Bharagava & Sridhar K. Khatri, *South Asia 2010: Challenges and Opportunities*, New Delhi : Konark Publishers Pvt. Ltd., 2001, p. 252.

¹⁰⁸ Bishwa Pradhan, *SAARC and Its Future*, Kathmandu : Durga Devi Pradhan, 1989, p. 37.

¹⁰⁹ Ram Kumar Dahal, *Dakshin Purbi Asia Ra Dakshin Asia (South East Asia and South Asia)*, Kathmandu : New Hira Books Enterprises Pvt. Ltd., 2002, p. 46.

¹¹⁰ As told by Dev Raj Dahal, head of Friedrich- Ebert Stiftung (FES) – Nepal, during an interview on 20 September 2006.

The signing of the Social Charter is a historic development, which have a far-reaching impact on the lives of millions of South Asian people. Eleventh SAARC Summit held in Kathmandu from January 4-5, 2002 directed that a SAARC Social Charter be conducted as early as possible. As a result, Social Charter of the SAARC took place in Islamabad, Pakistan from January 4-6, 2004 by Heads of the State or Government of Member States.¹¹¹ This Charter is in effect encompassing a broad range of targets was to be achieved across the region in the areas of poverty alleviation, population stabilization, empowerment of women, youth mobilization, human resources development, promotion of health and nutrition, protection of children etc.

From the inception of the SAARC, the declarations made at the Summits have expressed the commitments of Member States to a wide range of social goals; programmes of action for the realization of these goals have followed these declarations. For the most part, this process has unfolded the SAARC counterpart of the international covenants and declarations on the relevant issues. The declarations at the SAARC Summits contain the region's responses to the initiatives taken by the international community to chart the directions of social policy and set the goals to be attained by the countries in the fields such as population, well-being of women and children, social integration and education. Social development is central to the needs and aspirations of the people throughout the world and to the responsibilities of governments and all sectors of civil society.¹¹²

Krishna Prasad Khanal, Professor of the Central Department of Political Science claims the social area of the SAARC lays a low priority but trade and investment area lays a high priority and its prospect also high.¹¹³

Profiles of social indicators definitely portray social challenges of the South Asian region. It contributes to identify the overarching priorities and disparity among them. The study has presented the facts and analyzed the common social challenges among South Asian Countries under the following headings:

- a. Illiteracy.
- b. Trafficking of Women and Children for Prostitution.

¹¹¹ SAARC Secretariat, *Declaration of Twelfth SAARC Summit*, Kathmandu : SAARC Secretariat, 2004, p. 6.

¹¹² UN Publications, *Copenhagen Declaration of Social Development and Programme of Action (CDSDEPA)*, New York : UN Publications, 1995, p. 6.

¹¹³ As told by Krishna Prasad Khanal, Professor of Central Department of Political Science, during an interview on 9 August 2006.

- c. HIV/AIDS.
- d. Population Growth.
- e. Drug Trafficking and Abuse.
- f. Ethnic Problem, and
- g. Terrorism.

3.2.1 Illiteracy

Education is a powerful instrument for reducing poverty, illiteracy, unemployment and inequality. It is required for improving health and social well being, enabling use of new technologies, creating and spreading knowledge and laying the basis for sustained socio-economic growth. It is essential for building democratic societies and making globally competitive economics. Education can make the world a better place for human and for the future generations. It is a powerful instrument for sustainable development. UN Decade of Education for Sustainable Development (DESD) was launched to advance lifelong learning of knowledge, skill and values required for durable social transformation in 2005.¹¹⁴ Literacy is more than reading and writing, it is how people communicate in society. It is social practices and relationships about knowledge, language and culture.

International Literacy Day is celebrated each year on 8 September. The objective is to highlight the importance of literacy to individuals, communities and societies. The theme of 2006 year's celebration is 'Literacy and Sustainable Development'. Nearly 800 million people aged over 15 are illiterate and two-third of them is women. Literacy is inseparably tied to all aspects of life and livelihood. Literacy is a heart of learning, the core of Education for All (EFA) and central to the achievement of the Millennium Development Goals (MDGs). "Literacy is essential for sustainable human development and fast-changing societies," says UNESCO Director-General Koïchiro Matsuura on the occasion of the International Literacy Day on 8 September.¹¹⁵ The United Nations General Assembly has declared that the period from 2003 to 2012 will be known as the United Nations Literacy Decade (UNLD). This challenging task requires UNESCO to promote the creation of a literate environment under the slogan of 'Literacy as Freedom'.

¹¹⁴ UNESCO, *Education Today*, Paris : United Nations Educational, Scientific and Cultural Organization (UNESCO), (16), February-May 2006, p. 1.

¹¹⁵ *The Rising Nepal*, Kathmandu, September 9, 2005.

In particular, the decade gives special attention to achieving a 50% improvement in adult literacy by 2015 as well as equitable access to basic and continuing Education for All adults. It also focuses on the learning needs of those who are excluded from quality learning education. Educations for All (EFA: goal 6) goals by 2015 are¹¹⁶:

- a. Expand early childhood care and education.
- b. Provide free and compulsory primary education for all.
- c. Promote learning and life skills for young people and adults.
- d. Increase adult literacy by 50 percent.
- e. Achieve gender parity by 2005, gender equality by 2015.
- f. Improve the quality of education.

United Nations Education, Scientific and Cultural Cooperation (UNESCO) defines "Illiteracy as the inability to read and write a simple message in any language. It has conducted a number of surveys on world illiteracy."¹¹⁷ Illiteracy is a serious impediment to individual's growth and to a country's socio-economic progress. In the SAARC countries, illiteracy remains as a major threat and impediment to the development of well being of society. Illiteracy in the context of the third world countries has invariably been associated with the syndrome of under-development. Illiteracy exerts on human capacity that the modernizing states are found to place considerable emphasis on its eradication. Education has exerted sterling impact on the expansion of literacy both in terms of quantity and quality.¹¹⁸

Almost all the South Asian Countries have experienced of illiteracy. It is a grave curse to the development for South Asian Countries. Provisions in those countries have been made to eradicate illiteracy as fast as they could. Illiteracy has been associated with under development in terms of higher population growth, unemployment, poverty, low per capita income etc. Widespread illiteracy in the region has impeded the progress of the whole region. If illiteracy can be wiped out, these problems will be solved to a large extent. The literacy rate in South Asia is the lowest in the world. It shares around 46 percent of the world's total illiterate population, which is twice as high as its share of the world's total population. There are more children out of school in South Asia than in the

¹¹⁶ <http://www.unesco.org/education/en/worldwide/asia-pacific>

¹¹⁷ <http://www.educationsansar.com/articles/listing.php>

¹¹⁸ *The Kathmandu Post*, Kathmandu, September 16, 2005.

rest of the world, and two-thirds of this wasted generation is female.¹¹⁹ Illiteracy in the SAARC region is widespread especially amongst women because lack of information, exclusion from partnership in social, economic, political and other types of decision-making process, and low income. Adult illiteracy rate of the SAARC countries are given below.

Table No. 3.1
Adult illiteracy rate in the SAARC Countries
(% annual)

Country É YearÉ	Year			
	2000	2001	2002	2003
Bangladesh	35.0	35.7	47.9	36.8
Bhutan	48.0	46.0	42.2	40.0
India	43.0	42.0	25.9	23.7
Maldives	1.20	3.0	0.8	1.6
Nepal	50.3	47.1	37.3	26.9
Pakistan	53.0	56.0	51.3	47.3
Sri Lanka	8.4	8.1	2.9	2.1

Source: Regional Poverty Profile 2004, Kathmandu: SAARC Secretariat.

The above table represents the adult illiteracy rate in SAARC countries in 2000 to 2003. Among all SAARC countries, Pakistan has the highest adult illiteracy rate, and Maldives and Sri Lanka have the least adult illiteracy rate. All countries had positive results in these 4 years period. Almost all countries have the adult illiteracy rate in decreasing ratio during this period (2000-2003). Sri Lanka's education model can be a useful for all members of SAARC to eliminate illiteracy from the region. Education model of Sri Lanka is the best among the Member States of SAARC. Sri Lanka has paid a particular attention to the education of children who have disability, and started increasing education opportunities for them through integration. A medical officer and class teacher makes assessments when a child enters primary school. Parents are also involved. Assessments continue until the children complete their primary school level. Sri Lanka provides preliminary and continuous education of master trainers in inclusive education and in primary education.

¹¹⁹ *The Telegraph Weekly*, Kathmandu, May 21, 1997.

East Asia focuses on primary education. East Asia not only spent two to three times more money on education out of its Gross National Products (GNP) than did South Asia, it also emphasized universal, high-quality primary education, accompanied by a largely self-financed university education system. Nearly 70 percent of budgets spent by East Asia in education, whereas several South Asian Countries (with the notable exception of Sri Lanka) spent a sizeable portion of their meager education budgets on large subsidies to higher levels of education. East Asia invested more than South Asia in education, and within the educational field, placed much greater emphasis on primary education and technical skills.

Sri Lanka has a 92 percent national primary school enrollment rate of children who have disability, which is exceptionally high. Sri Lanka has provided the strategies for improving the quality of education. So the other Member States of the SAARC have to follow and implement it as soon as possible to reduce illiteracy from their own country. If members of the SAARC do it, illiteracy rate will decrease rapidly, especially in primary school level. In consequence, mental level of South Asian people will be increased and educational system walked in a positive way.

The initiatives taken by the SAARC in different periods to eradicate illiteracy from the region are given below.

The Council of Ministers of SAARC recognized the importance of expanding regional cooperation in areas like education at its session in Dhaka in August 1986. The proposal to include education was made by Bangladesh. This was a first attempted for eradicate illiteracy from the region¹²⁰

Technical Committee on education was established in 1989 with the name of Technical Committee on Sports, Arts and Culture. It was renamed as the Technical Committee on Education, Culture and Sports in January 1995. It has been playing a positive role to promote these areas of SAARC, especially in the area of education to eradicate illiteracy from the region.

The Fifth Technical Committee Meeting of SAARC on Education, Culture and Sports was held in Thimpu on May 26-27, 1998. This meeting reviewed the activities

¹²⁰ UN Publications, op. cit., p. 79.

under the SAARC Technical Committee during the past years like preparation of SAARC.

The SAARC Integrated Programme of Action (SIPA) Meeting held in Kathmandu in January 2000. It was resulted in the creation of the Technical Committee on Human Resource Development. In January 2004, with the emergence of Regional Integrated Programme of Action (RIPA), matters pertaining to education, skill development, arts, culture and sports were brought under the preview of this committee. The first meeting of the Technical Committee on Human Resources Development under the reconstituted RIPA was held in Colombo in March 2004.

First SAARC Ministerial Meeting on Women in Development at Shillong in India from 6-8 May 1986 realized that no meaningful progress could be achieved without active participation of the women. Active participation was need for enhancement of the status of women. This meeting emphasized on the participation of women in development, applied education, technical training, political participation, and policy-making sectors. They recommended the 'women cell' be established in SAARC Secretarial to collect and provide information about women in regional level that still remains only in word.

On the occasion of SAARC Ministerial Conference on disabled persons in Islamabad from 16-18 December 1993, Minister's of Member Countries of SAARC agreed to promote sharing and exchange of information among SAARC countries on education in order to eradicate illiteracy from the region.

"We recognized SAARC Nations have been seriously affected by poverty and illiteracy so we have decided to implement Education for All (EFA) programme to eliminate illiteracy and poverty from the region. We have collectively committed ourselves to the attainment of the six goals and utilization of 12 strategies as enunciated by the Dakar framework for action. We fully appreciate the role of civil society, private sector, Non-Governmental Organizations (NGOs) and development partners in meeting of the goals of Education for All (EFA) and endorse their continued participation and

contribution in programmes of EFA. Minister for Education and Sports, Amod Prasad Upadhyaya said while addressing on Press Conference.¹²¹

Education Minister's from all the seven member countries of the South Asian Association of Regional Cooperation (SARRC) in August 21 to 23, 2003 in Kathmandu adopted a 13-point resolution to eradicate illiteracy and poverty and to ensure peace, solidarity and prosperity in their respective countries. Ministers from the Maldives, Pakistan, Bhutan, and UNESCO representatives also spoke about the outcome of the meeting and the problems that SAARC countries are facing in the education sector. The meeting also decided to use information and communication technology, increasing external finance for education, providing broader debt relief and debt waiver for poverty alleviation and showing strong commitment to basic education.

A Memorandum of Understanding (MoU) was signed between SAARC and Asia Pacific Telecommunity (APT) in February 1994. APT has been providing assistance to the SAARC in the area of education and human development resources.

In accordance with the decision of the Tenth Summit in Colombo in July 1998 and Vice Chancellors of Open Universities Meeting in Colombo in January 1999 that Summit also recommended the establishment of the SAARC Consortium on Open and Distance Learning (SACODiL) to strengthen cooperation in the joint development of educational programmes, credit transfers and promotion of access to knowledge. The proposal was endorsed by the twenty-sixth session of the Standing Committee in March 1999. Cooperation in open learning and distance education is sought to be built through the establishment of a SAARC Forum of Vice-Chancellors of Open Universities in areas of sharing and joint development programs, credit transfer for specific programs and the translation of existing programs. There is also common resolve to pursue resolutely to eradicate illiteracy from the region through cooperative endeavors.

In Third Summit, the Heads of the State or Government emphasized the fundamental goal of SAARC to promote the welfare of the people of South Asia and to provide them an opportunity to live in dignity and realize their full potential. They were conscious of the formidable task ahead of eradicating illiteracy, which South Asian

¹²¹ *The Rising Nepal*, Kathmandu, August 24, 2003.

States are facing. They were convinced to the peoples and governments of South Asia could act in unison, surmount this challenge.

In Fourth Summit, Heads of the State or Government recognized that education is one of the main areas requiring urgent attention in the region, and decided to include education among the agreed areas of cooperation.¹²² They emphasized on the smooth functioning of the SAARC-Audio Visual Exchange (SAVE) programme that had proved to be a useful medium for promoting a South Asian consciousness amongst the people of the region.

In Eighth Summit, the Heads of State or Government noted that illiteracy is one of the major causes of poverty, backwardness and social injustices, and called all the Member States to initiate more concrete programmes aimed at eradicating illiteracy from the region preferably by the year 2000 AD. They decided to observe 1996 as the "SAARC Year of Literacy".

In Tenth Summit, the Heads of State or Government agreed that illiteracy was a major impediment to economic development and social emancipation and that the eradication of illiteracy in the region including through cooperative endeavors within SAARC that has continue to be pursued resolutely.

In Eleventh Summit, the Heads of State or Government instructed to the concerned Ministries of governments to devise appropriate strategies for raising the quality of education through the exchange of information among the Universities in the region. They recognized that the access to quality education is an important element for the empowerment of all segments of society, and undertook to develop or strengthen national strategies and action plans to ensure that all children, particularly, the girl children have access to quality primary education by 2015; and to improve levels of adult literacy by fifty percent by eliminating gender disparities in access to education as envisaged in the Dakar framework for action on Education for All (EFA) adopted by the World Education Forum held at Dakar in April 2000.

In Thirteenth Summit, the Heads of State or Government stressed that freeing South Asia from the scourge of illiteracy is a major objective of SAARC in the third decade of its activities. They called for effective measures to realize the SAARC

¹²² Bharagava & Khatri, op. cit., p. 214.

Development Goals (SDGs), in particular universal primary education in the context of pursuing the Millennium Development Goals (MDGs). The resolution also includes promoting quality education at all levels as a strategy for poverty alleviation ensuring basic education to all children, launching early childhood care and development programmes, decreasing drop-out rate and increase school enrolment rate, providing quality functional literacy and training in life skills to adult illiterates, eliminating gender discrimination, improving school management and supervision.

In Fourteenth SAARC Summit, the Heads of State or Government decided to establish the South Asian University in India. They welcomed the signing of the inter-governmental agreement establishing the South Asian University. They further directed that the inter-governmental Steering Committee be set up at the earliest to complete its tasks relating to the Charter, laws, rules and regulations, curriculum development, business plans and other issues. They also decided to strengthen cooperation and dialogue on educational matters through development of exchanges between academics, experts, policymakers, students and teachers. They called for inter-institutional cooperation, partnerships, and other regional initiatives in the field of education. In this Summit, Prime Minister of India, Manmohan Singh spoke of setting up a South Asia University that will take in students from the member nations in an effort to increase cultural convergence. The Prime Minister Sing said, “Our agreement to establish a South Asian University, as a world-class institution of learning, will be an important symbol of the connectivity of ideas and of our youth that would build the knowledge economy of the future. He further said, South Asia stood at a moment of opportunity. It was once said that positive expectations have a way to leading to positive outcomes. I believe that the time has come for SAARC to show that this is so. Let us work together to make it so.”¹²³

The ongoing SAARC Audio-Visual Exchange (SAVE) activities cover joint productions of Radio and TV programmes on thematic issues such as youth, literacy etc., which is playing effective role to eradicate illiteracy from the region.

The UNESCO has proclaimed literacy as one of the human rights, and urged nations of the world to eradicate illiteracy by the year 2000. But its commitment only remains in words because ratio of illiteracy is decreasing day-by-day but not eradicated

¹²³ <http://www.ekantinpur.com/nepalnews/display.htm>

absolutely. UNESCO has been assisting to South Asian Countries for regional development plans and strategies that are relevant to their different realities and concerns.¹²⁴ UNESCO is playing positive role to eradicate illiteracy from the world and South Asia. Asia has taken as a backward society in education sector. Educational scenario of South Asia is also equally debilitating and the condition of females is still incredibly underprivileged. Education is not only the basic rights of the individual but also the essential instrument. Education is the vehicle of capacity building, but the dismal picture of South Asia seems rather frustrating. The educational facilities in these countries are ill balanced between urban and rural areas.

If current trends continue and South Asian Countries fail to introduce major changes in the school system, "Literacy as Freedom" will continue to be an unreachable dream for millions of people. Coordinate and sustained efforts have to be taken in the next few years to reverse these trends and ensure that South Asian people are on the right track towards "Literacy for All" and thus "Education for All." The General Assembly of the United Nations proclaimed the United Nations Literacy Decade for the period 2003-2012. The UN General Assembly met from 22-23 November 2005 to plan for implementation of the Millennium Development Goals (MDGs). The General Assembly agreed upon a set of proposals presented by the UN Secretary General. The main goals are centre on national targets for poverty and education.

The International Bureau of Education (IBE) emphasized in trying to contribute to improving the dynamics of the teaching and learning process, taking fully into account one of the conclusions of the Education for All (EFA). It also realized that the Education for All couldn't be achieved without improving quality.¹²⁵

Lava Prasad Tripathi, Speaker of Ministry of Education and Sport said the illiteracy eradication programmes has to implement by South Asian Government with the participation of local agencies, civil society, religious and philanthropic organizations, and other stakeholders.¹²⁶ In this context, emphasis will be given to implement literacy campaign integrating employment and income generating activities. There is

¹²⁴ <http://www.unesco.org/education/ev.php>

¹²⁵ IBE, *Educational Innovation and Information*, Geneva : International Bureau of Education (IBE), April-August 2005, p. 8.

¹²⁶ As told by Lava Prasad Tripathi, Speaker of Ministry of Education, during an interview on 2 October 2006.

indispensable relationship among poverty alleviation, human development and basic education. Education exerts direct impact on human development, a prime aspect of poverty.

The SAARC has to implement their commitment and decisions in practice, which they have been taking in different level meeting, and to eradicate illiteracy from the region. SAARC has been working together with international agencies and organizations to eradicate illiteracy from the region but SAARC has not achieved hopefully success in relation to its investment in the area of education. Leaders of SAARC countries have done a lot of commitments in different meetings, which remains only in words. This is sorrowful event so the SAARC has to eradicate corruption, control the leakage and stop the politicalization activities from the educational sector to eradicate illiteracy absolutely from the region for better quality of life of South Asian people.

3.2.2 Trafficking of Women and Children for Prostitution

Trafficking means all acts involving recruitment or transportation, moving, selling and buying of women and children against her will within and/or across borders through coercion or deception, for sexual services and work, for the purpose of profit.¹²⁷ It has included crime and profit as well and it could be extended to include exploitative employment and/ or prostitution.

The World Summit for Social Development Programme was held in Copenhagen from March 6-12, 1995. This program of action was also dealt with the issue of trafficking of women and children but it was not focused on prostitution. UN General Assembly 2000 has defined trafficking as follows, "The illicit and clandestine movement of persons across national and international borders, largely from developing countries and some countries with economics in transition, with the end goal of forcing women and girl children into sexually or economically oppressive and exploitative situation for the profit of the recruiters, traffickers and crime syndicates, as well as other illegal

¹²⁷ Manjima Bhattacharya, *Trafficking in South Asia: A Conceptual Clarity Workshop*, New Delhi, 29th July - 1st August 1998, p. 18.

activities related to trafficking, such as forced domestic-labor, false marriages, clandestine employment and false adoption".¹²⁸

Prostitution means the sale of sexual services for money or the act of engaging in sex acts for hire. During the 19th century efforts were made to control the international trafficking of women and children for the purpose of prostitution. In 1949, the UN General Assembly adopted a convention for the suppression of prostitution.¹²⁹

The main causes of trafficking vary in different settings. There are strong invisible market forces on both the demand and the supply side that drive the trafficking process. On the supply side, poverty, lack of employment opportunities in rural areas, lack of female education, ignorance, lack of awareness, social injustice, open boarder, lack of political commitment, lack of control over money, gender discrimination, population growth and patriarchal values are some of the major socio-economic factors that push the women and children to be trafficked.

Many women and girls are lured by promises of jobs and false marriages and recruited by family members, co-workers and friends. For widowed, divorced, or abandoned women, prostitution is the only way to access economic resources. Violence against girls and women by husbands and other members of the household as well as by members of the community has also been as a major cause for pushing women into prostitution, especially in low-caste households. Among the pushing causes poverty coupled with unemployment is the main cause for parents sending their children away from home for jobs and the traffickers selling the girls into prostitution.

On the demand side, pull factors include consumer demand for inexpensive services or products and young prostitutes; urbanization and social norms and practice that may over look labor exploitation of certain social and age groups and multiple sexual partnerships for men. Women and girls are at greatest risk because of their unequal social and economic positions in relation to men, which leave them more vulnerable to violence and exploitation.¹³⁰

¹²⁸ Sama Sharma, *Social Status of the Trafficking Girls in Nepal*. Unpublished MA Thesis, Patan Multiple Campus, Department of Sociology, Lalitpur, 2001, p. 1.

¹²⁹ <http://www.uno.org/global.pdf>

¹³⁰ Sharma, op. cit., p. 7.

The trafficking of women and children for prostitution are spread all over the world. It is one of the internationally recognized crimes that prevail across the national boarder of countries. However, the lower literacy and lower socio-economic development of the South Asian Countries have further made trafficking and prostitution severe. Poverty, unemployment, custom and illiteracy are generally blamed as root causes of trafficking and prostitution.

Problem of trafficking of women and children have forced prostitution exits in almost all parts of the world. However, the magnitude differs from continent to continent. In South Asia, adult female migration results are increasing because of conspiracy, belief and pressures. Further, it is followed by their involvement in prostitution without their knowledge and permission.

Women and children are the most vulnerable victims of socio-economic, cultural and political structure in South Asia. The crime and exploitation against women and children is increasing every day with change in the forms and nature. Women and children continue to be exploited, oppressed and are deprived of fundamental human rights. There are various forms of crime against women and children currently in practice in South Asia and world. However, the trafficking for commercial sexual exploitation is one heinous crime in existence so far on the earth. Sitamaiya Singh Thapa, Assistant Dean's of Faculty of Law said the trafficking of women and children is the worst form of violation of human rights. It threatens the right to life, liberty, equality and dignity of the life of the victim that is guaranteed by the constitution as well as other laws, international conventions and treaties. Social, economic, political as well as legal discriminatory practices are major factors resulting in the suppression of women.¹³¹

Prostitution is one of the areas into which women and children are trafficked. Trafficking and prostitution are increasingly being used interchangeably. Trafficking is the coercive and exploitative process or mechanism of which prostitution is one of the possible areas. The issue of trafficking in women and children is concerned not only with single sex or segment or ethnic group of the society but it is concerned with the whole society, nation, region and world. It is becoming not only local, national, regional

¹³¹ As told by Sitamaiya Singh Thapa, Assistant Dean, Faculty of Law, during an interview on 26 June 2006.

problem but also becoming a global problem threatening to the whole human civilization.

Among the SAARC countries, Bhutan and Maldives are still behind the curtain regarding trafficking of women and children for prostitution. India is the Headquarters for trafficking and prostitution and destination of South Asian trafficking activities. Thousands of women and children are supplied to India especially from Nepal for the purpose of prostitution.¹³² Anuradha Koirala, head of Maiti-Nepal said the sexual exploitation and trafficking women and children for prostitution have been increasing in SAARC region. Nepalese women have been involved in prostitution in Mumbai, Delhi, Calcutta, Madras, Uttar Pradesh and Bihar of India. For perfect remedy of this problem, spreading as a social stain has been a great challenge for SAARC.¹³³

Trafficking of women and children for prostitution has emerged as a major social and human rights problem in South Asia, which is one of the most critical and rising challenges for South Asian Countries. The low status of women in societies as well as the growth of sex tourism contributes significantly to trafficking in this region. Thousands of Nepalese women and children are trafficked for prostitution to the Asia-Pacific region, especially Hong Kong. Bangladeshi women and children have also been trafficked to the Middle East in large numbers over the last 20 years. India is a source, transit and destination country, receiving women and children from Bangladesh, Nepal, Bhutan, Sri Lanka, and Pakistan and sending victims to Europe and Middle East.¹³⁴

The problem of women trafficking in Nepal, India, Bangladesh and Pakistan has not been solved because of open boarder and lack of collective efforts. Legal provision is necessary to solve this problem while Bangladesh has made practical law against trafficking women and children for prostitution.¹³⁵ High-level decision makers, lawmakers and politicians in local level are often accused of being defender of the traffickers and culprits. There is still lack of adequate evidence to prove that there is a high level political and administrative network supporting them.

¹³² Resraj Adhikari & Harihar Ghimire, *Nepali Samaj Ra Sanskriti (Nepalese Society and Culture)*, Kathmandu : Bidhyarthi Pustak Bhandar, 2058 BS, p. 160.

¹³³ As told by Anuradha Koirala, head of Maiti Nepal, during an interview on 20 August 2006.

¹³⁴ <http://www.maitinepal.com/trafficking.html>

¹³⁵ *Kantipur*, Kathmandu, February 22, 2002.

Socially sanctioned forms of violence, skewed gender and power relations further reinforce the multiple vulnerabilities to trafficking and HIV/AIDS faced by women and girl children in the region. These activities have various forms like rape, trafficking, commercial sexual exploitation, dowry-related violence, female infanticide, domestic violence and violence in conflict situations. The lives of millions of women and children in this region remain defined by traditional practices that enforce disempowerment and endorse unequal treatment.

As the epidemic spreads wider, the link between trafficking and HIV /AIDS is emerging stronger than ever before. In South Asia, the fastest growing rates of new infections, HIV/AIDS and the trafficking of young persons within and across borders is creating ever-widening circles of insecurity that disproportionately threaten the lives of young children and further impoverish the poor through sickness, loss of livelihood and rejection by society. The HIV/AIDS is severely undermining human security and posing serious threats to the social capital and overall development of the region.

United Nations Development Programme (UNDP) situates both trafficking and HIV/AIDS as a development and human rights issues, which need to be addressed through an integrated and multi-sectoral approach to reduce the vulnerability of trafficked people by empowering them and promoting their human rights. Between 1999 and 2001, UNDP initiated six pilot projects in Bangladesh, India, Nepal and Sri Lanka. The principal considerations in designing these pilot activities have been the conceptualization and analysis of trafficking as a gendered phenomenon, with wider development linkages to poverty, livelihoods and mobility. Partners in the six pilot projects are Society for Human Development and Social Action (SHDSA) (India), Stop Trafficking Oppression and Prostitution of Children and Women (STOPCW) (India), Women's Rehabilitation Centre (WOREC) (Nepal), Maiti-Nepal (Nepal), Organization for the Protection of Social Environment (OPSE) (Sri Lanka) and CARE-Bangladesh (Bangladesh).¹³⁶

Human trafficking is emerging as a serious human rights issue of the 21st century. 8, 000, 00 to 9, 000, 00 people are trafficked across the international boarder each year. Must of those trafficked are women and children who are sold into sexual slavery. This

¹³⁶ <http://www.hrw.org/worldwide/report.html>

problem afflicts almost all the nations of the world and even at the borders of a highly developed nation like the United States, 18,000 to 20,000 men, women and children are trafficked as slaves or into slavery.¹³⁷

South Asia is economically one of the most backward regions in the world. More than 15 millions women and girl are trafficked annually to big countries in the region, such as India and overseas. India is a major destination for women and girls from Nepal and Bangladesh; it is also a transit and sending country for women and girls to Europe and Gulf countries. Beside India, Nepalese women and girls are trafficked to Hong Kong. The United Arab Emirates and Saudi Arabia is major destination for women from India, Pakistan and Sri- Lanka. India and Pakistan both are the receiving and sending countries.¹³⁸ Since 1994 to 2003, 441 Nepalese girls (Age 16-40) were released from India, Kuwait, Oman, Qatar and Saudi Arabia through Maiti Nepal.¹³⁹ It is very difficult to find accurate data as to how many people are annually trafficked internally and internationally. A scenario of minimum number of people trafficked from one country or region to another country or region annually are given below.

Table No. 3.2
Minimum number of persons trafficked annually in the world

Origin of trafficked persons	Minimum number of persons trafficked annually	
	Number	Percent
South East Asia	2,25,000	32.14
Former Soviet Union and Eastern and Central Europe	1,75,000	25.00
South Asia	1,50,000	21.43
Latin America and Caribbean	1,00,000	14.29
Africa	50,000	7.14

Source: South Asian Journal, No. 12, April-June 2006.

¹³⁷ NHRC, *Annual Progress Report*, Lalitpur : National Human Right Commission (NHRC), January – December 2003, p. 1.

¹³⁸ Yubaraj Sangroula, "Indo- Nepal Women Trafficking Connection" in Imtiaz Alam (ed.), *South Asian Journal*, Lahore : Free Media Foundation, (12), April-June 2006, p. 67.

¹³⁹ <http://www.maitinepal.org/trafficking.html>

The above table shows that the South East Asia is the highest and Africa is the lowest in people trafficked from one country or region to another country or region annually. South Asia lies in third position among them. Human trafficking from one country or region to another country or region is increasing day by day so the South Asian States have to take effective action collectively to combat and eradicate it from the region forever. Otherwise, it will be a major factor for the SAARC to increase HIV/AIDS patients in the region.

The initiative taken by the SAARC in different periods in preventing and combating trafficking of women and children for prostitution from the region are mention below.

The First SAARC Ministerial Meetings on women in development held in India at Shillong from 6-8 May 1986. They realized that no meaningful progress could be achieved without active participation of woman. They emphasized the enhancement of the status of women through active participation of women in applied and technical education, political participation, policymaking, and decision-making and implementation sector. But those decisions still remain in the words.

The Second SAARC Ministerial Meetings on women in development held in Islamabad from 12-14 June 1990. They agreed the following proposals be examined and specific programmes be prepared for implementation at the regional level.

-) Establish of a National Council/National Commission for woman in the SAARC countries where feasible.
-) Establish of a Women's Cell in the SAARC Secretariat for collecting the data of women in regional level.

The Third SAARC Ministerial Meeting on women in development held in Dhaka from 29-30 July 1995. They were agreed to process the evolving appropriate measures for tackling incidence against trafficking of women and girl children for prostitution. Evolving legal and institutional framework at the national level can further strengthen these efforts.¹⁴⁰ But in regional level, there were no effective actions for preventing and combating trafficking of women and children for prostitution. As a result, human

¹⁴⁰ SAARC Secretariat, *SAARC Ministerial Meetings (April 1986-August 1999)*, Kathmandu : SAARC Secretariat, 1999, p. 67.

trafficking for prostitution and HIV/AIDS infected patients are increasing rapidly in the SAARC region.

An Expert Group Meeting on drafting a Regional Convention on Preventing and Combating Trafficking in Women and Children for Prostitution was held in New Delhi from 18-19 June 1998. Negotiations lasting over two days resulted in a draft convention. The salient points of the draft include severe punishment for traffickers under national laws, provisions for extradition or prosecution of offenders and mutual legal assistance. It also provides for positive measures to prevent trafficking as well as for providing temporary care and for repatriation of the victims of trafficking.

The South Asian Association for Regional Cooperation (SAARC) addressed the issue of trafficking for the first time in its Ninth Summit held in Maldives, May 12-14, 1997. South Asian leaders agreed to mention the issue in its declaration and expressed grave concern over the trafficking of women and children within and between countries. The Heads of State or Government pledged to coordinate their efforts and take effective measures to address this problem. They decided that existing legislation in Member States has strengthened and strictly enforced to simplify repatriation procedures for victims of trafficking. They also decided that the feasibility of regional convention in combating the crime of trafficking in women and children for prostitution be examined by the relevant Technical Committee. They also recommended that the feasibility of establishing a regional fund for rehabilitation of victims of trafficking in women and children for prostitution on a voluntary basis might be explored.

In Eleventh Summit, Heads of the State or Government adopted a Regional Convention on Preventing and Combating Trafficking in Women and Children for Prostitution. The convention calls for cooperation among Member States in dealing with various aspects of prevention, interdiction and suppression of trafficking in women and children for prostitution, and repatriation and rehabilitation of victims of trafficking. It also called for prevention of use of women and children in international prostitution networks, particularly where countries of the region are the countries of origin, transit and destination.

They directed the Council of Ministers for the following reasons:

- a. Take necessary measures to ensure the enjoyment by women and children of their inherent potential,
- b. Constitute a Task Force to review the status of implementation of past decisions related to the social sector and suggest guidelines for their effective implementation, and
- c. Form an advocacy group of prominent women personalities from Member States to prepare and present a broad spectrum of gender issues.

The leaders of the SAARC countries also agreed to mobilize necessary resources and to intensify broad-based action to achieve a set of priority goals in improving the social status of women and children like:

- a. Establishing a Voluntary Fund with the contribution from Member States, individuals and donor countries and agencies for the rehabilitation and reintegration of the victims of trafficking, and
- b. Pursuing and promoting social development through empowerment of women and achieving their full participation in decision making at all levels.

In Fourteenth SAARC Summit, the Heads of State or Government acknowledged that women's full participation in all spheres of society, including participation in the decision-making process are fundamental for the achievement of equality and development. They noted that many sections of women and children continue to be in disadvantaged positions and lack equal opportunities for economic and social development. They emphasized that women's empowerment should be a major objective of regional cooperation. Regional projects should focus on addressing issues relating to women and children.¹⁴¹

A cooperation agreement between SAARC and United Nations Children's Fund (UNICEF) was signed in December 1993. UNESCO has been providing assistance to the SAARC for improvement of quality of life of women and children in the region.

Trafficking is a regional issue involving more than one national jurisdiction. For this reason and with funding from the Asian Development Bank (ADB), the Center for Legal Research and Resource Development (CLRRD) brought together a number of government and non-government organizations from Bangladesh, India and Nepal in order to discuss strategies to prevent trafficking at the regional level. The regional consultation meeting on prevention of trafficking of girls and women was held on 22-24 February 2001 in Kathmandu.

The main objectives of the meeting were:

¹⁴¹ <http://www.ekantipur.com/news&events/report.htm>

- a. to initiate and facilitate networking and coordination of governments and NGOs for a regional response to trafficking.
- b. to expedite the adoption of regional convention against trafficking.
- c. to generate support for NGOs in Nepal to intercept girls and women from traffickers.
- d. to create a resolution to draw the attention of the governments of India and Nepal to address urgently the issue of trafficking.
- e. to mobilize the officials of SAARC countries to address the problem of trafficking at the regional level, and
- f. to identify mechanisms for rescuing victims.

In recent years, many international and regional conferences and conventions have addressed this growing concern. In South Asia, the Heads of the State or Government of the SAARC signed Convention on Preventing and Combating Trafficking in Women and Children for Prostitution in January 2002.

Most countries have a national plan of action to combat human trafficking. Nonetheless, due to the complex and clandestine nature of trafficking in women and children, effective anti-trafficking operations face many difficulties. Asian Development Bank (ADB) recognizes that it can significantly contribute to preventing and reducing vulnerability to trafficking through its poverty reduction operations in various sectors.

To better understand the nature and underlying causes of trafficking in women and children and identify how ADB can contribute to addressing anti-trafficking concerns through its country programs and regional policy dialogue, ADB started a Regional Technical Assistance (RTA) project in South Asia in July 2001. Under this RTA following workshop was organized by ADB.

- a. A series of national consultation workshops were held in Manila on March - April 2002.
- b. An exposure visit of the South Asia delegation to Thailand was held on 15-18 May 2002 where participants exchanged ideas on multi-stakeholder program models and legal frameworks.
- c. A regional workshop was held in Manila May 2002.

At the regional workshop, key stakeholders from the Governments, NGOs and Donors in the three participating countries - India, Bangladesh and Nepal, and resource persons from Thailand were invited to discuss key findings and recommendations of various reports produced under the RTA. They also enjoyed interaction with Manila

participants through the plenary discussions and the field trips organized around two thematic areas - safe migration and rescue/repatriation of trafficked victims.¹⁴²

The United Nations Protocol to prevent, suppress and punish trafficking in persons, especially women and children that entered into the force in September 2003, provides an example of how the convention's coverage can be broadened. The UN Protocol links trafficking to exploitation which includes, at minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs.

The possibility of children and women being sold into sexual slavery is increasing in South Asia. Thousands of children and women are dragged into trafficking due to unsafe migration and the porous border between South Asian Countries. The process is becoming more complex and sensitive. There has been a trend in recent years to take a rights based approach to the issue of girl trafficking, shifting from an anti-trafficking to a safe migration paradigm. Migration to India and other countries has increased because of the country's security situation. In many cases, it is a rational step that people are taking to protect them.

The SAARC has achieved partial success in the area of preventing and combating the trafficking in women and children for prostitution. For absolutely eliminate it from the region, SAARC has to implement its commitments and agreements honestly in practices, members of SAARC have to provide assist to their National Women Commission and NGOs and encourage to them to make effective which are working in their own country to preventing and combating trafficking in women and children for prostitution. If South Asian Government, people and NGOs are worked together, this problem can be prevented. Otherwise, this problem will persist with further worse form.

¹⁴² <http://www.adb.org/workshop/report.html>

3.2.3 Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS)

Human Immunodeficiency Virus (HIV) is the retrovirus that causes Acquired Immune Deficiency Syndrome (AIDS); symptoms of HIV infection can include opportunistic infections, growth problems, diarrhea, developmental regression and immune system dysfunction. Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) continues its deadly course. There is still no cure. HIV/AIDS has been terrifying to the whole human race. The speculation that the virus of this disease has been transformed from green monkey of Central Africa seems more reliable. Today, the problems created by this disease have become the subject of serious challenge in every country of the world. HIV/AIDS is reversing decades of development gains, increasing poverty and undermining the very foundations of progress and security. In the poorest countries (African and South Asian Countries) it has already become major challenge.

HIV/AIDS is emerging as a major threat among sex workers and their clients. In societies, where men have greater attitude in sexual behaviors than women, as in much of South Asia, there is a strong demand for sex services. With a significant fraction of the adult male population using sex services, both clients and sex workers tend to have large number of sex partners. This results in extensive spread of Sexually Transmitted Infections (STIs) such as syphilis, herpes and gonorrhea. These STIs, in turn, greatly increase rates of HIV/AIDS transmission. There is an obvious relationship among sex workers and their clients, the wife and girlfriends of the clients and their children. HIV/AIDS appears initially as sub-epidemics in specific population groups and then spreads among these groups and to the general population through complex behavioral interactions. Such sub-epidemic groups are:

- a. Men having sex with men
- b. Injecting drug users
- c. Sex workers and their clients and
- d. The wife and girl friends of the clients and their children.

HIV/AIDS has been a concern of the United Nations for many years. In June 2001, the United Nations General Assembly held a special session to review and address the problem of HIV/AIDS in all its aspects. The special session of the assembly

highlighted the need to intensify international action and to mobilize the resources needed to fight the epidemic.¹⁴³

Magnitude negative impact of HIV/AIDS cuts across political boarder as a concern of humanity itself. HIV/AIDS is a rising challenge for SAARC, which is difficult to be handled by one country alone. It requires collective efforts of all South Asian Countries to combat it from the region. This epidemic shifted from Africa to Asia, especially to South Asia. In 2004, about 60 million people had been infected in the world. About 20 million people had already lost their lives in the past two decades, and about 8 million people were compelled to live embracing the virus and fighting with death because of HIV/AIDS in the world. There were almost a million new cases in South Asia, where more than 7 million people lived with HIV/AIDS while the number reached 8 million in 2004. Among this number more than 6 million are from India. This number is the highest in the world.

The numbers of people affected by HIV/AIDS are increasing worldwide. The rate of HIV/AIDS infection in South Asia is increasing rapidly. After being spread gradually in Asian countries, the disease has started to be taken seriously. Gro Hallemi Buntalenda, the Director General of World Health Organization (WHO) said the 60 percent of HIV/AIDS patients of Asia and 20 percent HIV/AIDS patients of the world are in India.¹⁴⁴

¹⁴³ UN Publications, *HIV/AIDS, Awareness and Behaviour*, New York : UN Publications, 2002, p. 1.

¹⁴⁴ *The Rising Nepal*, Kathmandu, August 8, 2005.

Table No. 3.3**Estimated numbers of people living with HIV/AIDS in the SAARC region, end 2003**

Country	Number of PLWHA		Adult Population (Approx)	HIV Prevalence Rate (%) among Adults
	Adults & Children	Adults		
Bangladesh	7500*	9000*	76200000	<0.1{0.01}
Bhutan	100**	100**	94000	<0.1(0.01)
India	5100000	5000000	530000000	0.9
Maldives	60***	60***	132000	<0.1(0.05)
Nepal	61000	60000	11350000	0.5
Pakistan	74000	73000	71000000	0.1
Sri Lanka	3500	3500	10422000	0.03
Regional	5247660	5145660	6991980000	0.75

Note: * End of December 2004, Country Report, Bangladesh

** An assumption from previous data

*** Data from Maldives National AIDS Control Programme

(Source: 2004 Report on the Global AIDS epidemic)

This table represents the HIV/AIDS prevalence in the SAARC region, end 2003. As India has the highest population in the region, it has the highest number of people living with HIV/AIDS. The regional HIV prevalence rate among adults is 0.75%. Among the member countries of SAARC, India has the highest HIV prevalence rate 0.9% while Sri-Lanka has the lowest HIV prevalence rate 0.03% among adults, end 2003. Most of the people living with HIV/AIDS were adults, among 5247660 people with HIV, 5145660 were the adults in the region. Nepal was the second in people with HIV prevalence rate (0.5%) in adults followed by all the rest countries Bangladesh, Bhutan, Maldives and Pakistan, end 2003.

Dirgha Sing Bam, former Chairman of SAARC Tuberculosis Center (STC) claims the spread of infection by HIV/AIDS continues to pose a serious challenge for all South Asian Nations. He suggested that there is an urgent need for countries to design, implement, monitor and continuously improve public health programs for the prevention and control of this epidemic. This disease exacts a huge toll in human

suffering and lost opportunities for development.¹⁴⁵ Poverty, civil disturbances and natural disasters all contribute to, and are made by the spread of the disease.

All the SAARC countries are facing HIV/AIDS problem, which is spreading rapidly in the region. India has the single largest proportion of HIV positive cases within its border and first position in the world. On the basis of available information, it can be assumed that over 8 million estimated HIV infected people are living within the region. The danger for SAARC region rests in the low general population prevalence rates, which may be undermining the gravity of the situation. The fact is that despite the low prevalence rates within this region, different factors are in place to spread HIV/AIDS farther and faster than in any other region globally. The existence of high-risk group behaviors, migrant workers, truckers, mobile populations in search of sexual pleasure, drugs, the unequal status of women, the lack of awareness of basic risks and prevention strategies, the trafficking of women and young girls within the sex trade and the high rates of STIs makes for an explosion of HIV/AIDS within the region.

Shusila Thapa, former Health Minister said the HIV/AIDS has been seen as a dangerous problem that can dismantle the whole human civilization; it is the first responsibility and necessity of people to provide information to all of how the disease cannot spread. The medicine of HIV/AIDS is public awareness and it is both necessity and challenge to spread awareness to the public through different Medias.¹⁴⁶ HIV/AIDS has been a challenging problem in public health for South Asian Countries. According to international experts, this disease may be the main cause of death in South Asia within a decade.

¹⁴⁵ An interview with Dirgha Sing Bam, former Chairman of SAARC Tuberculosis Centre (STC) on 30 August 2006.

¹⁴⁶ As told by Susila Thapa, former Health Minister, during an interview on 14 September 2006.

Table No. 3.4
Country HIV/AIDS estimates of the SAARC, end 2003

Country	Adult (15-49) HIV prevalence rate	Adults (15-49) living with HIV	Adults and children (0-49) living with HIV	Women (15-49) living with HIV	AIDS deaths (adults and children) in 2003
Bangladesh	... (range: <0.2%)	... (range: 2 400 - 15 000)	... (range: 2 500 - 15 000)	... (range: 400 - 2 500)	... (range: <400)
India	... (range: 0.4%-1.3%)	... (range: 2 200 000-7 300 000)	... (range: 2 200 000-7 600 000)	... (range: 630 000-2 100 000)	... (range: 160 000-560 000)
Nepal	0.5% (range: 0.3%-0.9%)	60 000 (range: 29 000-98 000)	61 000 (range: 29 000-110 000)	16 000 (range: 7200-24 000)	3100 (range: 1000-6400)
Pakistan	0.1% (range: 0.0%-0.2%)	73 000 (range: 24 000-140 000)	74 000 (range: 24 000-150 000)	8900 (range: 3000-18 000)	4900 (range: 1600-11 000)
Sri-Lanka	<0.1% (range: <0.2%)	3500 (range: 1100-6800)	3500 (range: 1200-6900)	600 (range: 200-1200)	<200 (range: <400)

Source: 2004 Report on the Global AIDS epidemic

The table represents countries with HIV/AIDS estimation in different age group, end 2003. Among adult (15-49) the prevalence rate is high rather than other age groups. India has more than 1% of adult HIV prevalence rate; rest countries have less than 1%. Women living with HIV/AIDS were 630000 - 2100000 in India, 16000 (range: 7200-24000) in Nepal, 8900 (range: 3000-18000) in Pakistan, 600 (range 200-1200) in Sri Lanka and (range: 400-2500) in Bangladesh. The death caused by AIDS was (range: 400) in Bangladesh, (range: 160000-560000) in India, 3100 in Nepal (range: 1000-6400), 4900 (range: 1600-11000) in Pakistan and less than (range: 400) 200 in Sri Lanka. HIV/AIDS has immensely affected to the SAARC population. It is a major rising challenge for the SAARC.

The initiatives taken by the SAARC in different periods to eradicate the HIV/AIDS from the region are given below.

SAARC Tuberculosis Centre (STC) is one of the regional centres of SAARC working for prevention and control of TB and HIV/AIDS in the region by coordinating

the efforts of the National Tuberculosis Control Programmes (NTCPs) and National AIDS Control Programmes (NACPs) of Member States.

The center organized trainings, workshops, seminars, meetings, conducts research on TB and HIV/AIDS, publishes the documents (epidemiological reports, journals, newsletter etc.) disseminates the information and carries out any related activities identified by the governing board.

HIV /AIDS is not just a health problem; it has very serious social and economic consequence. It affects economic growth and social development in following ways:

-) Reduced supply of labor
-) Loss of skilled and experienced workers
-) Stigmatization and discrimination against workers with HIV
-) Reduced productivity leading to negative impact on economic growth
-) Social protection systems and health services under pressure
-) Loss of family income and household productivity, exacerbating poverty
-) Pressure on girls and women to resort to providing sexual favors in order to survive

The First Meeting of SAARC Health Minister's was convened in New Delhi in November 2003 to initiate regional cooperation in HIV/AIDS. This was the first and important Ministerial Meeting, which was addressed on HIV/AIDS issue to combat it from the region.

In April 2004, SAARC signed a MoU with the Joint United Nations Programme on HIV/AIDS (UNAIDS). UNAIDS programmes has been helping to Member States of SAARC to strive towards the goals for HIV/AIDS prevention and ensure care and support for those infected and affected people by HIV/AIDS.

The SAARC Secretariat has effectively implement the proposed programmes on the observation of the SAARC awareness year and develops a regional strategy through a consultative process and collaborates closely with the Joint UN Programme on HIV/AIDS (UNAIDS) and other international organizations and civil society.

SAARC and World Health Organization (WHO) signed a Memorandum of Understanding (MoU) in August 2000 to cooperate in agreed ways to help Member States of SAARC to strive towards the goal of Health for All. WHO has been providing

assistance to the SAARC Tuberculosis Centre (STC) and other institutions in South Asia, particularly malaria, tuberculosis and HIV/AIDS for prevent to health problems.

A Memorandum of Cooperation (MoC) between SAARC and Canadian International Development Agency (CIDA) was signed in July 1997 to promote cooperation and mutually beneficial in Prevention of HIV/AIDS. During a visit to Canada in the summer of 1997, the Secretary General of SAARC, Naeem U Hasan expressed interest in working with Health Canada to develop a project to address TB, HIV/AIDS and TB/HIV co-infection in SAARC member countries. CIDA provided the governing framework for the project. In 1999, a Project Approval Document (PAD) was prepared by CIDA with the participation of all SAARC member countries. The PAD was approved by CIDA in April 2000 and by SAARC member countries in September 2000. SAARC-Canada regional TB and HIV/AIDS project is a four-year (April 2000- March 2004) bilateral project funded by the Canadian International Development Agency (CIDA) for a value of (Canadian dollar) CD \$1.8 million.¹⁴⁷ The project goal is to promote regional cooperation through inclusion of members of the SAARC. The project purpose is to strengthen the capacity of the SAARC Tuberculosis Centre (STC) located in Kathmandu and to support regional and national responses to the TB and HIV/AIDS epidemics. CIDA has been providing assistance to the SAARC to combat HIV/AIDS in regional level.

The incidence of HIV/AIDS has already reached in the South Asian region. This disease has crippled the socio-economic life of the SAARC countries. There is an urgent need to reduce the sexual transmission of HIV/AIDS in South Asia before it is too late. In spite of such sad factors, poor access to health delivery services, a lack of sex education in school curriculum, the treatment of sexual issues as social taboos, and poor knowledge about condoms are also contributing to the increase of HIV/AIDS infection in the region. HIV/AIDS is not just a health problem for the Nations of South Asia. It is a health problem and a threat to the social, economic and development efforts which if not address effectively and start urgent attention by policy and decision makers of the region, it will be begun to negative impact on economic growth and social development.

¹⁴⁷ <http://www.saarctb.com.np/center>

Madhu Raman Acharya, Joint Secretary of Foreign Ministry said South Asian Nations have to find out ways to make the regional organization relevant to the daily life of the people. He further states the passage of time new challenge has also come up like HIV/ AIDS pandemic.¹⁴⁸

Education and condom are the only reliable ways that the infection of HIV/AIDS can be prevented. Poverty, illiteracy, unemployment and lack of resources are the main causes to women and teenagers who are compelled to be prostituted or to have sex with wealthy HIV/AIDS inflected people. The discrimination of women in different fields like education, health, employment and others can be taken as the root cause for HIV/AIDS transmission in South Asia.

The education can play an increasingly important role to aware to people about HIV/AIDS. The increasing role of education is recognition that a good education is one of the most effective ways of helping young people to awareness about HIV/AIDS.¹⁴⁹ HIV/AIDS is unequivocally the most devastating disease human race has ever faced, and it will get worse before it gets better. It is necessary to give the message of their rights to live an in society with prestige by eliminating discrimination to them and by creating the atmosphere for HIV/AIDS victim to live just like other people.

The SAARC has achieved partial success to prevent HIV/AIDS. But it has no satisfactory result. HIV/AIDS is a burning and complex challenge for the SAARC. So the SAARC has to implement compulsory sex education, start advertisement of condom in national and regional level to prevent HIV/AIDS and make safe to sexual behaviors, and systematic and scientific to profession of prostitution. The SAARC had better to implement their commitments into practice with honestly to eradicate HIV/AIDS from the region. Otherwise, it may be the main cause of death in South Asia.

3.2.4 Population Growth

Population means the total number of inhabitants constituting a particular race, class, or group in a specified area. The act of increasing or process of growing is called a growth. Very rapid population growth is expected to prevail in a number of developing

¹⁴⁸ An interview with Madhu Raman Acharya, Joint Secretary of Foreign Ministry, during on 20 September 2006.

¹⁴⁹ World Bank, *Education and HIV/AIDS*, Washington DC : World Bank, 2004, p. 3.

countries; the majorities among them are least developed. The total population of SAARC region is 1424.7 millions.¹⁵⁰ The population of this region is growing day by day. The growing population needs more food, water, land, settlement and other facilities. It becomes very difficult to fulfill the needs of the growing population. The growth of population is one of the rising challenges for South Asian Nations. In terms of the size of population, SAARC occupies 1/5 (one fifth) population of the world. Growth of population is an increasing mouth that demands lot of things increasing quantity of food and larger employment opportunities. After the Second World War, human population growth broke completely with all known patterns of the past with the rapid dissemination of public health and modern medicine in the less developed regions, supported by economic and social development programmes of national governments and international organizations.¹⁵¹

The contemporary relations of population growth and economic development in the less developed or developing countries are quite striking. Today, most developing countries are focusing on proper strategy in population policy, which is being recognized as very important in practice. The levels and trends in population growth over the time simply reflect in birth and death rates. Migration may also affect growth rate of geographical divisions, but net migration has or is expected to have a significant effect on growth in only a limited number of countries. The pattern of population increase for the South Asian region is different to the one for the whole world, since this region make up a sizeable majority of the total population and its birth rates are higher than developed regions. The causes of population growth in South Asia are:¹⁵²

- a. Causes of high birth rate: early marriage, lack of education, widespread poverty, religious and social superstitions, low standard of living, decline in mortality rate, etc.
- b. Causes of low death rate: more medical facilities, decline in epidemic, balanced diet, late marriages, change in habits, spread of education, etc.

¹⁵⁰ World Bank, *The Little Green Data Book*, Washington DC : World Bank, 2005, p. 13.

¹⁵¹ UN Publications, *World Population Trends and Policies*, New York: UN Publications, I, 1979, p. 23.

¹⁵² R. K. Lekhi, *The Economics of Development and Planning*, New Delhi : Kalyani Publishers, 2001, pp. 105-107/vii.

Table No. 3.5
Population growth rate in South Asian Countries during 2000s
(% annual)

Country É YearÈ	2000	2001	2002	2003
Bangladesh	1.7	1.7	1.7	1.5
Bhutan	2.7	2.7	2.6	2.5
India	1.5	1.6	1.5	1.5
Maldives	2.2	2.5	2.2	1.9
Nepal	2.3	2.3	2.2	2.3
Pakistan	2.4	2.4	2.4	2.1
Sri Lanka	1.3	1.3	1.2	1.2

Source: World Development Indicators, 2002-2005.

Above table presents the population growth rate of SAARC countries in 2000-2003. As shown in above table, Bhutan, Pakistan and Nepal have the highest population growth rate which is more than 2% annual and other countries have less than 2% annual in 2000-2003. Among all countries Sri Lanka has the lowest population growth rate i.e. 1.2 annual in 2003.

Rapid population growth is challenging issue for the South Asian Countries. It has caused problems in economic growth, human development and the environment in these countries. Population growth is alarming to South Asian region. Even in the relatively poor countries of South Asia. The region has a rising pressure of population resulting from high growth rates. Rapid growth of population coupled with slow socio-economic development is a major challenge to policy makers of SAARC countries.

Population growth has been a major concern for the SAARC region. The SAARC region constitutes around 23 percent of the earth's population. South Asian population will continue to grow for many decades to come. Between, 2000-2050 AD populations will have doubled or nearly doubled in Pakistan, Nepal, and Bangladesh. India considers that population-related issues, which are inextricably linked to the entire development of India, a priority. Development can lead to a decrease in population growth rates. In Nepal, a range of strategies have been put forward including expansion of family planning, and child health services, integration of population programmes in other sectoral projects, and expansion of adult education programmes for women.

Bhutan states the future of socio-economic balance depends on a strictly enforced family planning policy and / or new means of livelihood not directly dependent on the land. Bangladesh emphasizes targeting women through literacy awareness and birth control campaign to help break the vicious circle of rapid population growth. Maldives emphasizes the need to develop an environmentally sound national population management policy. SAARC has been getting partial achievement in the area of population growth because increasing consciousness on education and traditional thinking.

The initiatives taken by the SAARC in different periods to control the population growth in the region are mention below.

The Ministerial Meeting on Women and Family Health held in Kathmandu in October/November 1993. This meeting was contributed significant contribution to the controlled over the population growth in the region. It was important meeting in the area of population in regional level.

The Technical Committee on Social Development Meeting held in Kathmandu in March 2002 before the creation of a new Technical Committee on Health and Population under Regional Integrated Programme of Action (RIPA). Under the reconstituted RIPA, the Technical Committee on Health and Population Activities held its first Meeting in Kathmandu in November 2004. Both meetings were important for control over the population growth in the region.

On the occasion of the First SAARC Summit, the Heads of State or Government acknowledged that the countries of South Asia, who constituted one-fifth of humanity, were facing with the formidable challenges posed by pressure of population. They have been affording to decrease population pressure from region since the inception of SAARC.

In Seventh SAARC Summit, the Heads of State or Government recognized the sovereign right of all countries to adopt and implement their population policies and became mindful of their cultures, values and traditions. They also noted the importance of adequate investment in the health and education sectors for the success of their population programmes. They agreed that cooperation among Member States have to

strengthen, both through sharing experiences and in other practical ways, to enhance their capacity to deal with the population problem.

In June 2004, SAARC signed a MoU with the United Nations Fund for Population Activities (UNFPA). Under a MoU, the two organizations have been working together for promote research, analysis and technical cooperation in the area of population. UNFPA has been providing assistance to SAARC in the area of control over the population growth.

The SAARC Human Resource Development Centre (SHRDC), a regional institution of South Asian Association for Regional Cooperation (SAARC) in Islamabad organized a two weeks training course on environment, population and development from 29 March 11 April 2004. The general objective of the training programme was to harmonize and enhance the mutual relationship among population dynamics, the environment and social and economic development, while specific objectives are to broaden the consideration of trends in demographic variables in sectoral and regional policies, the coherent integration of population and environmental policies into economic and social development strategies.

This training course was primarily designed for the mid level functionaries, trainers/professionals from the government, semi government organizations, working under the Ministries of Environment, Population, Planning and Development and other related organizations and NGOs of SAARC Member States. Participants from Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka took part in the training course.

This region contains nearly one-fifth of humanity, and increase in its population each year exceeds the total population of fifty smaller UN Member States, it is an unfortunate fact not widely recognized by its own policy makers or by the International Community that South Asia is emerging as the most deprived region in the world. SAARC has achieved partial success in the area of control over the population growth. If SAARC can convinces to religious leaders of South Asia for think better about population growth and change their religious superstitions about birth, population growth rate in will fall positive way. In consequence, SAARC countries, especially Muslim

country will feel light in the case of the over population growth rate in their respective country.

3.2.5 Drug Trafficking and Abuse

Drug is a substance used in medicine either externally or internally for curing, alleviating or preventing a disease. The definition of the word drug proposed by the World Health Organization (WHO) and the definition used in this report refers to all psychoactive substances i.e., "... any substance that, when taken into a living organism, may modify its perception, mood, cognition, behavior or motor function."¹⁵³

Drugs are usually given to sick people, but some people to get a high satisfaction use these drugs. Once this becomes a habit, it becomes very difficult to stop it. Then, the abusers become addicts. Drug is a chemical substance that affects physiologically as well as psychologically. Drug abusers suffer from personality disorder. Drug first affects by reaching the outdoor brain to distort your judgment and lower your inhibition, while producing euphoria (a sense of pleasure). The term, drugs, refers to a set of substance that has clearly identifiable chemical properties or biological effects. In legal view, drugs are an illegal substance to which abuse and trafficking are against the law.

Drug abuse is one of the most rising social issues. Misuse of drug is not good for health and social environment. The misuse of drug is also called drug abuse. Drug abusers are criminals of society and nation. Drug abuse is the biggest cause of morbidity and mortality; it is associated with health and social problems.¹⁵⁴ The misuse of drug is very harmful to our body and mind. The mind becomes dull and the body becomes useless. A person who uses drugs cannot do anything mindfully. Drugs make a person turning away from the reality. It can finally kill the person. Until 1968 WHO defined drug abuse as: "... persistent or sporadic excessive drug use inconsistent with, or unrelated to, acceptable medical practice." But the term was felt to be ambiguous and was replaced with harmful use, defined as "... a pattern of psychoactive substance use that causes damage to health ... physical or mental."¹⁵⁵

¹⁵³ UN Publications, *World Drug Report*, New York : UN Publications, 1997, p. 10.

¹⁵⁴ UNODCCP, *Drug Abuse and HIV/AIDS: Lessons Learned*, New York : United Nations Office for Drug Control and Crime Prevention (UNODCCP), 2001, p. 1.

¹⁵⁵ M. Frischer, S. Green & D. Goldberg, *Substance Abuses Related Mortality: A World Wide Review*, New York : United Nations Drug Control Program (UNDCP), March 1994, p. 28.

Drug abuse affects almost countries in the world. The social and economic costs of drug abuse place an intolerable strain on the social infrastructures of development in developing countries. Numbers of drug users are increasing in South Asia because of rising activities of drug trafficking and abuse. Inconsequence, youth men powers are falling into useless men power day by day. Drug traffickers assist to terrorists through financial help and providing sophisticated weapons, which is being faced by South Asian Countries. Drug trafficking and abuse is an illegal way to money collection. These types of activities are encouraging to promote the terrorist activities in the region.

The drug trafficking and abuse in South Asia continues to be both serious and multifaceted. Particularly in Bangladesh, India and Nepal, lapses in the control of pharmaceutical preparations containing narcotic drugs and psychotropic substances have led to their rampant abuse by all segments population. These pharmaceuticals are generally diverted from domestic distribution channels and sold without prescription in pharmacies and other retail outlets. Drug abuse is becoming one of the main causes for the increase in the HIV/AIDS infection rate in South Asia, in particular, India and Nepal. Drug traffickers, to divert those products include pilferage from factories and wholesalers, pretended export, fake prescriptions, and the supply of substances by pharmacies without prescriptions.

Trafficking has the crucial link in the chain between illicit drug production and consumption. Countries, to which revenues from production and trafficking occur in large percentages relatives to the overall economy, tend to insure many costs as a result of economic gains made by participants in the industry. Drug trafficking is an illegal way of money collection and main source of terrorists to purchase arms and ammunitions. Drug traffickers get narcotic drugs from next country and sale them in international market at a high price and acquiring sophisticated weapons.

The initiatives taken by the SAARC in different periods to combate the drug trafficking and abuse from region are given below.

SAARC Drug Offences Monitoring Desk (SDOMD) was established in Colombo of Sri-Lanka in 1987 to collect, analyze and disseminate information about the crimes related to drug strategy and methods in member countries. Director of SAARC Secretarial, Rishi Ram Ghimire said the SDOMD has been working under the UN office;

Vienna so it is not responsible to SAARC and it has also not been playing effective role to combat drug trafficking and abuse from South Asian Countries except Sri-Lanka.¹⁵⁶

The Technical Committee on the Prevention of Drug Trafficking and Drug abuse was established in 1987. The Technical Committee on Prevention of Drug Trafficking and Drug abuse monitors the implementation of the convention, during its annual Meetings. It contributed significantly towards the finalization of the SAARC Convention on Narcotic Drugs and Psychotropic Substances in November 1990.

The SAARC Convention on Narcotic Drugs and Psychotropic Substances was signed at the Fifth SAARC Summit in Male, November 23, 1990. It came into force on 15 September 1993 after ratification by all Member States.

The convention calls for the promotion of regional cooperation in both law enforcement and demand reduction. It also provides for measures for mutual legal assistance among Member States in investigation, prosecution and judicial proceedings in respect of drug offences. Consultations among drug law enforcement agencies and officers are being facilitated through short-term activities such as seminars, training courses organized under the support of SDOMD.

The Thirteenth Meeting of the Technical Committee met in Male from 27-29 January 1998. Delegates from all Member States participated and Director, Abdul Ghafoor Mohamed, represented the Secretariat. During the meeting, the committee reviewed progress in enactment of enabling legislation under the SAARC Convention on Narcotics Drugs and Psychotropic Substances and progress in the implementation of networking arrangements among existing South Asian institutions in drug abuse prevention, treatment and rehabilitation. The committee recommended for inclusion in the calendar of activities for the year 1999.

First Meeting of Drug Trafficking and Drug Control Programme was held in Islamabad from 12-15 April, 1987, that programme was drawn up the following measures were recommended for implementation:¹⁵⁷

¹⁵⁶ As told by Rishi Ram Ghimire, Director of the SAARC Secretariat, during an interview on 4 September 2006.

¹⁵⁷ SAARC Secretariat, *SAARC Summits (1985-1988)*, Kathmandu : SAARC Secretariat, 1990, p. 56.

- a. Adoption of programmes to eradicate the illicit production, processing, trafficking and abuse of drugs and allocation of adequate resources to this end.
- b. Early accession by those Member States that have yet not done to the UN single convention on narcotic drugs of 1961.
- c. Designation of a national co-coordinating body to be the focal point for implementing regional co-operative programmes.
- d. Provision by Member States for treatment and rehabilitation facilities for drug addicts including after care and counseling.
- e. Promotion of community awareness and education programme for the prevention of drug abuse.
- f. Support and involvement of NGOs in drug abuse prevention programme.
- g. Increased training and research programs in all areas of drug abuse, and
- h. Adoption of a common approach to issues related to the illicit trafficking and abuse of drugs at international forum.

Meeting of NGOs on drug and workshop of narcotics law enforcement were held in India and Pakistan respectively in 1988. Another meeting of NGOs and a workshop on education for prevention of drug trafficking and abuse was held in Pakistan in 1989. Both meetings and workshop were important in the area of control over the drug trafficking and abuse in the region.

In First SAARC Summit, the Heads of the State or Government approved that a similar exercise could be carried out with regards to the problem of drug trafficking and abuse.¹⁵⁸ They recognized three areas of crucial importance and one of them was on drug trafficking and drug control. The Summit was directed that a study group which was examined the problems and suggests specific measures for possible cooperation.

In Second SAARC Summit, late Prime Minister of India, Rajiv Gandhi expressed that the menaces of drugs spills over national boundaries in weaving its evil net-is to be tackled through regional initiatives which will reinforce national measures.¹⁵⁹

On the occasion of Fourth SAARC Summit, the Heads of State or Government expressed grave concern over the growing magnitude and the serious effects of drug trafficking and abuse, particularly among young people. They recognized the need for urgent and effective measures to eradicate these evils and decided to declare the year

¹⁵⁸ *Ibid*, p. 49.

¹⁵⁹ *Ibid*, p. 56.

1989 as the "SAARC Year for Combating Drug Abuse and Drug Trafficking". They agreed to launch a concerted campaign, as suited to the situation in their respective countries, to significantly augment SAARC efforts to eliminate drug trafficking and drug abuse. They realized closer cooperation in creating a greater awareness of the hazards of drug trafficking and abuse, exchange of expertise, sharing of intelligence information, stringent measures to stop trafficking in drugs and introduction of more effective laws. They directed that the Technical Committee concerned the possibility of a regional convention on drug control. They emphasized the need to prepare and implement national plan and programmes in Member States of SAARC to fight the common menace of the drug trafficking and abuse.

In Fifth Summit, the Heads of State or Government noted with satisfaction of the growing regional cooperation in combating the problems of drug trafficking and drug abuse. They expressed serious concern over the growing linkages between drug trafficking and international arms trade and terrorist activities. They agreed that observance of 1989 as the "SAARC Year for Combating Drug Abuse and Drug Trafficking" had had a profound impact in drawing attention to the menace and to the need for its elimination. President of Maldives Moumun Abdul Gayoom expressed that the signing of the Convention on Narcotic Drugs and Psychotropic Substances is a clear indication of our commitment to safeguard our people from the scourge of drug trafficking and drug abuse.¹⁶⁰

In Eighth Summit, the Heads of State or Government recognized that drug trafficking and abuse with its linkages with organized crime, illicit arms trade and terrorism continued to pose a serious threat to the security and stability in the region.

In the Ninth Summit, the Heads of State or Government noted with appreciation the convening of the First SAARC Conference on Cooperation in Police Matters in Colombo during July 1996. The second SAARC conference on cooperation in Police Matters held in Male in 1997. They endorsed the outcome of the conference, particularly, they call for sharing of expertise with regard to the different areas of police investigation and investigation of organized crime and drug related crimes.

¹⁶⁰ *Ibid*, p. 49.

In Tenth Summit, the Heads of the State or Government recognized that the Member States and peoples of South Asia continued to face the serious threat of terrorism in all its forms and manifestations and drug trafficking and abuse.

In Thirteenth Summit, the Heads of State or Government directed that concrete measures be taken to enforce the provisions of the Regional Convention on Narcotic Drugs and Psychotropic Substances through an appropriate regional mechanism.

In Fourteenth SAARC Summit, the Heads of State or Government agreed to work on the modalities to implement the provisions of the existing SAARC Conventions to combat terrorism, narcotics and psychotropic substances, trafficking in women and children and other trans-national crimes. They expressed their commitment to take every possible measure to prevent and suppress, in particular, financing of terrorist acts by criminalizing the provision, acquisition and collection of funds for such acts, including through front organizations and also to counter illicit trafficking of narcotic drugs, trafficking in persons and illicit arms. They reiterated the need for law enforcement authorities of Member States to enhance cooperation in the prevention, suppression and prosecution of offences under these instruments. They noted the initiative of India to prepare a draft of SAARC Convention on Mutual Assistance in criminal matters and welcomed the offer of Sri Lanka to hold a Meeting of Legal Advisers to examine the idea of a draft convention, before the Second Meeting of SAARC Interior/Home Minister's scheduled to be held in October 2007 in India. They also directed them to ensure regular follow-up and implementation of the decisions taken.

A framework agreement for cooperation between the SAARC and the Economic and Social Commission for Asia and the Pacific (ESCAP) was signed in February 1994. ESCAP has been providing assistance to the SAARC in the area of prevention of drug trafficking and abuse.

SAARC signed a Memorandum of Understanding (MoU) with the United Nations Drug Control Programme (UNDCP) in August 1995 to help coordinate efforts in combating drug trafficking and abuse in the region. A joint UNDCP-SAARC workshop on drug trafficking and abuse was held in Colombo in 1996. This was followed by a joint workshop on policy formulation in the area of precursor control held at the SAARC Secretariat in Kathmandu in August 2001. UNDCP participated in the First Meeting of

the SAARC Coordination Group of Drug Law Enforcement Agencies held at the SAARC Secretariat in Kathmandu in May 2001.

A joint meeting of the SAARC Drug Offences Monitoring Desk (SDOMD) and Drug Liaison Officers of SAARC countries held in Colombo in October 2002. It had done review the existing procedures and constraints, and suggested that the practical measures need for enhancing information about drug trafficking and abuse among Members States.

The SAARC countries, in their fight against drug trafficking and abuse can be learned from the experience of the Commonwealth Nations and their scheme for mutual assistance in criminal matters. India, Bangladesh and Sri Lanka were represented in Commonwealth Meeting. They got experience about against drug trafficking and abuse. Other Members States of SAARC have to take benefited from Commonwealth scheme as like India, Bangladesh and Sri Lanka in devising measures to fight against drug trafficking and abuse in South Asia.

In the field of demand reduction, short-term activities such as Meetings, Workshops and Seminars held in different time and level. That was focused on the role of media in the prevention of drug trafficking and abuse, community mobilization against drug trafficking and abuse, preventive education, school curriculum development, treatment and relapse prevention and exchange of information on indigenous and innovative methods of treatment for against drug trafficking and abuse in the region.

SAARC has been addressing issue of drug trafficking and abuse seriously in different levels and times. The SAARC established SAARC Drug Offense Monitoring Desk (SDOMD) in 1987 in Sri Lanka to collect, analyze and disseminate information about the crimes related to drug strategy and methods in Member States. But SDOMD did not play effective role in the area of against the drug trafficking and abuse in regional level but it is plays effective role in national level for Sri Lanka. So the SAARC has to make SDOMD more effective and responsible for regional level too, and its activities and information have to relay to members of SAARC through SDOMD SAARC Secretariat.

3.2.6 Ethnic Problem

The term, ethnic, implies the sense of belonging as the cultural group of a society that may be understood as an organizing principle used by a group of people in order to differentiate themselves from other groups in terms of race, language, customs, mode of living culture and religion.¹⁶¹ No region of the world is left untouched where ethno-national groups are not mobilized for identity, equality, representation, autonomy or separate state. Ethnic violence often gets transformed into insurgency for the separate identity that is contributing to national and regional instabilities.

Ethnic conflict is a form of struggle for power between one group that controls power and institutions (the majority in most cases) and another that seeks to acquire power (mostly the minority). Each group has a goal of countering the other to capture power and position. The political incumbent group seeks power through its centralizing tendencies and intrusive behavior (into the cultural and political space provided for the weaker minority). The minority group insists on power sharing with the majority as the basis for interethnic amity, because it believes that its weak position in the structure of power relations is the fundamental cause for all its problems. It is therefore, a contest involving the majoritarian ethnic ideology facing a real or perceived threat from the minority/weaker ethno-nationalist for equality.

Ethnic conflicts appear to have acquired as marked intensity in the recent decades. These conflicts are expected to be a major source of upheavals in every country of South Asian region, while dimensions and intensity vary from country to country. Ethnic conflict takes birth from the womb of a sense of insecurity in ethnic groups about the preservation of their socio-culture identity. Ethnic minorities, if made isolated from sharing state power by the elite, fight against the regime and its system for rights and powers. Ethnic conflicts particularly in the form of secessionist movements have posed a serious challenge to the state.

Ethnic issues are behind many of the vexing problems and conflicts between and within nations.¹⁶² Ethnic conflict is one of the most destabilizing factors to internal

¹⁶¹ Girin Phukon, *Ethnicity and Polity in South Asia*, New Delhi : South Asian Publishers Pvt. Ltd., 2002, p. 1.

¹⁶² Iftekharuzzaman (ed.), *Introduction of Ethnicity and Constitutional Reform in South Asia*, Colombo: Regional Centre for Strategic Studies (RCSS), 1998, p. 7.

stability in South Asian States. The crux of ethnic problem lies on the loss of confidence in the state system. The state cannot fulfill the interest of all ethnic groups; such groups lose their confidence over the government's words and deeds. The deprived and exploited ethnic people raise their voice for rights and freedom and the conflict between deprived and privileged groups widen considerably. Privileged groups generally suppress minority. Minority groups are being subjugated rebel against privileged ones. Ethnicity in South Asia has been acting like a time bomb. Sri Lanka is one of the prominent examples in this context.

Ethnic power rivalry in South Asia invariably involves two sets of groups: national majority versus regional majority and national minority (which is otherwise a regional majority) versus a regional minority. The first pair of parties' forms the standard set found in most conflicts; only a few conflicts have parties belonging to the second category. The level of threat that each group faces and its capability to undertake offensive or defensive tactics determines the variations in the nature and intensity of power-contest. South Asia occupies a prominent place in the global map of ethnic conflict. Many groups have fiercely fought with each other, laid siege on the state, frustrated its nation-building efforts, and burnt bridges to capture the larger consciousness of the international community. In comparison with world, the South Asian region is unique in way from the standpoint of ethnicity and use of violence.

South Asia is one of the world's most complex regions with multi-ethnic societies, characterized by striking internal divisions along linguistic, regional, communal and sectarian lines, but externally linked to one another across national boundaries. Multi-culturalism or pluralism as a guiding principle of governance is hardly adopted into the popular political culture of the region. In South Asia, religion and language as components of ethnic identity are important in dividing as well as integrating groups in strife-torn societies. Thus, in Sri Lanka, language is a basis for intra-group unity amidst an internal cleavage along religious lines, whereas ethnic groups in Pakistan are divided along linguistic lines even though they share a common religion. In Bhutan, Buddhism forms an integrative force among the linguistically divided Bhutanese against the Nepalese speaking Hindu migrants from Nepal. As regards India, language unifies many groups in conflict and religion remains the main source of cleavage and conflict in a few cases notably in Punjab and Kashmir.

South Asia has expansion of ethnic conflict from internal to external occurred. The India-Pakistan War (1971) was remarkable in the annals of Post-War history because it led to the first ever secession of a country (Bangladesh) in the world. Despite the high intensity of ethnic violence and the concomitant large-scale loss of lives, international peace making has been the least desired option by regional states, and a low-priority issue on the global agenda. Thus, in each case, the national investment in violence far exceeds investment in peace process.

South Asian region has some of the world's most protracted conflicts that continue as a low-key military affair without an end. The structural framework of the region incorporating features such as close geographical proximity, socio-cultural linkages and inter-dependent politico-strategic relations of states that create internal pressures for regionalization of ethnic conflict as an inevitable part of political life. Cross-boundary ethnic linkages, deep class and ethnic cleavages in most of the societies and each conflict are interlocked with another in a many of ways.

While waging a war against the Sri Lankan army and the Indian Peacekeeping Force (IPKF) in Sri Lanka, the Liberation Tigers of Tamil Eelam (LTTE) had allegedly cultivated or developed military network with a number of militant groups in India. At the height of the movement for Baluchistan there was a convergence of Baluch and Pakhtun forces against the Pakistani government. Later in 1986, the Sindhis joined them to form a common political front. The Chakma rebels of the Chittagong Hill Tracts (CHT) of Bangladesh maintained military contacts with the insurgents in India's northeast. Conflicts concur in the sense that there is a simultaneous involvement of one focal party as an adversary in many conflicts with different groups. India is by far the most notable concurrent adversary as it is engaged, at a time, in multiple contests with several ethnic groups Nagas, Mizos, Sikhs, Kashmiris, Bodos, Assamese, Tripuris and Meiteis.

Conflicts overlap when demands of two groups, which otherwise have a common adversary, infringe on each other's core interests, leading to a triangular contest between all three parties. An ultra-Assamese nationalist group opposes the Bodo's demand for a separate Bodo state within India. The United Liberation Front of Assam (ULFA) that spearheads a movement for a sovereign state of Assam. Both of the groups consider the Central Government as a common adversary. The conflict in Pakistan's Sindh involves a

triangular fight between the Sindhis, the Central Government and the Mohajirs, because the demand for a separate Mohajir province poses a challenge to Sindhi nationalism and the Punjabi-dominated center has been seen as inimical to the ethnic interests of both groups. Many ethnic conflicts in the post-colonial period reflect South Asia's complex inter-group interactions. Ethnicity may be defined as the self-consciousness of a group of people united by shared experiences such as language, religious beliefs, common heritage, and economic and political interest.

The term, ethnicity, was first used in Social Science in 1953 to mention the characteristics of an ethnic group. Ethnicity remains valid in an environment that has been overtaken by a blurring of distinctions between the concepts of race, ethnicity and identity. Ethnicity is a kind of consciousness about the status and problems of an ethnic group. Ethnicity takes shape on the basis of primordial characteristics such as religion, language, race, caste, etc.¹⁶³ Ethnicity can be a dependable and variable for conceptualization of the social stratification.

The ethnic phenomenon currently assumes various forms related to the nature of the cultural, political and economic context in which it revolves. The ethnic phenomenon is characterized by its multi-dimensionality, not only because it encompasses many political, economic and social contradictions.

The phenomenon of ethnicity is an intrinsic component of the socio-political realities of multi-ethnic states in South Asia as well as in most of the countries in the world. The plural status of South Asia is the enormous challenge to national integration that each of them has faced the ethno-nationalist turbulence and ethnic violent. Ethnicity has been one of the most pervasive features of political life. Apart from that, it has affected the national, regional and international environment very widely.

In fact, ethnicity reflects the whole socio-political spectrum of national identity and ethnic politics takes its most virulent form in the Third World. South Asia is a hub of considerable ethnic movements. Sinhalese and Tamils in Sri Lanka, Asamese, Bodos and Shikhs in India, Chakmas and other tribal peoples in Bangladesh, Kashmiris, Sindhis, Mohajirs, Baluchis and Siraikis in Pakistan, Magar, Gurung, Rai and Limbu

¹⁶³ Kousar J. Azam, *Ethnicity, Identity and the State in South Asia*, New Delhi : South Asian Publishers Pvt. Ltd., 2001, p. 14.

(MAGURALI) and Madhesiyas in Nepal have shown their deep concern over the rights of backward communities. These communities have been developed a sense of neglected citizens to themselves that has dragged a threat of disharmony among the people and disintegration of the society.

Ethnic problem has not troubled to the SAARC only but the whole world too. South Asian Nations have been facing the ethnic problem before the formation of the SAARC; for example, Kashmir problem, and Liberation Tigers of Tamil Eelam (LTTE) problem. Ethnic problem does not create only national problem, it creates problem between nations and ever wars in the name of religion. Assam and Naga separatist movement in India, Mohazir Qaumi Movement (MQM) in Pakistan and Chittagong Hill Tracts Movement (CHTM) in Bangladesh and LTTE problem in Sri Lanka are some example of ethnic problem of the South Asian Countries.

Ethnicization of politics and politicization of ethnic identity have shared the ethnic consciousness in the South Asian Countries. Thus, ethnic conflict has adversely affected the political processes of South Asian States. Some of the ethnic groups of these states have been launching a violent struggle against the state. Ethnic and communal politics are the characteristics of South Asian society.¹⁶⁴

Despite religious and cultural heterogeneity, there is no problem at the public level in South Asia –whether one comes from India or Pakistan, Hindu or Muslim they can hug each other without any problem. The centre of the problem lies with politics of the nation states and its agencies.

All major South Asian Countries have been suffering from disruption of ethno-national problem. In fact, ethno-national movement has been a major source of social conflict in South Asia. The ethno-cultural mismatch with the political boundaries is the most influential cause of political unrest in South Asia. The impact of ethnicity on politics in South Asian Counties is so vast that it is impossible to deal with every dimension. All the major regions and sub-regions of the world have experienced some form of ethnic nationalism and conflict. The situation prevailing in South Asia is particularly acute. It is the mobilization and manipulation of group identity and interest by the leadership that leads to ethnicity. South Asian Countries have suffered from

¹⁶⁴ Dahal, op. cit., p. 161.

description of ethno-national problem and regional cooperation in South Asia has both pragmatic and realistic in outlook.¹⁶⁵

Many political parties, pressure and interest groups have been formed in South Asia on the basis of ethnicity and religion. Misperception and mistrust among South Asian Countries activities are making to South Asia insecure and dreadful. In consequence, South Asian region is called one of the regions of excessive human rights violation among other regions in the world.

3.2.7 Terrorism

Terrorism is the unlawful use or threatened use of force or violence by a person or an organized group against people or property with the intention of intimidating societies or governments, often for ideological or political reasons. In other words, terrorism is the threat or use of violence, often against the civilian population, to achieve political or social ends. In November 2004, a UN Panel described terrorism as "any act intended to cause death or serious bodily harm to civilians or non-combatants with the purpose of intimidating a population or compelling a government or an international organization to do or abstain from doing any act."¹⁶⁶

Terrorism is a controversial and subjective term with multiple definitions. One definition means a violent action targeting civilians exclusively. Another definition is the use of threatened or violence for the purpose of creating fears in order to achieve a political, economic, religious, or ideological goal. Terrorism is a worldwide problem. It is not confined within the territory of one state; it has become serious to all human beings. A worldwide network of connections exists among the terrorist groups and cooperation takes the form of carrying out the act together, providing training facilities, supply of weapons etc., and cutting across the state territory, this has led to internationalization of political criminality.¹⁶⁷

One of the main problems with terrorism has been its definition. How to differentiate between terrorist groups and national liberation movements has always been a major issue in defining terrorism. There is no universally accepted definition on

¹⁶⁵ SAARC Secretariat, *From SARC to SAARC: Milestones in the Evolution of Regional Cooperation in South Asia (1980-1988)*, Kathmandu : SAARC Secretariat, 1, December 1998, p. 3.

¹⁶⁶ <http://www.uno.org/section/artical>

¹⁶⁷ *Hindustan Times*, India, June 11, 1990.

terrorism.¹⁶⁸ At the global level, there are 12 agreements on terrorism under the United Nations. At the regional level, there is a convention on terrorism under the SAARC that has been signed and ratified by all its Member States, and they are yet to make enabling legislation at the state level to make the convention work.

Terrorism, in all its forms and manifestations, is a challenge to all states and to all of humanity, and cannot be justified on ideological, political, religious or on any other grounds. Terrorism essentially involves violence or threat of violence to create a state of terror. It is brought into action especially for obtaining certain objectives. Violence in the form of terrorism, is not the end in itself, it is just a means. However, violence is looked upon as a small segment of terrorism but it can create a sever threat to the public as well as government.

Terrorism differs according to the perception of the government and anti-government groups. It is sometimes defined under pre-conceived notions. The above stated definitions are not adequate to encompass the objective and sentiment of terrorism. Many factors are responsible in developing terrorist movements. They can be religious, political, social, ideological or economic. Terrorism has always been hard to define. People see the same act and interpret it according to their experience and beliefs. Victims see all acts of violence as terrorism. Terrorist's goals are to project uncertainty and instability in economic, social and political arenas.¹⁶⁹

Terrorism was discussed within the SAARC forum but none of the countries were able to agree to a common definition of terrorism, and what constitutes such activities.¹⁷⁰ Each country is having a different view from the other about this concept, and it is influenced by the nature of the problem in the concerned country.

The US Security Policy has categorized terrorist groups according to their operational traditions: national, transnational and international. National terrorism is confined within the territory of the terrorist's country. Terrorists are using their own land for terrorist activities rather than using neighboring territory and support. When, an act of

¹⁶⁸ Nand Kishor, *International Terrorism: A New Kind of Conflict*, New Delhi : S. Chand & Company, 1989, p. v.

¹⁶⁹ James J. Gallagher, *Low Intensity Conflict: A Guide for Tactics, Techniques and Procedures*, New Delhi : Lancer Publishers & Distributors, 1992, p. 79.

¹⁷⁰ Rajeswh S. Kharat, *Bhutan in SAARC: Role of Small State in a Regional Alliance*, New Delhi : South Asian Publishers Pvt. Ltd., 1999, p. 96.

terrorism involves more than one nation that becomes transnational terrorism. Terrorism in Jammu and Kashmir, Punjab and Nagaland is an example of its kind of terrorism. International terrorism is the act of terrorism carried out by individuals or groups controlled by a sovereign state.¹⁷¹ In addition to the above categories, they are generally categorized as:

- a. Non-state supported,
- b. State supported, and
- c. State-directed

The phenomenon of terrorism in South Asia has much to do with these conflicts. Unless, a holistic view of the whole process of nation building and the functioning of the modern-state system is taken, the measures to combat the problem of terrorism could be cosmetic.¹⁷² South Asia as a region suffers from two major weaknesses. One contributes to the growth of terrorism and the other obstructs the formation of a common strategy to combat it. Many social conflicts that are giving birth to different armed conflicts, violences and bloodsheds have appeared in this region. South Asia has come to be a foremost place from the point of view of transportation of small weapons and terrorism.¹⁷³

Terrorist's actions emerge to achieve the goal as envisaged by their set objective. These actions apparently are a threat to the society, government and general public of a nation. Altogether terrorists have five objectives.¹⁷⁴

- a. Recognition,
 - b. Coercion,
 - c. Intimidation,
 - d. Provocation, and
 - e. Insurgency support.
- a. The main objective of terrorist campaign is to obtain national and international recognition. The reasons for seeking recognition might be

¹⁷¹ Afsir Karim, *Transnational Terrorism: The Danger of the South*, New Delhi : Lancer Publishers and Distributors, 1993, pp. 2-3.

¹⁷² Verindra Grover, *UNO, NAM, NIEO, SAARC and India's Foreign Policy*, New Delhi : Deep & Deep Publications, 1992, p. 694.

¹⁷³ *Nepal Samachar Patra*, Kathmandu, January 4, 2002.

¹⁷⁴ Govind Prasad Kusum, *Low Intensity Conflict in South Asia: A Case Study of Nepal (1996-2000)*. Unpublished PhD dissertation, Political Science, Faculty of Humanities and Social Sciences, Dean Office, Tribhuvan University, Kirtipur, Kathmandu, 2002, pp. 56-57.

attracting recruits, obtaining funds and demonstrating strength. To obtain such recognition, terrorist groups require the events that have a high probability of attracting media attention. They apply various methods of attracting media attention, such as, hijacking of an aircraft, kidnapping of prominent people, seizure of occupied buildings or other hostages and barricade situations. Once they gain attention, the terrorists disseminate their objectives of using terrorist tools. Such objectives mainly are of political nature. Sometimes, they use their organizational names or labels designed to imply legitimacy or widespread support. For example, a tiny or small group may use front Jammu-Kashmir Liberation Front (JKLF, India), army (Red Army, Japan), brigade (Red brigade, Italy), Organization (Palestine Liberation Organization) and so on.

- b. So far as the coercion is concerned, it is an attempt to force a desired behavior by individuals, groups or government. Bombing, destruction of property and other acts, which are initially less violent than the taking of human life, come under coercion.
- c. Another objective is intimidation. It differs from coercion. It attempts to prevent individuals or groups from acting. Terrorists may use intimidation to reduce the effectiveness of security forces by making them afraid to act. The threat of violence can also keep the general away from taking part in important political activities such as voting. As in the coercion, terrorists use a strategy of selective targeting although they may intend the targets to look as though they were chosen indiscriminately.
- d. Provocation is an objective that instigates over-reaction on the part of government force. The strategy normally calls for attacking targets as symbolic of the government, such as, the police, the military and other officials. Attacks of this type demonstrate vulnerability to terrorist acts. This act, naturally, contribute to a loss of confidence in the government ability to provide security.
- e. Terrorist activities may be followed by insurgencies. Terrorism supports an insurgency by causing the government to overextend itself in attempting to protect all possible targets. Other uses of terrorist skills in insurgencies include acquiring funds, coercing recruits, obtaining logistic support and enforcing internal discipline.

Terrorist groups do not operate inside one state alone. They have assumed a transnational character. They take the help of the Diaspora for smuggling of goods and arms and drug trafficking. Besides, they use all modern forms of communication. Most of the foot soldiers of the various terrorist groups are poor though their leadership may be from the elite sections. In most cases, the age limits of terrorists vary from 14 to 30. It is unfortunate that the South Asian States do not cooperate with each other to combat terrorism form the region.

The initiatives taken by the SAARC in different periods to suppression terrorism from the region are described below.

SAARC Regional Convention on Suppression of Terrorism was signed in November 4, 1987. It came into force since August 22, 1988 after the ratification by all Member Countries of the SAARC. SAARC Terrorist Offences Monitoring Desk (STOMD) has also been established in Colombo to collate, analyze and disseminate information on terrorist incidences, tactics, strategies and methods.

Additional Protocol to the SAARC Regional Convention on Suppression of Terrorism was signed on 6 January 2004 in Islamabad by their respective government. The signing of the Additional Protocol to the SAARC Regional Convention on Suppression of Terrorism to deal effectively with financing of terrorism is a further manifestation of determination to eliminate all forms and manifestations of terrorism from South Asia. The purpose of the Additional Protocol is to strengthen the SAARC Regional Convention on Suppression of Terrorism, particularly by criminalizing the provision, collection or acquisition of funds for the purpose of committing terrorist acts and taking further measures to prevent and suppress financing of such acts.

A Group of Legal Experts drawn from within the region met in Kandy, Sri Lanka in June 1999 to review progress in the implementation of the Regional Convention on Suppression of Terrorism including the question of updating it in the light of developments taking place in the international legal regime.

A Meeting of Senior Officials of Member States held in Colombo in August 2003 that was assisted by legal experts. This meeting was formulated a draft of Additional Protocol to the Regional Convention on the Suppression of Terrorism, which was adopted at the twelfth SAARC Summit at Islamabad in January 2004.

The decision of the SAARC Council of Minister's at its twenty- third session in Kathmandu on 22 August 2002, mandated the preparation of an Additional Protocol to the SAARC Regional Convention on Suppression of Terrorism, and they recognized the importance of updating the convention, in order to meet the obligation devolving in terms of Security Council Resolution 1373 (2001).¹⁷⁵

¹⁷⁵ SAARC Secretariat, *SAARC Regional Convention on Suppression of Terrorism and Additional Protocol*, Kathmandu : SAARC Secretariat, 2004, p. 9.

In First SAARC Summit, the Heads of the State or Government approved that the Standing Committee has to set up a Study Group to examine the problem of terrorism as it affects the security and stability of Member States of SAARC. They further directed the Council of Minister's to consider the report of this Study Group and submit recommendations to them as to how best the Member States can cooperate among themselves to combat terrorism.

In Second SAARC Summit, the Heads of the State or Government agreed that cooperation among SAARC states is vital to be prevented and eliminated terrorism from the region. They unequivocally condemned all acts, methods and practices of terrorism as criminal and deplored their impact on life and property, socio-economic development, political stability, regional and international peace and cooperation. They recognized the importance of the principles laid down in the UN Resolution 2625, which among others required that each state has to refrain from organizing, instigating, assisting or participating in the acts of civil strife or terrorist acts in another state or acquiescing in organized activities within its territory directed towards the commission of such acts.

In Third SAARC Summit, the SAARC Regional Convention on the Suppression of Terrorism signed in November 1987 and it came into force on 22 August 1988 after the ratification by Member States. They expressed happiness at the signing of the SAARC Regional Convention on Suppression of Terrorism and considered it a historic step towards the prevention and elimination of terrorism from the region. The convention provides for a regional approach to well-established principles of international law on terrorist offences. It requires Member States to extradite or prosecute alleged terrorists. It also envisages regional cooperation in combating terrorism through exchange of information, intelligence and expertise.

In Seventh SAARC Summit, the Heads of State or Government reiterated the need to give high priority to the enactment of enabling legislation at the national level to give effect to the SAARC Regional Convention on Suppression of Terrorism.

In Eighth SAARC Summit, the Heads of State or Government expressed serious concern on the spread of terrorism in and outside the region. They deplored all such acts for their ruinous impact on life, property, socio-economic development and political stability as well as on regional and international peace and cooperation.

In Ninth SAARC Summit, Heads of the State or Government recognized that terrorism and drug trafficking pose a serious threat to security and stability of Member States. They realized a collective effort is the best way to combat terrorism from the region.

In Eleventh SAARC Summit, the Heads of State or Government were convinced that terrorism in all its forms and manifestations is a challenge to all states and to all of humanity, and cannot be justified on ideological, political, religious or on any other ground. They also emphasized that international cooperation to combat terrorism conductively in conformity with the UN Charter, International Law and relevant International Conventions. They called on all states to prevent and suppress the financing of terrorist acts by criminalizing the collection of funds for such acts and refraining from organizing, instigating, assisting or participating in terrorist acts in states or acquiescing in organized activities within its territory directed towards the commission of such acts. The Heads of State or Government reaffirmed their commitment to SAARC Regional Convention on Suppression of Terrorism for strengthening of SAARC Terrorist Offences Monitoring Desk and the SAARC Drug Offences Monitoring Desk in an effective manner.

In Twelfth SAARC Summit, the Heads of the State or Government the signed on the Additional Protocol to the SAARC Regional Convention on Combating Terrorism to deal effectively with financing of terrorism is a further manifestation of determination to eliminate all forms and manifestations of terrorism from South Asia.

In Thirteenth SAARC Summit, the Heads of the State or Government agreed that terrorism violates the fundamental values of the SAARC Charter and the United Nations Charter, and constitutes one of the most critical threats to international peace and security. They also noted the United Nations Security Council Resolution 1373 (important areas as exchange of information, coordination and cooperation among their relevant agencies). The leaders agreed that terrorism violates the fundamental values of the United Nations Charter and the SAARC Charter and constitutes one of the most serious threats to international peace and security in the twenty-first century.

In Fourteen SAARC Summit, the Heads of State or Government underlined that terrorism is a threat to peace and security in the region. They condemned the targeted

killing of civilians and terrorist violence, in all its forms and manifestations, wherever and against whosoever committed. The Heads of States or Government affirmed that terrorism violates the principles of the Charters of the United Nations and SAARC and is a clear and present threat to international peace and security. They reaffirmed their commitment to implement all international conventions relating to combating terrorism, to which SAARC Member States were respectively parties, as well as the SAARC Regional Convention on Suppression of Terrorism and the Additional Protocol to the SAARC Regional Convention dealing with the prevention and suppression of financing of terrorism. While urging continued efforts to combat terrorism, the Heads of State or Government also called for urgent conclusion of a comprehensive convention on international terrorism. In this Summit, The SAARC states underlined that terrorism is a threat to peace and security in the region. This Summit saw a rather understated reference to terrorism by Indian Prime Minister Manmohan Singh. He said that primary requirement for the fulfillment of our vision of prosperity and cooperation in South Asia is peace. We should therefore implement in a meaningful and sincere manner the commitments and pledges to root out terrorism so as to create the atmosphere in which our endeavors can succeed.

There was a matching response from his Pakistani counterpart Shaukat Aziz, who never mentioned Kashmir at all. He said differences between SAARC countries needed to be resolved through dialogue and compromise to promote an environment of genuine peace and security in South Asia. But Afghan President Karzai, without naming Pakistan, slammed it for supporting terrorism: "Terrorism should be eradicated in all forms, including political sponsorship and financing." Sri Lankan President Mahinda Rajapaksa said "Sri Lanka called for an anti-terror mechanism within SAARC. Terrorism anywhere is terrorism. No country can flourish without addressing and eradicating terrorism. It is a global menace."¹⁷⁶

Police Chiefs of SAARC countries agreed to form SAARC Pol and to cooperate among them to fight against terrorism, trafficking in human and drugs on May 10, 2006 in Dhaka. They decided to increase cooperation between police organizations and share technological and training expertise. The Police Chiefs also reached a consensus to

¹⁷⁶ <http://www.ekantipur.com/headlines/site.htm>

strengthen cooperation in fighting against organized crimes like terrorism and trafficking in humans and drugs. While discussing organized crimes, the Police Chiefs noted that SAARC Terrorist Offences Monitoring Desk (STOMD) is not actively working. To make STOMD dynamic, experts from SAARC countries have to meet in a workshop and make recommendations that will be placed at the next Police Chiefs meet.

The Home Secretaries of the South Asian Association for Regional Cooperation (SAARC) meet on May 10 2006 in Dhaka. In the First Conference of this kind, they proposed working in collaboration with other international bodies like Association of South-East Asian Nations (ASEAN) and the UN Office on Drugs and Crime (UNODC) in fighting against terrorism and the drug menace that topped the list of regional problems.

Observing that performances of the SAARC Terrorist Offences Monitoring Desk (STOMD) and the SAARC Drug Offences Monitoring Desk (SDOMD) are not satisfactory, SAARC Home Secretaries discussed ways to make those effective and said that their networking needed to be strengthened and manpower shortage addressed. SAARC Secretary General Chenkyab Dorji also spoke at the Fifth SAARC Conference on cooperation in police matters in Dhaka on May 10, 2006. Meanwhile, key issues were discussed at SAARC Home Minister's First Conference on May 11, 2006 in Dhaka. They included tackling terrorism, controlling drug abuse, trafficking in women and children, menace of money laundering, technical cooperation in police matters, training of police personnel of the member countries and strengthening of the existing structures of STOMD.

SAARC countries have been expressed their common commitment to fight against terrorism in previous SAARC Summits. The problem of terrorism in each country has become more dreadful challenge. Terrorism has got added encouragement because of the conflict between two nuclear power holder's countries of South Asian region; India and Pakistan, in their boarder Kashmir. India is blaming Pakistan for encouraging and conducting terrorist activities in India, and similarly, Pakistan is blaming India for conducting terrorist activities within her territory. Most of the foreign

aid is going to be spent on militarization and war against terrorism in South Asia, especially in India, Pakistan and Sri-Lanka.¹⁷⁷

South Asian Countries have been facing the phenomenon of terrorism with varying degrees for the last many years. India has been fighting with terrorism in Jammu and Kashmir; Pakistan has been fighting with it in Sindh and Baluchistan, and Bangladesh in the Chittagong Hill Tracts. Sri Lanka and Nepal also have been facing terrorist threat. However, there is not much intelligence sharing between these countries. It is essential that the countries of South Asia cooperate with each other in dealing with terrorism.¹⁷⁸ South Asian Countries have themselves spawned, encouraged, aided and abetted terrorism in neighboring countries. The border areas have become the familiar arena of terrorism in most of these countries and terrorist groups operating in a particular country have links with ideologically similar groups active in the neighboring country.

Terrorism has adversely affected development and imposed a heavy economic cost on most of the South Asian Countries. Direct costs are in the nature of the destruction of infrastructure, factories and standing crops and stoppage of economic activities. Indirect costs are varied and arise out of general loss of confidence in the economy and the consequent inability to attract foreign investment, brain drain, enhanced military expenditure, high transaction costs and various kinds of economic distortions.

Terrorism in recent years is seen to be effective to create psychological impact in the society as the modern communication has provided a wider spread of goals. With the development of science and technology, terrorist activities have been developed accordingly. In the 1960's, 70's and 80's, terrorist activities concentrated on kidnapping, assassinations, poison, hijacking, etc. In 1990's, it caught to the game of bomb and guns, and at the same time, new type of actors emerged with the use of new tactics and weapons. Terrorist used weapons for the attacks on the effects they wanted to achieve their goals. In the 21st century, a new type of terrorism has been identified. Its attributes are high financial resources, legal businesses, extreme political or religious beliefs and will power to be directly involved in actions.

¹⁷⁷ *Annapurna Post*, Kathmandu, August 4, 2004.

¹⁷⁸ RCSS, *Defense, Technology, and Cooperative Security in South Asia*, Colombo: Regional Centre for Strategic Studies (RCSS), February 2004, p. 2

The problem of terrorism in South Asia has become more serious due to the deteriorating Indo-Pak relations. Kashmir guerrillas are freedom fighters for Pakistan whereas they are treated as terrorists in India. A terrorist in one country may be seen as a freedom fighter in another.¹⁷⁹

Yadav Kanta Silwal, former Secretary General of SAARC said the terrorism is increasing day by day in the world because lack of common definition of terrorism. UN has not organized the international conference on terrorism since 5-6 years for create common definition of terrorism.¹⁸⁰

Three types of terrorism remain in the world such as political, religious and ideological terrorism. Terrorist activities are increasing in the most of the South Asian Counties. It creates and increases doubt and mistrust between members of SAARC, especially between India and Pakistan that has been hampering to entire development of SAARC. SAARC could not combated to terrorism from the region because lack of common definition of terrorism and lack of implementation of SAARC Regional Convention on Suppression of Terrorism in action by members of SAARC with honestly. Collective efforts of South Asian Nations need to be combating it from the region. Otherwise it will be more complex.

SAARC could not play effective role to suppress terrorism from the region. The Heads of the State or Government have been giving speech in the SAARC Summits and showing commitment in declarations since its inception for suppression of terrorism from the region that remain only in words. As a result, SAARC has not achieved satisfactory result to combat terrorism from the region because lack of common definition of terrorism among SAARC countries. SAARC countries have been defined about terrorism and its related events according to their national interest and narrow perception. In consequence, terrorism is getting room to flourish in the region. So the SAARC countries have to give priority to regional interest and cooperate among them for the suppression of terrorism from the region. It is a voice and necessity of South Asian people.

¹⁷⁹ Shiva Dutta Dhakal (ed.), *Sangam*, Kathmandu : Shiva Dutta Dhakal, 10, January 2002, p. 47.

¹⁸⁰ An interview with Yadav Kanta Silwal, former SAARC Secretary General, during an interview on 23 August 2006.

3.3 Economic Challenges

Countries of the third world realized that cooperation among them was essential for restructuring international economic relationships. Cooperation among third world countries, based on the principle of collective self-reliance, at the sub-regional, regional and interregional levels has become imperative for creating a New International Economic Order (NIEO) and to correct the inequalities of the existing pattern of interdependence.¹⁸¹

The lack of meaningful cooperation among the countries of South Asia has led to many economic distortions. Economic development through economic integration and regional trade and financial links has not proved to be successful in the third world regional groupings. South Asian economies have very much remained the prisoners of the colonial past. This has resulted into greater complementarities with the metropolitan economies rather than with each other.¹⁸²

The obstacles to South Asian economic cooperation are also profound. The dominating size and economy of India, poor economic interplay within the region, lack of formula for sharing of benefits and costs on an equitable basis and fear of surrendering economic freedom are some of the major hindrances to economic cooperation. Institutional arrangements have also been lacking for promoting economic cooperation among the South Asian Countries. This proves to be a formidable obstacle.

Economically the countries of SAARC region fall into the category of low economic status in the world because of rapid population growth, budget deficit, imbalance of payment, economic inequality and low per capita income.¹⁸³ The countries of this region are bearing economic problems due to excessive dependency on foreign aid, inability to utilize that aid, and widespread corruption. The tendency of the majority of the countries of this region to use national treasury, foreign aid and foreign debt for militarization and development of nuclear power, and the tendency to promote

¹⁸¹ CNAS, *Strategic Studies Series*, Kathmandu : Centre for Nepal and Asian Studies (CNAS), TU, (3), 1985, p. 53.

¹⁸² HRC, *Human Development Report in South Asia*, Geneva : Human Rights Commission (HRC), 2001, p. 55.

¹⁸³ Lok Raj Baral, *The Politics of Balance Interdependence Nepal and SAARC*, Kathmandu : Ratna Pustak Bhandar, 1980, p. 23.

economic irregularities instead of curbing it, these countries are getting poorer and poorer economically.

The economic rationale for the promotion of South Asian economic cooperation rests basically on the need to establish a New International Economic Order (NIEO), the need to develop regional resources in the integrated manner from a system perspective, the necessity to develop complementarities among the economies of South Asian Countries. The political climate of the region has not been very conducive to the promotion of such cooperation. However, it is hoped that economic benefits will generate political sense.¹⁸⁴

Table No. 3.6
Trends of Gross National Income (GNI) per capita of
the SAARC Countries in US dollar (annual)

Country É YearÈ	2001	2002	2003
Bangladesh	360	380	400
Bhutan	640	600	630
India	460	470	540
Maldives	2000	2170	2350
Nepal	250	230	240
Pakistan	420	420	520
Sri Lanka	880	850	930

Source: World Development Indictors, 2005.

India, Bangladesh and Maldives have the positive increasement of GNI per capita from 2001 to 2003 while others had not followed them. Sometimes, they have no change or negative change in GNI per capita. Among them Maldives is in the highest and Nepal is in the lowest position in GNI per capita.

According to World Bank classified estimate of 2003 Gross National Income (GNI) per capita, Bhutan, Bangladesh, India, Nepal and Pakistan remain in low income (\$ 765 or less) countries, and Maldives and Sri Lanka remain in lower middle income (\$766 – 3035\$) countries in the world by income.¹⁸⁵ India is economically very big

¹⁸⁴ HRC, op. cit., p. 3.

¹⁸⁵ World Bank, *World Development Indicators*, Washington DC : World Bank, 2005. p.18

which dwarfs others in comparison. There is a suspicion that India may be the major beneficiary from regional cooperation and this may accentuate dependency of other countries on India.

Regional cooperation can serve as a confidence building bridge at the economic front among the countries of the region, if it is based on mutuality rather than on reciprocity and if there is equity in the sharing of benefits and costs. The present state of indiscriminate deforestation, massive soil erosion, fragmented land holding and huge waste of valuable water resources indicate an urgent need to develop and utilize the Himalayan resources in an integrated manner through regional economic cooperation.¹⁸⁶

Within a framework of political understanding among the Member States of SAARC, the vision needs to be operationalized through strong economic initiatives, reinforced by greater social justice in the region and also strengthened by enhancing institutional capacity of the organization to carry out its obligations. The objective of accelerated economic growth through a regional endeavor is not an end in itself. Economic progress in the region will have little meaning unless the social problems addressed simultaneously by the SAARC. Main obstacles of economic development of South Asian States are: absence of economic revolutions, lack of capital strategy, political instability, and impact of colonialism, weak and corrupt public administration.

An economic profile presents the economic challenges of the South Asia. The study has presented the facts and analyzed the common economic challenges among South Asian Countries under the following headings: (i) Poverty (ii) Unemployment, and (iii) Trade.

3.3.1 Poverty

People with little or no wealth and possessions are considered to be poor. Poor people have failed on the basis of three process viz. quantity, quality and availability. Poverty means the condition of being extremely poor. Poverty is a complex and multi-dimensional phenomenon resulting from deeply imbedded structural imbalances in all realms of human existence-the state, economy, society, culture and environment. Poverty entails far more than lack of income sufficient to cover subsistence needs. Deprived of

¹⁸⁶ WRH Porove, *Perspective for the Development of Himalaya Resources*, Colombo : Marga Institute, 1984, p. 3.

equitable access to markets and institutions, people in poverty also reflects the lack of political clout among those whom it affect-a power gap that keeps people living in poverty isolated, vulnerable and unable to lift themselves out of their situation.

Poverty is a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life. However, when a substantial segment of a society is deprived of the minimum level of living and continues at a bare subsistence level that society is considered to be plagued with mass poverty. A group of experts argues that poverty can be assessed on the ground when one fails to get a certain minimum consumption standard. But others have asserted that it is difficult to agree on the amount of income that ensures the minimum consumption standard at one point of times.¹⁸⁷

Poverty is commonly measured by income, but it has many other dimensions. Poor people do not only lack of money, but they also lack of resources, opportunities, and access to services such as health and education.¹⁸⁸ Among half of the population of the world that earns less than two dollar daily, 18 millions people are dying yearly due to poverty. Five percent rich people, in comparison to five percent poor people earn 114 times more; this has become the main reason for the gap between poor and rich.¹⁸⁹

Table No. 3.7
Trends of Gross Domestic Products (GDP) of the SAARC Countries
(% annual)

Country É YearÈ	2000	2001	2002	2003	2004
Bangladesh	5.9	5.3	4.4	5.3	5.5
Bhutan	5.5	7.1	6.7	6.5	7.0
India	4.4	5.8	4.0	8.5	6.5
Maldives	4.8	3.5	6.5	8.4	8.8
Nepal	6.0	4.8	-0.4	2.9	3.3
Pakistan	3.9	1.8	3.1	5.1	6.4
Sri Lanka	6.0	-1.5	4.0	5.9	5.5

Source: Asian Development Outlook (ADO), 2005.

¹⁸⁷ Lekhi, op. cit., p. 74/vii.

¹⁸⁸ World Bank, *World Development Indicators*, Washington DC : World Bank, 2003, p. 35.

¹⁸⁹ *Annapurna Post*, Kathmandu, August 7, 2004.

The above table shows the trends of Gross Domestic Products (GDP) (% annual) in 2000-2004 of seven SAARC countries. All countries had positive GDP, in all the years except Nepal and Sri Lanka in the year 2002 and 2001 respectively. Nepal and Sri Lanka have negative GDP because of conflict. All other countries except Nepal and Sri Lanka had satisfactory result in these five years. But none of the countries has GDP in two digits. Maldives and Bhutan have greater GDP in 2004. Maldives has 8.8 percent GDP in 2004, which is the best among all.

The fundamental causes of poverty are:¹⁹⁰

- a. Difficulties in sustaining a broad based high economic growth that is necessary pre-condition for reducing poverty.
- b. Inadequate access of the poor to the means for supporting their limited productive activities such as credit, infrastructure, energy and market.
- c. Inadequate access of the poor to productive assets as land which generate incomes, savings, investment and employment in a cumulative manner, breaking the existing vicious circle of poverty and leading to a situation of virtuous circle of prosperity in 15 to 20 years time frame.
- d. Low endowment of human capital due to inadequate access of the poor to basic education, health, drinking water, sanitation and other basic amenities of life.
- e. Degradation of natural resources endowment due to increasing encroachment upon marginal land, forest and other resources.
- f. Denying the poor of their participation in discussion and decisions affecting their life.

The South Asian region has the largest concentration of world poverty consisting of three-fourth of the world poor population. Majority of the people are living below the poverty line in this region.¹⁹¹ The region has also emerged as the most poorly governed region in the world.

The nature of poverty in South Asia is characterized by common symptoms are: socio-economic deprivation, rampant corruption, poor governance, political instability, religious fundamentalism, regional volatility, politico-cultural alienation, and inaccessibility to state resources and technology.

¹⁹⁰ B. P. Shrestha, *Business Vision*, Kathmandu: Students (2003-2005) of Kathmandu University Schools of Management, Spring 2005, p. 10.

¹⁹¹ World Bank, *Global Economic Prospect and the Developing Countries*, Washington DC : World Bank, 2001, p. 4.

Poverty in South Asia is not just the lack of purchasing power but is a state of deprivation-political, social and cultural and manifestation of an iniquitous social order also.¹⁹² Poverty is the common problem of South Asian Countries. Regional economic cooperation is essential to alleviate poverty from South Asia and to improve the quality of lives of the people of the region. The countries of South Asia have been pursuing common development goals such as increase in production and income generation of gainful employment opportunities, reduction in inequality and fulfillment of basic human needs. Such common goals can be better achieved by forming regional cooperation.

Table No. 3.8
Regional poverty levels of South Asia over the last two decades

Year	Share of people living on less than \$1 a day (%)	Share of people living on less than \$2 a day (%)
1984	46.8	87.2
1987	45.0	86.7
1990	41.3	85.5
1993	40.1	84.5
1996	35.1	81.2
1999	34.0	77.7
2002	31.1	76.9

Source: World Development Indicators, 2004.

The table shows the regional poverty levels of South Asia in last two decades. In 1984, people living on less than one dollar a day were 46.8 % and it decreased by 31.1% in 2002. While people living on less than two dollar a day were 87.2 % in 1984 and decreased by 76.9 % in 2002. Comparatively, people living on less than one dollar a day decreased in higher ratio than people living on two dollars a day in the region. Although poverty decline ratio is not satisfactory.

The SAARC region is one of the poorest, illiterate, undernourished and least gender sensitive regions in the world. Poverty is the common enemy of the region. South

¹⁹² Mubashir Hasan, "Regional Security in South Asia" in Nancy Jetly (ed.), *Regional Security in South Asia: The Ethno-Sectarian Dimension*, (New Delhi: Lancers Book, 1999), p. 25.

Asia is perhaps the poorest region with more than forty percent of the population living below the extremely poverty line.¹⁹³

Poverty exists everywhere, but it is most cruel and debilitating in developing countries, where more than one person in five subsists on less than one dollar a day. There has been progress but hundreds of millions of people still be trapped in poverty in South Asia because of lack of education, employment opportunities, miss governance, corruption conflict, waste of public resources and discouragement of private investment.

Table No. 3.9
Incidence of poverty in South Asian Countries during 2000s

Country É YearÈ	Population below National Poverty Line (%)			
	2000	2001	2002	2003
Bangladesh	34	49	50	39.8
Bhutan	–	–	–	31.7
India	29	32	29	26.1
Maldives	–	–	–	–
Nepal	–	42	–	30.8
Pakistan	33	36	33	32.9
Sri Lanka	25	27	25	22.7

Note: A dash (–) indicates not applicable.

Source: World Development Indicators, 2002-2005.

The above table presents the population below National Poverty Line (%) in 2000-2003 of all the seven SAARC Member Countries. All countries have their own National Poverty Lines. According to country-wise poverty line, Sri-Lanka has the less percentage of population below poverty, while in Bangladesh it was highest. Nepal has the best poverty alleviation rate among all SAARC Member Countries during this period.

South Asian region counts 450 millions among the world's poorest people and 50% of the world's illiterates are remaining in the region.¹⁹⁴ Most countries set their own

¹⁹³ Dhahal, op. cit., p. 50.

poverty lines but to measure poverty between countries, an international poverty line is needed. The dollar-a-day poverty line was originally chosen as representative of typical poverty lines prevailing in a sample of low-income countries. Poverty measured at this level, is sometimes called 'extreme poverty'. To estimate poverty in a country, the dollar-a-day-line is converted to local currency units using the Purchasing Power Parity (PPP) exchange rates.¹⁹⁵

Most of the poverty analysis works done at the World Bank that is based on National Poverty Lines. National Poverty Lines are set in a variety of ways: some are calculated from minimum consumption levels and some are based on relative consumption levels. As a general rule, National Poverty Lines tend to increase according to purchasing power with the average level of income of a country. So, the dollar-a-day line which is representative of poverty lines in very poor countries, underestimates the National Poverty Lines of richer countries, which may be set equivalent of two or three dollar-a-day or higher.

Global poverty rates continue to fall. Many countries have laid a good foundation for growth; so indicators of social development are also improving. But progress is uneven. Slow growth, low educational achievement, poor health, corruption, political instability, intra-states conflict and civil disturbances remain obstacles for poverty alleviation in the region. Bangladesh's Grameen Bank strategies can be a useful example for all members of SAARC to reduce poverty and to achieve a targetial goal in the area of poverty alleviation. Grameen Bank provided credit to the poorest of the poor people in rural Bangladesh without any collateral, especially to women. Its credit is a cost-effective weapon to fight against poverty and it serves as a catalyst in the overall development of socio-economy. So the other member countries of SAARC have to follow and implement its strategies in their own countries to alleviate poverty from their countries, especially from rural areas. If it can by the SAARC, the number of poor people will decrease and lifestyle of South Asian people will be changed.

3.3.1.1 Poverty Alleviation

¹⁹⁴ K. V. Rajan, "Renewing SAARC" in Dev Raj Dahal & Nishchal Nath. Pandey (eds.), *New Life within SAARC*, Kathmandu : Institute of Foreign Affairs (IFA) and Friedrich-Ebert-Stiftung (FES) p, 2005), p. 1.

¹⁹⁵ World Bank, *World Development Indicators*, Washington DC : World Bank, 2004, p. 2.

South Asia has already embarked on a journey of transformation. Translating this journey into hope of poverty-free South Asia is the key contemporary challenge. It is a challenge which demands active, intelligent and innovative engagement from all: governments, development agencies, private sector, Non-Governmental Organizations (NGOs), community organizations, media, academia, and above all from the people of South Asia themselves.¹⁹⁶

The initiative taken by the SAARC in different periods to alleviate poverty from the region is given below.

Poverty alleviation sampling project has been implemented in a single district of each Member Countries (except Bhutan) through on UNDP- Sponsored for South Asia Poverty Alleviation Programme (SAPAP) since June 22, 1996 AD and completed in March 2003. Those districts, where the project was implemented are:

Nepal: Makawanpur

Pakistan: Sindh Khairapur

India: Ahamadanagar

Sri-Lanka: Jawahifuli

Bangladesh: Dinajpur

Maldives: Male

The target group of this programme was the group of people of these districts who earn less than 370 dollar annually.¹⁹⁷

The meeting of the Technical Committee on Rural Development took place in Colombo from 24-25 September 1998 and agreed to the Indian proposal for establishing a network of experts in Rural Poverty Alleviation under the Technical Committee. This committee has been playing effective role to alleviate poverty from the region.

The First SAARC Finance/Planning Minister's Meeting held in Dhaka from 10-11 July 1994. They recognized the unique opportunity provided by the SAARC for sharing each-other experiences in poverty alleviation among members of the SAARC and emphasized to the sustainable development through empowerment of poor people, participation of women and youth and social mobilization for better quality of life of South Asian people.

¹⁹⁶ ISACPA, *SAARC Development Goals (SDGs) 2005-2010*, Kathmandu: Independent South Asian Commission on Poverty Alleviation (ISACPA), 2004, p. 26.

¹⁹⁷ <http://www.standardandpoors.com/workshop/docs.html>

The Second SAARC Finance/Planning Minister's Meeting held in New Delhi from 3-4 January 1996. They considered and approved the reports of meetings of the first and second-tier with the recommendations made by the two meetings. The meeting recommended that Member States have to forward annual reports to the SAARC Secretariat and highlighting the progress made by them in the area of poverty alleviation. The Secretariat has to disseminate these reports in a consolidated form to all member countries for information.

The plan of action on poverty alleviation was recommended by the Third Meeting of the SAARC Finance/Planning Minister's on poverty alleviation in Islamabad from 8-9 April 2002 and was approved by the Twelfth SAARC Summit in Islamabad from 4-6 January 2004.

The Fourth Meeting of the SAARC Finance/Planning Minister's held in Colombo from 1-2 April 2005. They united in their determination to reduce poverty drawing upon the experiences of the Member Countries, and committed to achieve the Millennium Development Goals (MDGs).

South Asian Poverty Network Action (SAPNA) is a non-governmental network that is addressing the issue of poverty alleviation through strategic proper planning with social mobilization where the poor participate in development as subjects and not as objects of development.¹⁹⁸

The Association of South East Asian Nations (ASEAN) has been providing assistance to the SAARC in the area of poverty alleviation, which is helping to fight against poverty, terrorism and HIV/AIDS in the SAARC region.

The Memorandum of Understanding (MoU) was signed between SAARC and United Nations Development Programme (UNDP) in July 1995. SAARC and UNDP collaborated in the organization of a Ministerial Level Meeting on poverty alleviation in Kathmandu in May 2001. The SAARC Secretariat in collaboration with UNDP published the Regional Poverty Profile (RPP) 2003 as per the mandate of the Eleventh SAARC Summit. A UNDP-SAARC start-up workshop was organized at the SAARC Secretariat in December 2003 in collaboration with UNDP for the finalization of the

¹⁹⁸ Kant Kishore Bharagava & Sridhar K. Khatri, *Working Paper for Conference on South Asia, 2010: Challenges and Opportunities*, Kathmandu, 1-3 December, 1999, p. 5.

format of RPP 2004. The Secretariat disseminated these reports in a consolidated form to all member countries for information but Member Countries and SAARC Secretariat could not fulfill their responsibility respectively. Continued progress in poverty reduction depends on economic growth and the distribution of income. Growth without poverty reduction is at least, a theoretical possibility. UNDP is also financing the follow-up work to the Independent South Asian Commission on Poverty Alleviation (ISACPA).

On the occasion of the First SAARC Summit, the Heads of State or Government acknowledged that the countries of South Asia, which constituted one-fifth of humanity, were facing with the formidable challenges posed by poverty.

In Seventh SAARC Summit, the Heads of State or Government committed unequivocally to the alleviation of poverty from South Asia, preferably by the year 2002 AD through an agenda of action, which is inter-alia embody:

- a. A strategy of social mobilization involving the building of organizations of the poor and their empowerment through appropriate national support mechanisms, with the assistance of respective governments.
- b. A policy of decentralized agricultural development and sharply focused household level food security through universal provision of *Daal-Bhaat* or basic nutritional needs.
- c. A policy of decentralized small-scale labour intensive industrialization, with the choice of efficient and cost-effective technology.
- d. A policy of human development, including the enhancement of the social role and status of poor women, the provision of universal primary education, skill development, primary health care, shelter for the poor and protection of children, and
- e. A policy to support the above initiatives with adequate financial resources. They also stressed that within the overall conceptual approach of *Daal-Bhaat*, the right to work and the right to primary education with receive priority and agreed to the follow-up action indicated below:
 -) A national level proper plan to be drawn up by each Member State. This plan is to be harmonized with the open economy and structural adjustment strategies, and
 -) To share information during the next SAARC Summit regarding the progress made.

The Seventh SAARC Summit urged major actors in the world economic scene to create an enabling atmosphere supportive of poverty alleviation programmes and expressed the need for a new dialogue with donors for this purpose.¹⁹⁹

In the Eighth SAARC Summit, the Heads of the State or Government approved the establishment of a three-tier mechanism to deal with poverty. The first-tier comprises the Secretaries concerned with poverty alleviation and social development while the second and third tiers are composed of Finance/Planning Secretaries and Finance/Planning Minister's respectively. By January 1996, the first round of meetings under the three-tier mechanism was completed.²⁰⁰

In the Tenth SAARC Summit, the Heads of state or Government emphasized the need to encourage maximum participation by target groups in the formulation and implementation of poverty alleviation programmes. They were of the view that such participation is essential for the success of efforts in this field and stressed the need for effective utilization of human resources for poverty alleviation from the SAARC region. They noted that human resource development is a key element in any poverty alleviation programme. The Heads of State or Government, therefore, agreed that once the SAARC Centre for Human Resource Development Centre (SHRDC) in Islamabad was established, it could look into the possibility of its contribution to the strengthening of the human resource development components of the regional poverty alleviation programmes.

In the Eleventh SAARC Summit, the Heads of the State or Government viewed the consciousness of the magnitude of poverty in the region recalling the decision of the UN Millennium Summit 2000 to reduce world poverty in half by 2015. The commitment that was made of the five-year review of the World Summit for Social Development to reduce poverty enhanced social mobilization. The leaders made a review of the SAARC activities aimed at poverty alleviation and decided to reinvigorate them in the context of the regional and global commitments to poverty alleviation. They acknowledged that investment in poverty alleviation programs contributes to social stability, economic progress and overall prosperity.

¹⁹⁹ M. Siddiqi, *India and SAARC Nations*, New Delhi : Maxford Books, 2006, p. 100.

²⁰⁰ Dahal, op. cit., p. 179.

In the Twelfth SAARC Summit, the Heads of the State or Government recognized the plan of action on poverty alleviation, prepared by the Meeting of Finance and Planning Minister's in Islamabad in 2002.

In the Thirteenth SAARC Summit, the Heads of State or Government decided to declare the decade of 2006-2015 as the SAARC Decade of Poverty Alleviation (SDPA). During the decade, the endeavors at both the national and regional level will continue to be made with a sense of commitment and urgency to free South Asia from the poverty. They decided to establish a SAARC Poverty Alleviation Fund (SPAF) contributing to both voluntary and assessed way. They called upon the Finance Minister's to formulate recommendations on the operational modalities of the fund, taking into consideration the outcome of the meeting of the financial experts.

In the Fourteen SAARC Summit, The Heads of State or Government appreciated the Independent South Asian Commission on Poverty Alleviation (ISACPA) for its elaboration of the SAARC Development Goals (SDGs), which reflect the regional determination to make faster progress towards attaining the Millennium Development Goals (MDGs). They agreed that the national plans for poverty alleviation should appropriately mirror the regional consensus reached in the form of the SDGs and the plan of action on poverty alleviation. Deciding that resource mobilization for achieving the SDGs would remain a high priority in the decade of poverty alleviation, the Leaders directed translation of the highest regional level political commitment into action for creating opportunities for productive employment and greater access to resources for the poor that are essential for them to enhance their livelihood and realize their potentials. They entrusted the two-tier mechanism on poverty alleviation to monitor the progress and fine-tune the approaches towards pro-poor growth process.

In December 2001 a small strategy meeting on poverty alleviation took in Kathmandu, bringing together representatives from five South Asian Countries and Europe. The result was the launch of the South Asia Alliance for Poverty Eradication (SAAPE) that has focal points in all six South Asian Countries.

The SAARC and the World Bank jointly conducted a workshop on poverty alleviation in South Asia in 1993 AD.²⁰¹ The World Bank and Asian Development Bank have been providing assistance to the SAARC in the area of poverty alleviation.

Former Chairperson of the World Bank, James D. Ulfense has emphasized the need of educating girls for poverty alleviation because of education of mother is the primary means for children and national development.²⁰² Despite massive assistance from the developed world, Japan being the most noted one; the SAARC has woefully failed to bring about any change in the living standards of the majority of the South Asian people who are bound to live under the poverty line. Poverty is not just a social disgrace but bad economics. The converse is that poverty eradication is not just a requirement of social justice, not just a cry of the conscience but also good economics.

Yadav Kanta Silwal, former Secretary General of SAARC suggests the SAARC has to run social mobilization programme to poverty alleviation through empowerment of youth, women and poor people.²⁰³ The gap between poor and rich is increasing and the situation of those people, who are living below poverty line, is more degrading. Therefore, leaders of the Member Countries have to leave aside trivial disagreements and conflicts, and create environment of peace and cooperation in order to fulfill such gaps. Instead of affording on security and nuclear weapons, they have to implement programs, which help poverty alleviation by using that money on technical training that addresses unemployment problem. Poverty alleviation has been remaining the main agenda of the SAARC Summits.

The approaches adapted to alleviation poverty are many. Broadly, they came under two categories: multi-sectoral and minimalist. Multi-sectoral approach comprised support in two, three or more, key areas simultaneously, fostering micro-enterprise through a package of credit, training and extension services. Minimalist approach is based on providing the lifeline to the poor access to credit. Lack of access to resources (land, credit, skills) and the basic facilities (education, health-care, housing, employment opportunities) are identified as factors that constrained the capacity of the poor for self-

²⁰¹ Amrit Bahadur Rai, *SAARC Ek Bristit Adhyayan (A Descriptive Study of SAARC)*, Kathmandu : Makalu Books and Sports, 2054 BS, p. 61.

²⁰² *Annappurna Post*, Kathmandu, September 22, 2003.

²⁰³ An interview with Yadav Kanta Silwal, former SAARC Secretary General on 23 August 2006.

help. Minimalist approach is applicable for South Asia. So, member of the SAARC (except Bangladesh) have to implement minimalist approach very soon to eradicate poverty from the region.

There are quite a few successful stories in South Asia today that indicate that micro-level initiatives are more effective, far-reaching and sensitive to poverty alleviation efforts. One can cite the example of Grameen Bank in Bangladesh.

3.3.1.2 Independent South Asian Commission on Poverty Alleviation (ISACPA)

The SAARC leaders at their Sixth SAARC Summit in Colombo in 1991 established an Independent South Asian Commission on Poverty Alleviation (ISACPA).²⁰⁴ The First Meeting of ISACPA was held in Colombo from 31 March to 3 April 1992, which submitted its report to the Seventh SAARC Summit in Dhaka in 1993. Executive summary of the Independent South Asian Commission on Poverty Alleviation report in November 1992 calls for an explicit political commitment of the leadership and participation of the poor in development.

The Eleventh SAARC Summit decided to reconstitute the Independent South Asian Commission on Poverty Alleviation (ISACPA) with Nepal as its Convenor and Bangladesh as Co-convenor, for reviewing the progress made in cooperation on poverty alleviation and for suggesting appropriate and effective measures. ISACPA was reconstituted with Krishna Prasad Bhattarai, former Prime Minister of Nepal as the Convenor and Kamal Uddin Siddiqui, Principal Secretary to the Prime Minister of Bangladesh as the Co-convenor. The reconstituted ISACPA held five meetings and finalized its report in December 2002 along with its recommendations. It has no separate Secretariat and the SAARC Secretariat has served as the Secretariat of the commission. The SAARC Secretariat has been serving the commission since its first meeting in Kathmandu from 30-31 March 2002.²⁰⁵

Kamal Uddin Siddiqui, the Co-convenor of ISACPA made a presentation on the report of the commission before the twenty-fourth session of the Council of Minister's in

²⁰⁴ SAARC Secretariat, *SAARC: A Profile*, Kathmandu : SAARC Secretariat, 2004, p. 46.

²⁰⁵ <http://www.nepalprsp.org/introduction>

Islamabad from 2-3 January 2004, which noted the laudable work done by the reconstituted ISACPA and complimented the Convenor, Co-convenor and the Commissioners for the accomplishment of the task entrusted to them by the Eleventh SAARC Summit. Subsequently, the Twelfth SAARC Summit in Islamabad from 4-6 January 2004, commended the work done by the commission and decided that ISACPA has to continue its advocacy role, prepare further strategy and submit to the next SAARC Summit a comprehensive and realistic blue-print setting out SAARC Development Goals (SDGs) for the next five years in the area of poverty alleviation, giving due regard, among others, to the suggestions made in ISACPA report.

A follow-up meeting of ISACPA was held in New Delhi on 5-6 April 2004, which finalized the Terms of Reference (TOR) for their advocacy work and discussed their work plan till the Thirteenth SAARC Summit. Subsequently, another meeting of ISACPA was held in Male on 8-9 June 2004 to discuss the SDGs. In this meeting, two resource persons from UNDP made presentation on the preparation of SDGs in the light of their experience of preparing the UN Millennium Development Goals (MDGs). The meeting finalized a concept note regarding the possible framework on the preparation of SDGs as per the mandate of the Twelfth SAARC Summit. The meeting also reviewed work plan and decided on a timeframe to achieve the mandated tasks before the Thirteenth SAARC Summit.

Another meeting of ISACPA was held in Thimphu in November 2004 to formulate SDGs. A meeting of the ISACPA held in Kathmandu in December 2004 that finalized SDGs for presentation to the Thirteenth SAARC Summit.²⁰⁶ The social mobilization strategy as envisaged in the first report of ISACPA has been put into practice across South Asia (except Bhutan) through UNDP-sponsored South Asia Poverty Alleviation Program (SAPAP), which was launched in early 1996 and completed in March 2003.

The reconstituted Independent South Asian Commission on Poverty Alleviation (ISACPA) has done commendable work. An effective strategy is to be devised to implement suggestions made in its report "Our Future Our Responsibility". In this context, ISACPA has continued its advocacy role.

²⁰⁶ SAARC Secretariat, *loc.cit.*, f.n. 99.

The SAARC leaders directed the ISACPA to prepare SAARC Development Goals (SDGs) for the next five years (2005-2010) in the area of poverty alleviation with due regard to the specificities of South Asia and linkages to the international goals as set out in the Millennium Development Goals (MDGs).

Badri Prasad Shrestha, former Finance Minister claims the Independent South Asian Commission on Poverty Alleviation (ISACPA) has not been assisting to the national poverty programmed, which is running by member of SAARC because of lack of clear policy of ISACPA which is a big weakness and negligence of ISACPA.²⁰⁷

SAARC has been conferring positive contribution to alleviate poverty from the region. SAARC has accepted poverty as a major challenge and it is making efforts to alleviate poverty from the region with high priority. SAARC could not function efficaciously to alleviate poverty from the region although it achieved partial success in the area of poverty alleviation in the last two decades. For alleviate poverty absolutely from the region, first of all, SAARC has to fulfill the gap between the rich and the poor as soon as possible, and it has to create a maximum employment opportunities in the region. Otherwise, all the efforts made in the area of poverty alleviation by SAARC will be less effective.

3.3.2 Unemployment

Unemployment is a condition of one who is able to work but getting no work or job work. International Labour Organization (ILO) defines unemployed as those people who have not worked for more than one hour during the short reference period (generally, the previous week or day) but who are available for and actively seeking work.²⁰⁸ The international standard definition of unemployment by International Labour Organization (ILO, 1983), is based on three criteria to be satisfied simultaneously that are "Without work", "Currently available for work" and "Seeking work".²⁰⁹ Accordingly, the unemployed comprise of all the persons above the age specified for measuring the economically active population who during the reference period were:

²⁰⁷ As told by Badri Prasad Shrestha, former Finance Minister, during an interview on 3 September 2006.

²⁰⁸ Niall O' Higgins, *Youth Unemployment and Employment Policy: A Global Perspective*, Geneva : ILO, 2001, p. 18.

²⁰⁹ <http://www.ilo.org/unemployment/issues.html>

- a. "Without work", i.e. were not in paid employment or self-employment, as specified by the international definition of employment.
- b. "Currently available for work", i.e. were available for paid employment or self-employment during the reference period, and
- c. "Seeking the work", i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment.

The "without work" criterion draws the distinction between employment and non-employment. "Without work" has been interpreted as total lack of work or more precisely, as not has been employed during the reference period. The other two criteria of the standard definition of unemployment, "currently available for work" and "Seeking the work", serve to distinguish those of the non-employed population who are unemployed from those who are not economically active.

Unemployment is a situation when any one is not employed in any productive activity. It means that an unemployed person is one who is seeking any work for wages but is unable to find any job suited to his capacity.²¹⁰ Unemployment refers to the share of the labor force without work but available for and seeking employment. Definitions of labor force about unemployment differ from one country to another. Unemployment is one of those many terms in common use, the general significance of which is understood by all, but which is, nevertheless, somewhat difficult to define with accuracy.²¹¹

ILO Director-General Juan Somavia said, "We are facing a global jobs crisis of mammoth proportions, and a deficit in decent work that isn't going to go away by itself. We need new policies and practices to address these issues."²¹² Employment in South Asia, in fact in most developing countries, is not about paid jobs or even about the rate of unemployment. The promotion of employment opportunity for the youth of the region is an imperative as is the need to enhance women's ability to get paid jobs with enforceable legal and social protection against discrimination.

The employment issues occupy a central place in the study of under development in the world. Unemployment problem is one of the most complex and burning challenge for the SAARC countries. Unemployment, poverty and income distribution are linkages among them. Increasing factors of unemployment are:

²¹⁰ Lekhi, op. cit., p.123/vii.

²¹¹ Pigou Arthur Cecil, *Unemployment*, London : Williams & Norgate, 1913, p. 12.

²¹² *The Himalayan Times*, Kathmandu, November 16, 2005.

- a. Migration from rural areas into the cities or urban areas.
- b. Absence of industrialization, trade and technology transfer.
- c. Lack of employment opportunity.
- d. Lack of vocational education.

Unemployment is a variable. The performance of the labour market, and sometimes, the entire economic record of government are judged by the result of unemployment. Unemployment is associated with loss of output, if the unemployed have jobs, domestic output will be higher.²¹³

Table No. 3.10

Unemployment trends of the SAARC Countries

Country	Unemployment			Unemployment by level of educational attainment % of total unemployment		
	Male	Female	Total	Primary	Secondary	Tertiary
	% of male labour force 2000-2002	% of female labour force 2000-2002	% of total labour force 2000-2002	1999-2001	1999-2001	1999-2001
Bangladesh	3.2	3.3	3.3	54.3	22.7	8.4
Bhutan	–	–	1.9	–	–	–
India	–	–	–	29.0	40.3	30.7
Maldives	–	–	1.6	–	–	–
Nepal	–	–	8.1	–	–	–
Pakistan	6.1	17.3	7.8	–	–	–
Sri Lanka	8.7	12.8	8.8	41.0	13.4	56.1

Note: A dash (–) indicates not applicable.

Source: Regional Poverty Profile 2004 & World Development Indicator 2005.

The above table represents the unemployment trends of SAARC Member Countries. The unemployment rate is highest in Sri Lanka in 2000-2002, 8.8% of total labor force followed by Nepal 8.1% and Pakistan 7.8%. Maldives has the lowest 1.6% of unemployment rate among countries labour force in 2000-2002. In terms of education Sri-Lanka has the highest educated unemployment rate rather than India and Bangladesh in 1999-2001, while secondary educated 13.4% people are less affected by

²¹³ Mc Laughlin Eithne, *Understanding Unemployment*, New York : Routledge Press, 1992, p. 58.

unemployment. Among three countries (Bangladesh, India and Sri Lanka) people having primary education has higher chances of not getting job.

The youth unemployment, particularly, educated youth unemployment in South Asia is widespread. Youth unemployment is 3 to 4 times higher than non-youth unemployment. In the SAARC region, rising youth unemployment has generated various socio-economic problems. The SAARC Member States have to make concerted efforts to address the problem through various policies, strategies and programmes targeted to youth segment of the population.

Youth unemployment has continued to remain a serious problem in South Asia. The unemployment deprives young people of the opportunity to secure necessary amenities to run a normal life. This creates a wide range of social problems such as terrorism, crime, drug abuse, prostitution etc. One of the main causes of unemployment is the lack of market driven knowledge and skills. The employability of young people, i.e., their educational level, the relevance and quality of their training and work experience influence their entry into the labour market.

High unemployment rate has been a basic feature of South Asia. Unemployment has become one of the most critical issues facing the transitional economies in South Asia. Unemployment has emerged as an obstacle to the restructuring of the economy and for the privatization of state firms. Indeed, the economic and political cost of high unemployment levels have affected the overall reform process, slowing restructuring and discrediting reform governments. South Asian Countries are facing the economies in transition revolve around slowing the growth of unemployment and bringing the long-term jobless back into the active labour force.

Unemployment and under-employment are considered as the most pressing of all problems in an economy. The International Labour Organization (ILO) defines the unemployed as members of the economically active population who are without work but available for and seeking work, including people who have lost their jobs. There is another category of people who do not have work for part of a period of the reference year. They are treated as under-employed. The unemployment rate is the percentage of the labour force that actively seeks work but is unable to find work at a given time. The

age of the working population generally ranges from 18 to 65, though this may vary from country to country.

This region has a chronic problem of mass unemployment and under-employment. The lacks of meaningful employment opportunities have led to awful wastage of human resources. The critical shortages of technical and professional people, on the other hand, have constrained the development process. More and more young people are having trouble when they are first looking for work and youth unemployment levels are certainly serious in all Member States of the SAARC. The rate of youth unemployment is much higher than that of adults in most countries of the world.²¹⁴ In developing countries, youth unemployment is compounded by substantial level of under-employment and poor job quality in the informal sector.

An important reason for high rate of unemployment and under-employment in South Asia is the frustrated industrial take-offs. Due to its sluggish growth, this sector was unable to make any significant contribution to absorption of surplus labour from rural areas. A broad based diversification and sustained growth in agriculture can open the horizon of creating effective demand for industrial goods in rural areas and expansion of the rural non-farm sectors. They are likely to generate sufficient level of employment in near future, if a high rate of growth can be maintained in agriculture through higher investment. Therefore, the problem of sustained unemployment in SAARC countries have to be solved with priority through efficient allocation of resources in rural farm and non-farm sectors and proper planning at local level.

Unemployment and under-employment problems have increased in the SAARC countries in the recent years. Unemployment is the outcome of an increase in the size of labour force, which is not matched by an equal increase in employment opportunities. An examination of full unemployment rates of the economically active population in SAARC countries showed that the rates of unemployment ranged from 1.4 % to 9% in different countries of the region. These rates are even lower than the Europe (11.1%) and Latin America (9.2%).²¹⁵ Considering, a very high incidence of poverty remain in SAARC countries, which can expect a much higher rate of unemployment in this region.

²¹⁴ Higgins, op. cit., p. 9.

²¹⁵ <http://www.ilo.org/unemployment/data/index.htm>.

The rate of unemployment appears to be lower in rural areas than in urban areas. In fact, most rural unemployment is characterized by under-employment and disguised unemployment. More population live in rural areas than urban areas, it is most likely that the villages in South Asia have been over crowded with unemployed people. Their number has increased significantly in India, Bangladesh and Pakistan in the recent years due to increase in rates of rural unemployment during the nineties.

The rapid rise in population and low absorption capacity of the economy and unemployment situation has generally been worsening in the SAARC region. Many people have been migrating from rural to urban areas in search of jobs and opportunities to escape from hunger and poverty. Others move from one place to another in rural areas for work, but they seldom get any job, which is remunerative enough to maintain the life of themselves and their family members in a descent manner. The number of people unemployed worldwide climbed to new heights in 2005, as robust economic growth failed to offset an increase in people seeking work - especially among the vast and growing legion of jobless youth. The world's unemployment rate stood at 6.3 % unchanged from the previous year and 0.3 % points higher than a decade earlier. In total, nearly 191.8 million people were unemployed around the world in 2005, an increase of 2.2 million since 2004 and 34.4 million since 1995. Almost half of the unemployed people in the world are young people; youth make up only 25 % of the working-age population. Young people are more than three times as likely as adults to be unemployed.

Unemployment is a rising challenge to the world not only for the SAARC. It is one of the most complicated and burning challenges for the SAARC but the SAARC still did not include it within the area of cooperation, which is a sorrowful matter. Unemployment is a main factor for increasing poverty and number of terrorists in South Asia. But SAARC could not launch formal programmes to solve the unemployment problem in the region.

The initiatives taken by the SAARC in different periods to solve the unemployment problem from the region are given below:

In First SAARC Summit, the Heads of State or Government acknowledged that the countries of South Asia constitute one-fifth (1/5) of humanity, which faced a

formidable challenge posed by unemployment by exploitation of the past and other adverse legacies.

In Third SAARC Summit, the Heads of State or Government were conscious of the formidable tasks ahead of eradicating poverty, hunger, disease, illiteracy and unemployment. They were convinced that the people and governments of South Asia could, acting in unison, surmount these challenges.

In Fourth SAARC Summit, the Heads of State or Government reiterated their commitment to the SAARC Charter and renewed their determination to cooperate in promoting the welfare of the peoples of South Asia and to improving their quality of life by eradicating unemployment from the region.

In Fifth SAARC Summit, the Heads of State or Government expressed satisfaction that the work was well under way for the setting up of Centre for Human Resource Development (CHRD) in Pakistan. They were of the view that the centre can contribute towards optimizing regional cooperation to eradicate unemployment from the region.

In Eleventh SAARC Summit, the Heads of State or Government stressed the need for widening the opportunities for gainful employment in the region as soon as possible.

Human development report compiled by a leading think tanks in South Asia, stresses that globalization has triggered a rise in unemployment in the region. The exhaustive report presented by the Mahbub-Ul-Haq, Director of Human Resources Development Centre based in Pakistan. Haq blames the marked trend of unemployment and under-employment in the region, on skewed government policies of curtailing public expenditure in the key infrastructure sector, the post-liberalization spurt in labor-displacing technologies, and outdated educational systems.

Badri Prasad Shrestha, former Finance minister said the unemployment is not a big problem of the SAARC; underemployment is a big problem of the SAARC. Under-employment problem is rising in South Asia day by day because of decrease of saving in agriculture. If saving is decreased, investment also decreases. In consequence, numbers

of underemployment will be increased so that the SAARC has to create the maximum employment opportunities in the area of agriculture by revolution.²¹⁶

The rise in employment problem is a central concern for governments of South Asia and often entails a combination of social and economic portfolios. The rise in employment problem is usually linked to the growth of the economy and broader economic arenas. As a result, governments often have a wide range of social and economic policy instruments with encourage the creation of new jobs. Despite this, the successful promotion of employment remains illusive. No employment strategy can be successful if it does not take small, medium and large sized enterprises into account.

To control the increasing number of unemployment in the region, the SAARC has to take it seriously and include it within the area of cooperation. It is seen; SAARC also has to emphasize to technical education, quality than quantity education, and establish more industries align with private sectors to create maximum employment opportunities for better quality of life of South Asian people.

3.3.3 Trade

Trade means the business of buying and selling commodities or to give one thing in exchange for another. Trade is one of the most important areas of economic activity. Trade is an instrument for the promotion of human well-being and economic justice. Trade is an important vehicle of development. It is an important indicator to the extent of inter-dependence between the countries involved. The increase in intra-regional trade between the regional partners shows that benefits of trade outweigh costs associated with trade diversion. Regional economic integration has served the useful purpose of creating a threat for multilateral trade liberalization on several counts. If that was not the case, the size and number of Regional Trade Agreements (RTAs) have not grown by leaps and bounds as is happening, especially after the formation of the World Trade Organization (WTO). Indeed, Regional Trade Agreements (RTAs) have become favorite to all the countries of the world whether they are members of the WTO or not.

Joint ventures can pool regional resources to promote industrialization and economic growth in South Asia. South Asian Countries have collectively gained

²¹⁶ As told by Badri Prasad Shrestha, former Finance Minister during an interview on 3 September 2006.

substantial experience in agro-based industries, textiles and clothing, paper and pulp, and light engineering, and there seems a scope for joint ventures in these areas.

Table No. 3.11
Exports and imports of the SAARC countries in billion (US dollar)

Exports

Year	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri-Lanka
2001	4.8	.1	43.4	.1	.737	9.2	4.82
2002	4.6	.1	49.3	.1	.568	9.9	4.70
2003	5.3	-	57.1	.1	.662	11.9	5.13
2004	6.6	-	71.8	.1	.756	-	5.76

Imports

Year	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri-Lanka
2001	8.3	.2	50.4	.4	1.47	10.2	5.97
2002	7.9	.2	56.5	.4	1.42	11.2	6.10
2003	9.5	-	71.2	.4	1.75	13.0	6.67
2004	11.3	-	94.1	.4	1.87	-	7.97

Note: A dash (–) indicates not applicable.

Source: International Financial Statistics, May 2005.

As presented in above tables, the export from the SAARC region has less than imports in 2001 - 2004. All Member Countries have more imports volume than exports. In most cases, the rates of imports and exports have been continuously increasing in 2001 - 2004. The export has increasing in positive way in India and Pakistan but other countries have not positive trends i.e. these countries have negative trend in export volume. But in most of the cases rate of volume of imports has increasing in all countries. It shows that the imports from the overseas are higher than exports. India's trade liberalization policies of 1991 can be useful for all members of the SAARC to increase the scope for trade cooperation with the rest of the world, particularly with Europe.²¹⁷ India's trade liberalization policies can help to the other Member States of the SAARC to achieve their targetial goals also in the area of trade promotion. So other Member Countries of the SAARC have to follow it as soon as possible to establish

²¹⁷ <http://www.south-asia.com/saarc/issue>

strong trade integration between SAARC and EU in the future, and to promote the trade volume for better quality of life of South Asian people. Twenty first century is regarded as commercial era. The countries, which have made substantial, progress in the field of trade and commerce; they are called prosperous nation in the world position. One-fifth population of the world remains in South Asia but South Asia has not been playing effective and successful role in the area of trade promotion in comparison with EU, ASEAN, etc. The SAARC could not increase the trade volume hopefully.

The steps taken by the SAARC to promote the trade and increase the trade volumes in different periods are given below.

The acceleration of economic growth is a main objective of the SAARC. Cooperation in the core economic areas among SAARC Member Countries was initiated by Committee of the study on Trade, Manufactures and Services (TMS), which was completed in June 1991. The Committee considered economic cooperation among the countries of the SAARC region as an imperative for promoting all round development of the region.

The Council of Minister's at its ninth session in Male in July 1991 established the Committee on Economic Cooperation (CEC) comprising Commerce/Trade Secretaries of Member States. Its subsequent broad mandate was into covering areas of trade facilitation, liberalization and investment promotion. The CEC is mandated to formulate and over see implementation of specific measures, policies and programmes to strengthen and enhance intra-regional cooperation in the field of trade and economic relations. With the establishment of the CEC, regional economic cooperation was formally institutionalized as an integral component of the SAARC process. The CEC has emerged as the central committee within the SAARC and addressing economic and trade-related issues. It has provided recommendations and identifying new areas of cooperation as well as considering reports of constituted groups. The recommendations of the CEC are submitted through the Standing Committee to the higher SAARC bodies, namely the Council of Minister's and the Summit.

On the occasion of the First SAARC Financial / Planning Minister's Meeting in Dhaka, from 10-11 July 1994, they felt that intra-SAARC trade expansion will bring SAARC countries closer together and contribute to their economic prosperity.

The Second SAARC Commerce Minister's Meeting was held in Islamabad, Pakistan from 29-30 April 1998 where they discussed on trade promotion.

The Third Meeting of the Commerce Minister's was held in Dhaka from 2-3 February 1999. They discussed intra-trade promotion and intra-regional trade promotion within the region and with the world. They noted with appreciation the role- played by the SAARC Chamber of Commerce and Industry (SCCI) to increasing public awareness through the interactive sessions between government and industry.

Surendrabeer Malakar, Chairman of Nepal Chamber of Commerce and Industry (NCCI) said the SAARC Chamber of Commerce and Industry (SCCI) set up in 1992 as a SAARC- recognized Apex Business organization of the SAARC that has been playing a significant role to promote the trade in the region. The SAARC Trade Fairs have been organizing by the SAARC Chamber of Commerce and Industry, which is a one of the important vehicles for promoting intra-SAARC trade.²¹⁸ At the unofficial levels, the SAARC Chamber of Commerce and Industry (SCCI) have been playing an increasingly pro-active role and its representatives have been providing their views to line information services.

A Memorandum of Understanding (MoU) on trade control measures and on trade analysis and information system was signed between SAARC and United Nations Conference on Trade and Development (UNCTAD) in February 1993. UNCATAD has been providing assistance to the SAARC for promotion of the trade in the region. The SAARC has been assisted by UNCTAD/UNDP program to help enhance the contribution of trade (both intra-regional and extra-regional) to poverty alleviation and to achieve sustainable development. The SAARC issues, in the context of globalization and trade liberalization have to include addressing market issues and streamlining the contribution of investment and diffusion of technologies for sustainable development.

In the Sixth SAARC Summit, the Heads of the State or Government declared their commitment to the liberalization of trade in the region through step-by-step approach in such a manner that all countries in the region share the benefits of trade expansion equitably. They approved that the Inter Governmental Group (IGG) set up on

²¹⁸ As told by Surendrabir Malakar, Chairman of Nepal Chamber of Commerce and Industry during an interview on 28 July 2006.

the recommendation of the Committee on Economic Cooperation (CEC) and CEC have to formulate and seek agreement on an institutional framework.

In Fourteen SAARC Summit, the Heads of State or Government underlined the importance of implementing trade facilitation measures, especially standardization of basic customs nomenclature, documentation and clearing procedures. They directed that a comprehensive agreement on harmonizing customs procedures be finalised. They also noted that harmonization of technical and python-sanitary standards and their implementation in a trade-friendly manner is important in boosting intra-regional trade. They appreciated the establishment of the SAARC Standards Coordination Board (SSCB) that has to function as a precursor to the SAARC Regional Standards Body (SRSB).

South Asian Countries have liberalized their trade regime faster during the last decade. They have reduced import duties and acted upon WTO reduction commitments on domestic support and export subsidies. Most South Asian Countries have impressive records in the area of trade reform, although they are exempted from WTO reduction commitments in agriculture. However, they have been facing substantial difficulties of access for their exports in the world market, particularly in the developed world. This increases the magnitude of unemployment, aggravate poverty and accentuate income inequality in the long run in the SAARC countries.

The SAARC trade exhibitions have become the regular features since 1996 when the First SAARC Trade Exhibition was held in India. The trade exhibitions are one of the important vehicles for promoting intra-SAARC trade. The following are the SAARC trade exhibitions held so far:²¹⁹

First	1996	New Delhi
Second	1998	Colombo
Third	2001	Karachi
Fourth	2002	Kathmandu
Fifth	2003	Dhaka
Sixth	2005	New Delhi

²¹⁹ <http://www.saarc-sec.org/trade.pdf>

The landlocked countries of South Asia have not been able to expand their trade due to the lack of adequate transit facilities. Regional agreements can provide unrestricted transit facilities, provisions for sufficient railway and access to all the alternative sea routes available within the region in theory but there are many difficulties to use these facilities for landlocked countries, especially to Nepal in practice.

The Economic and Social Commission for Asia and the Pacific (ESCAP) convenes an annual consultative meeting among Executive Heads of sub-regional organizations and ESCAP to promote inter-sub-regional cooperation. Four selected areas have been identified for cooperation: trade and investment, transport and communications, human resources development and energy. The Heads of the Association of South-East Asian Nations (ASEAN), the South Asian Association for Regional Cooperation (SAARC), the Economic Cooperation Organization (ECO), the South Pacific Forum (SPF) Secretariat and ESCAP attend the annual meeting for regional cooperation. ESCAP is implementing a project to facilitate intra- and inter-sub-regional trade in the SAARC region. The first national workshop on this topic was organized in Kathmandu, Nepal, in early March 2000.

South Asian Countries could not facilitate an increase in intra-regional trade. But there is evidence that previous unilateral trade liberalization effort in the South Asian Countries have already had a positive impact in boosting both intra and extra-regional trade. Continuing the process of unilateral liberalization, in parallel with regional integration and aid, the South Asian Countries continue still to diversify their narrow export and potentially evolve new comparative advantages and complementarities that can facilitate the successful implementation of SAFTA.

One of the major factors accounting for the slow progress made by the SAARC in the twenty years of its existence is its failure to address some of the core economic areas such as trade, investment and technology, with consistent regional vigor and strategies. As a regional institution, the SAARC has increasingly addressed to the critical issue of generating complementarities to enliven and hasten the process of ongoing liberalization in intra-regional trade. As trade is, increasingly, becoming investment-led, SAARC needs to strengthen the activities under the Integrated Programme of Action (IPA), promote regional investments and harmonize the Member Country's financial and monetary policies. Mana Ranjan Joshee, former Chief Editor of Rising Nepal said the

SAARC has 1% trade volume with the world and 4% with regional organizations. In South Asia, only India and Pakistan have been increasing their trade volume by bilateral trade with USA, Japan and EU.²²⁰

If SAARC wants to expand the trade volume, The SAARC has to implement suggestions very soon in practice, which was given by group of eminent person in the report. The SAARC has to remove the economic weaknesses from the region and promote the trade cooperation within the region and out of the region as soon as possible for the SAARC to be recognized as a prosperous regional organization in the world.

3.3.3.1 Low Trade Ratio

Business talks hit the first time in the SAARC forum only in its Fourth SAARC Summit when the SAARC Preferential Trading Arrangement (SAPTA) among its members was proposed. This was better late than never to liberalize South Asian trade for the economic upliftment. Regional trade groupings have come to stay as a hard reality on the global economic scenario with the establishment of Regional Trade Agreements (RTAs) like the North American Free Trade Agreement (NAFTA), the European Union (EU), and the ASEAN Free Trade Area. Such RTAs are increasing the form in a globalizing economy and pose a possible challenge to the WTO's objective of global free trade since technically regional trading arrangements are violative of multilateralism. The basic objective of RTAs is to promote intra-regional trade among the Member Countries and thereby promoting economic cooperation and development. This aspect of RTAs is much relevant for the SAARC countries but the SAARC could not materialize the formation of South Asian Free Trade Area (SAFTA) by 2001; there is a possibility of marginalization of those countries, which are outside the group.

It is estimated that about 60% of world trade is channeled through RTAs. Two of the largest RTAs i.e. NAFTA and EU are destinations for more than 55% of India's exports as well as a major share of South Asian neighbors. The South Asian Countries exchange goods principally with countries outside the region. Their largest trading partners, accounting for more than 50 % of their total trade, are the major industrial

²²⁰ An interview with Mana Ranjan Joshee, former Chief Editor of the Rising Nepal on 16 August 2006.

countries in the European Union, along with the United States, Japan and 40 % with countries in the Asia-Pacific region.²²¹

The Regional Trade Agreements are not very effective in promoting intra-regional trade that may not make much sense, if South Asian Nations look at South-South trade from the intra-regional investment perspectives. The rationale for the SAARC, Regional Trade Agreement is the point of debate. Expansion of intra-regional trade helps to enlarge South Asia's share in the world trade volume. Faster growth in intra-regional trade can develop regional trade infrastructure by reducing transport and transit costs. The high rate of economic growth induced by free trade regime can help to alleviate poverty, reduce inequality and solve the problems of unemployment. All the economies till now are converging towards India's center, with few interactions between others. The role of India is vital. India, at present, is at the center and needs to be more co-operative for making SAARC activities effective. Promoting intra-regional trade is part of a large package of economic cooperation in the SAARC.

Trade liberalization involves elimination of trade barriers among South Asian Countries. It may take the form of any of the followings:²²²

- a. Free Trade Area: Freeing of intra-region trade while external tariff and trade restrictions are maintained.
- b. Customs Union: Common external tariff to the free trade among members.
- c. Common Market: Free internal trade, common external tariff and restrictions and free factor movement.
- b. Economic Union: Harmonization of all economic policies of Member States.
- e. Selective Trade Liberalization: Elimination of tariffs and barriers for selected items, and
- f. Regional Trade Agreement: Broad framework for trade expansion, which imposes commitments on the contracting parties.

Trade liberalization can flow various tracks viz. unilateral, bilateral, regional and multilateral. South Asia decided to embrace a Regional Trade Arrangements (RTAs) in 1995 when the SAARC Preferential Trade Arrangement (SAPTA) was signed in 1995. In early 2004, the much-delayed South Asia Free Trade Area (SAFTA) was signed. Six

²²¹ <http://www.boloji.com/analysis/index.htm>

²²² CNAS, op. cit., p. 70.

Member Countries of SAFTA have already vouched their support for the World Trade Organization (WTO). Bhutan, which is the only non-member of the WTO, has manifested its commitment to the multilateral trade architecture espoused by the WTO by initiating its accession process. Thus, the SAARC (i.e., SAFTA) is a parallel initiative to the multilateral trade liberalization commitments of the SAARC Member Countries.

The wave of globalization has liberalized external trade as part of the economic reforms in almost all the developing nations, including South Asia. Trade liberalization is expected to increase efficiently in both resource allocation and use, and contribute to increased living standards of the people. Trade liberalization and global economic integration are greatly facilitated by expansion of economic activity and employment, and by improvements in living standards.²²³

Most of the South Asian Countries have injected a substantial set of reforms and liberalization in the investment front. This liberalization can be seen in terms of both incoming and outgoing foreign investment. Foreign investment is expected to supplement domestic private investment through foreign capital flows, transfer of technology, improvement in management skills and productivity, and gain of access of international markets. Another vital feature has been the inability of the previous industrial policies, investment regimes and institution to deliver the goods.²²⁴

The SAARC has been in existence for about 22 years but intra-regional trade volume is still around in 4 % and world trade volume around in only 1 % of the total foreign trade. Intra -EU trade accounts more than 70% and ASEAN accounts more than 55%. East Asian markets were much more open to international competition than the closed markets of South Asia. Average tariff rates were generally below 30 percent in East Asia, compared to two to three times that level in South Asia, East Asia relieved a great deal 60 percent of its export on trade with the rest of Asia, compared to South Asia 10-20 percent of its export.²²⁵ East Asia took its chances on the international market and competed aggressively on the basis of its relatively low wages, high labor productivity and an enlightened export policy. On the other hand, the exports of primary commodities

²²³ UN Publications, *Trade and Development Report*, New York : UN Publications, 2000, p. 49.

²²⁴ Mahendra P. Lama, "Investment in South Asia: Issues, Constrains and Opportunities" in K. K. Bharagava & Sridhar K. Khatri (eds.), *South Asia 2010: Challenges and Opportunities*, New Delhi : Konark Publishers Pvt. Ltd., p. 42.

²²⁵ *The Telegraph Weekly*, Kathmandu, May 21, 1997.

from South Asia floundered because of weak international demand and declining commodity prices. Import-substituting industrialization in South Asia was neither efficient nor equitable, as quantitative controls led to corruption and rent-seeking behind high tariff walls. The South Asian Countries can gain profit collectively, if they work jointly to expand markets for their products in other region.

The first decade of the 21st century is bringing out several fundamental structural changes in the economies around the world. South Asian economies have to accelerate the pace of internal transformation of their economies. There is a need to shift from the old paradigm of dependence of official aid and putting blame on the unjust international economic order for their woes to the new paradigm of becoming an active participant in the emerging globalize economy. The SAARC has to implement her commitments in practice which commitments were taken in different periods on trade promotion by their respective governments and private sectors. The SAARC has still low trade volume within regional level as well as in the global level; which is a painful matter.

3.3.3.2 SAFTA

A Free Trade Area (FTA) is a loose grouping of the countries within which tariff and non-tariff barriers to trade are substantially removed. The customs duties within such areas are gradually eliminated; however, each country of the group is allowed to maintain its own duty vis-à-vis third countries. FTA is not created over night; it takes up to twenty-one years of time for the full operation in South Asia. This type of transitional period is essential for changing internal policies and laws of the participating states with an intention to remove all tariffs and non-tariffs barriers to trade. It is important to bring down the custom tariffs of all the participating states to a zero level with respect to internal exports and imports.

South Asian Free Trade Area (SAFTA) was designed on the pattern of North American Free Trade Area (NAFTA) for custom free trade between Canada, Mexico and United States. SAPTA was replaced by South Asian Free Trade Area, (SAFTA) by the First decade of 21st century. It means that trading among the South Asian Countries are free from custom duties. The formation of Free Trade Areas (or a customs union) can affect trade patterns and resource allocation in two ways viz. trade creation and trade diversion.

SAPTA was envisaged primarily as the first step towards the transition to a South Asian Free Trade Area (SAFTA) leading subsequently towards a custom union, common market and economic union. The agreement on South Asian Free Trade Area (SAFTA) drafted by the Committee of Experts (CoE) was signed on 6 January 2004 at the time of

the Twelfth SAARC Summit in Islamabad. Since the signing of the agreement, Committee of Exports (CoE) convened 12 meetings and finalized all the four annexes to the agreement. The four annexes attached to SAFTA are: rules of origin, sensitive list, mechanism for compensation of revenue loss for least developed members and technical assistance to least developed members.

The agreement is to enter into force on 1 January 2006 upon completion of formalities, including ratification by all contracting states and issuance of a notification by the SAARC Secretariat.²²⁶ Establishment of the South Asian Free Trade Area (SAFTA) is to promote and enhance mutual trade and economic cooperation among the contracting states, through exchange concessions in accordance with agreement. After formation of the South Asian Free Trade Area among Member Countries are encouraged to reallocate their resources from the less efficient import-competing sectors of industry to the more efficient export sectors, which expand due to the opening of the partner's market. It increases production of export-oriented industries, and on the other hand, it raises the consumption of imported goods, which become cheaper after tariff elimination.

SAFTA was notified to the WTO under 'enabling clause', which allows developing countries to form Regional Trade Agreements (RTAs) within themselves. The SAFTA has to be re-positioned in the Pan-Asian context and can be considered as a building block of the South Asian economic community which will eventually become a major global trading block and that can also be a building bloc of the multilateral trade liberalization system. SAFTA needs to be more aggressive in its commitments to becoming that building block for the South Asian economic community.

SAFTA is based and applied on the principles of overall reciprocity and mutuality of advantages in such a way as to benefit equitably of all contracting states. Taking into account of their respective levels of economic and industrial development, the pattern of their external trade and tariff policies and systems involve the free movement of goods between countries through inter-alia, the elimination of tariffs, para tariffs and restrictions on the movement of goods, and any other equivalent measures.

²²⁶ SAARC Secretariat, *Agreement on South Asian Free Trade Area (SAFTA)*, Kathmandu : SAARC Secretariat, 2004, p. 21.

Table No. 3.12

Intra-regional trade of various regional Free Trade Agreements (FTAs)

	Intra-regional trade (as a percentage of total trade by the group)			
	1995	2000	2001	2004
ASEAN	21.5	22.5	22.5	22
NAFTA	42.5	48.5	46.5	45.5
EU-25	65	64.5	66.5	65.5
SAARC	4	3.5	5	4.5

Source: www.unctad.org

The Committee of Exports (CoE) meeting was held in November 22-23, 2003 in Islamabad to discuss the progress so far made on the four procedural formalities formation of SAFTA sensitive lists, rules of origin, mechanism for compensation of revenue loss for least developed members and technical assistance to them. The rule of origin prepared by the sub-group on SAFTA that was already discussed at the technical committee.

The Technical Committee of Experts of the SAARC Member Countries had already held five meetings on reciprocal basis in the capitals of the Member Countries .A Memorandum of Cooperation (MoC) between SAARC and the Canadian International Development Agency (CIDA) was signed in July 1997 to promote cooperation and mutual benefit in the area of trade. The SAARC Secretariat was organized a “Workshop on NAFTA-SAFTA” in December 1998 collaboration with CIDA. The workshop facilitated the sharing of relevant experiences of the North American Free Trade Area (NAFTA) for the establishment of a South Asia Free Trade Area (SAFTA).

A Memorandum of Understanding (MoU) was signed between SAARC and the European Commission (EC) in July 1996. The MoU envisages cooperation between the two organizations on experiences for the SAFTA process. The sixteenth session of the Council of Minister's was held in New Delhi from 18-19 December 1995. They agreed on the need to strive for the realization of SAFTA and to this end, an Inter-Governmental Expert Group (IGEG) was set up in 1996 to identify the necessary steps for progressing to a Free Trade Area.

The First Meeting of Commerce Minister's of SAARC Member States was held in New Delhi from 8-9 January 1996. They were disused about the process of SAFTA. SAFTA was first mooted at the Eighth SAARC Summit in Delhi in 1995. It was suggested then that it has to come into operation by 2005. This date was revised at the Ninth SAARC Summit in Male in 1997, where it was declared that SAFTA has to come into operation by 2001. However, the Ninth SAARC Summit also took a decision to appoint a Group of Eminent Persons (GEP) to draw up a vision and a roadmap for the SAARC. Obviously, the GEP had to look at SAFTA and its feasibility by 2001.

In the Tenth SAARC Summit, the Heads of the State or Government decided to set up a Committee of Experts (CoE) to draft a comprehensive treaty framework for creating a Free Trade Area within the region, taking into consideration the asymmetries in development within the region and bearing in mind the need to fix realistic and achievable targets.

In the Tenth SAARC Summit, the Group of Eminent Persons (GEP) was represented the more realistic approaches timetable for SAFTA is 2008 and, for least developed countries in South Asia this date was extended to 2010.²²⁷ At the Colombo SAARC Summit, the date for SAFTA was postponed without specifying any time bound target, but a decision was taken to have a framework treaty by the year 2001. Due to regional politics, the preparation of the treaty got delayed and it finally came into shape by January 2004.

Liberal trade creates an opportunity to export that is ultimately seen to be creating employment and using raw materials. Such activities help raise income and hence uplift the living standard of the people. The trade liberalization programme under SAFTA envisages progressive reduction of custom duties on products from the region, which will be in place by 2016. The least developed Member States of SAARC will be extended special and differential treatment under this programme.

Definitions for the purpose of this agreement:²²⁸

- a. Tariffs.

²²⁷ Saman Kelegama, "SAFTA: A Critique" in Imtiaz Alam (ed.), *South Asian Journal*, Lahore : Free Media Foundation, April-June 2004, p. 9.

²²⁸ SAARC Secretariat, op.cit., f.n. 121, pp. 2-3.

- b. Para-tariffs.
 - c. Non-tariff measures, and
 - d. Direct trade measures.
- a. Tariffs mean custom duties included in the national tariff schedules of the contracting states.
 - b. Para-tariffs mean border charges and fees, other than tariffs and para-tariffs, on foreign trade transactions of a tariff-like effect, which are levied solely on imports, but not like those indirect taxes and charges, which are levied in the same manner like domestic products. Import charges corresponding to specific services rendered are not considered as para-tariff measures.
 - c. Non-tariff measures include any measure, regulation, or practice other than tariffs and para-tariffs.
 - d. Direct trade measures mean measures conducive to promote mutual trade of contracting states such as long and medium-term contracts containing import and supply commitments in respect to specific products, buy-back arrangements, state trading operations, and government and public procurement.

Contracting states agree to the following schedule of tariff reductions:²²⁹

- a. The tariff reduction by the non-least developed contracting states from existing tariff rates to 20 percent, which shall be done within a time frame of the two years, from the date of coming into force of the agreement. Contracting states are encouraged to adopt reductions in equal annual installments. If actual tariff rates after the coming into force of the agreement are below 20 %, there shall be an annual reduction on a margin of preference basis of 10 percent on actual tariff rates for each of the two years.
- b. The tariff reduction by the least developed contracting states from existing tariff rates will be 30 percent within the time frame of the two years from the date of coming into force of the agreement. If actual tariff rates on the date of coming into force of the agreement are below 30 %, there will be an annual reduction on a margin of preference basis of 5 percent on actual tariff rates for each of the two years.
- c. The subsequent tariff reduction of non-least developed contracting states from 20 % or below to 0-5 % shall be done within a second time frame of the five years, beginning from the third year from the date of coming into force of the agreement. However, the period of subsequent tariff reduction by Sri Lanka shall be in six years. Contracting states are encouraged to adopt reductions in equal annual installments, but not less than 15 % annually.

²²⁹ *Ibid*, pp. 6-7.

- d. The subsequent tariff reduction by the least developed contracting states from 30 % or below to 0-5 % shall be done within a second time frame of the eight years beginning from the third year from the date of coming into force of the agreement. The least developed contracting states are encouraged to adopt reduction in equal annual installments, not less than 10 % annually.

Under the trade liberalization programme scheduled for completion in ten years by 2016, the customs duties on products from the region will be progressively reduced. However, under an early harvest programme for the least developed Member States, India, Pakistan and Sri Lanka are to bring down their customs duties to 0-5 % by 1 January 2009 for the products from such Member States. The least developed Member States are expected to benefit from additional measures under the special and differential treatment accorded to them under the agreement.

Benefits to members of SAFTA can be observed on the following basis:²³⁰

- a. There is a substantial scope for expansion of intra-regional trade by enlarging such goods by the Member States in which they enjoy comparative advantages. Specializations in respective production areas result in economies of scale and make them competitive.
- b. Expansion in intra-regional trade helps to enlarge South Asia's share in the world trade volume, which is negligible at the moment.
- c. The bargaining power of South Asian Nations in the international market and economic negotiations will increase. They can jointly raise voice against any steps taken by developed nations not favoring them in the global front.
- d. Joint marketing strategies for South Asian products can assist in getting more international market.
- e. Advantages of expansion in production plants in which members specialize can attract external investment.
- f. Better utilization of production factors and natural resources available in the region can be expected due to specialization in production and expansion in trade, and
- g. Faster growth in intra-regional trade will develop regional trade infrastructure reducing transport and transit costs.

A link between SAFTA and regional investment projects is very vital, as it forms the basis for the development of regional structures of supporting industries. Such a link

²³⁰ Bijendra M. Shakya & Narayan Manandhar, *Transition from SAPTA to SAFTA: Impact on Nepalese Economy and Vision of Social Justice*, Seminar on Economic Development and the Vision of Social Justice after 2000, Kathmandu, 11 October 1999, pp. 10-11.

can be forged by encouraging intra-SAARC industrial cooperation, simplifying and harmonizing investment procedures, promoting foreign investment and making SAARC more enticing to foreign investors.²³¹

The growth of economic regionalism since the mid-1980s is a key development in world politics. From the creation of a single currency in the European Union (the Euro), to the organization of Asia-Pacific Economic Cooperation (APEC) and to the North American Free Trade Agreement (NAFTA) and Mercosur in the Western Hemisphere – the spread of regional integration initiatives are extensive. The United Nations catalogues nearly 200 Preferential Regional Agreements in force today. The bulk of world trade now takes place within the scope of trade agreements negotiated at the regional level. The SAFTA being a full-fledged South Asian Economic Union conclusively makes the region second largest market of the world until 2016.²³²

Observing the rapid establishment of Regional Trading Agreements (RATs), in different parts of the world, South Asian Countries also regulated the concept of SAFTA with predictive mentality. The concept of SAFTA appeared as simulation and hypocrisy but not with a view to enlarge trade promotion. As a result, there are so many hurdles and obstacles in the effective implementation of SAFTA. There is still acquisition and counter-acquisition, and the political as well as economic controversy between two powerful countries: India and Pakistan of SAARC, which is considerably supposed to be the main cause of trade promotion and main obstacle of its (SAFTA) effective implementation. The issue between India and Pakistan has been the vital issue in different meetings, seminars and workshops held in different periods. As a result, other important matters/issues of small countries of the SAARC have been lacking to be solved which has not represented the spirit of the SAARC yet.

In Fourteen SAARC Summit, the Heads of State or Government noted with satisfaction timely ratification of SAFTA Agreement by all Member Countries. They stressed the need for ensuring effective market access through smooth implementation of trade liberalization programme and directed the SAFTA bodies to review the progress on a regular basis. They emphasized that SAFTA should be implemented in letter and spirit.

²³¹ Lama, op. cit., p. 59.

²³² Nepal Rastra Bank (NRB), *Economic Integration in South Asia*, Kathmandu : Nepal Rastra Bank, Research Department, International Finance Division, 2005, p. 7.

Successful implementation of SAFTA will catalyse other areas of regional economic cooperation. They stressed that to realize its full potential; SAFTA should integrate trade in services. They called for a finalisation of an agreement in the services sector at the earliest. They also directed that the agreement on investment promotion and protection be finalized.

The agreement on South Asian Free Trade Area (SAFTA) required effective implementation, expanding the space for trade and more importantly, economic collaboration, investment and development. SAFTA does constitute the most visible sign of political commitment in SAARC for economic cooperation.

3.4 An Assessment

South Asia has been facing complex social challenges, and the step taken by the SAARC to face it is not effective and achievable. Social progress is a key factor in human resource development of the South Asia that is a pre-condition for economic growth. Without economic growth, social progress is impossible so the South Asia has to give priority to economic growth for social progress because of social progress is necessary to eliminate its socio-economic challenges from the region forever. Economic development is a critical foundation for social development and vice-versa so that the South Asia has to call for the integration of economic and social development in the national and regional development agenda.

Among the South Asian Countries, India happens to dominate the economic scenario. Once again, India's hegemony is a lurking fear in the minds of other SAARC Members. Hence, they are generally hesitant to commit themselves to cooperate in hard-core economic areas.²³³ South Asian experts suggest that India can assist most of the other SAARC members in their development efforts by virtue of its diversified industrial base and relatively skilled manpower. But in reality, attempts to use the SAARC as a platform which to launch joint industrial or manufacturing ventures threatens the smaller states with further integration into India, while India itself remains reluctant to allow access to what is still an essentially protected domestic market. Pakistan has continued to restrict Indian trade because of strategic considerations, especially involving investments

²³³ http://www.himalmag.com.np/opinion_partha.htm

by private Indian firms that might displace Pakistani firms from lucrative markets or more problematically, from emergent third markets in Central Asia.

Dev Raj Dahal, head of FES-Nepal said the Globalization of development means that regional efforts can achieve better results in development a common area of concern to the whole of South Asia. He suggests it is time to set up an Independent Commission on Governance in South Asia to monitor the progress on poverty alleviation, human development, anti-corruption, good governance and pool information, knowledge and capacities of regional economic and civil society actors to address the issues of development.²³⁴

Closer economic integration, where there will be free flow of goods, people, capital and services will increase the prosperity and quality of life of the people in the region - a bulk of who live below the poverty line. It will reduce fear of war and divert resources to developmental activities rather than weapons build-up. Worries of a nuclear war between India and Pakistan will fade away from the memory and the region will transform from 'most dangerous spot on earth' to the most peaceful place on the globe.

All South Asian Countries are still part of the world capitalist market, and hence they are subject to all the ebb and tide of the general and pervasive crisis of world capitalism. This leads to widening economic disparities between classes, and between regions. The uneven economic development leads to social, political and economic tensions and conflicts in the countries of South Asia.²³⁵

The Sri Lankan President, Mahinda Rajapakse called upon the members of the South Asian Association for Regional Co-operation (SAARC) to develop structures to face the social and economic challenges collectively and regionally. Rajapakse stressed the need for the SAARC structures as South Asia was home to a large percent of the world poor and all South Asian Countries are faced with serious and urgent challenges of poverty, unemployment, income disparities and social and economic deprivation.²³⁶

Former SAARC Secretary General Yadav Kanta Silwal said India's role is necessary and very important for tackle the social challenges of the region but India has

²³⁴ An interview with Dev Raj Dahal, head of FES- Nepal on 20 September 2006.

²³⁵ Kalim Bahadur, *South Asia in Transition Conflicts and Tensions*, New Delhi : Patriot Publishers, 1986, p. 7.

²³⁶ *The Hindu*, India, March 30, 2006.

not been leading willingly.²³⁷ It is seen, the SAARC has to launch effective programmes and implement to it honestly through collective efforts, and make effective and responsible to regional centers also which are already established in different countries of the South Asia to tackle the challenges better than yesterday. Poverty, terrorism, illiteracy, unemployment, population growth, trafficking in women and children for prostitution, drug trafficking and abuse, ethnic problem, HIV/AIDS and trade are common challenges of the region. They are found in all member countries of the SAARC, so they become regional. The SAARC has not been tackling absolutely it because of lacks of political will, collective efforts and effective programmes. There is a gap between policy formulation and implementation. Policies are made in regional level but the part of implementation remains in national level that is sorrowful matter for the South Asia.

The Heads of the State or Government of South Asia stressed the need to collectively overcome the challenges of poverty, disease, natural disasters and terrorism, during the Fourteen SAARC Summit. They confirmed that countries of South Asia must work together to deal with these challenges in order to secure the region's collective prosperity.²³⁸

The social movement in South Asia has come a long way and the efforts conform to the broad alternative development but within the region there has been a great diversity in the choice of programs and strategies. This diversity reflects different views regarding the suitability of single activity versus multiple activities, integrated development focus; and the relative importance of economic versus socio-political development interventions.²³⁹ This permanency is further reinforced by the fact that, some of the problems like those dealing with environment (floods, soil erosion etc), drug trafficking, and trafficking in women and children, illegal movement of people are not national problems but regional, requiring regional solutions.

South Asia has a lot of economic challenges and it has taken bold steps also for economic growth. But the activities of South Asian Countries are not sufficient for economic growth. Economic growth in the region will have little meaning unless the

²³⁷ An interview with Yadav Kanta Silwal, former SAARC Secretary General on 23 August 2006.

²³⁸ <http://www.ekantipur.com/nssnews/article.htm>

²³⁹ *The Telegraph Weekly*, Kathmandu, August 28, 1996.

social problems are addressed simultaneously. Economic growth and social progress are mutually reinforcing while economic growth is necessary for the social progress. So the South Asian Countries have to run the programmes for economic growth and social progress at the same time because economic growth and social progress are intertwined. Progress in social and economic issues will have salutary effects on the atmosphere of mutual understanding and mutual cooperation in South Asia which South Asian region desperately needs for a better and new life in the SAARC.²⁴⁰

South Asia has made some significant achievements in socio-economic sectors. Besides, it has bilateral issues among South Asian Countries, which is hindering to the development of the region that is given in the next chapter.

²⁴⁰ Dev Raj Dahal & Nishchal Nath Pandey, *New Life within SAARC*, Kathmandu : Institute of Foreign Affairs (IFA), & Friedrich-Ebert Stiftung (FES) 2005, p. vii.

CHAPTER - IV

BILATERAL ISSUES Among South asian countries

4.1 Introduction

It is an imperative of geographical proximity that none of the countries of the region can afford to nurse prolonged enmity for over a long period with its neighbors. To this end, India is placed in a more advantageous situation to play a constructive role in South Asian region. No country can afford to undermine its bilateral relations with India. India's own emphasis on bilateral relation is understandable physical imperatives of the region; place India at the center of the problem.

Natural features separate almost all the South Asian States from one another. Except for the Maldives and Bhutan, India has bilateral disputes with all her neighbors. Various bilateral issues cause tensions among the SAARC countries, e.g., Ganges water disputes between Bangladesh and India, Peace and friendship treaty, and Maoist insurgency between India and Nepal, Kashmir and Nuclear issues between India and Pakistan, the Tamil- Elam problem between India and Sri Lanka, Bhutanese refugee problem between Nepal and Bhutan, and Divergent security perception between India and other small countries of the SAARC. South Asia presents a mixed and rather confused picture of conflict and cooperation. On the bilateral front, there has been a perceptive improvement in India's relations with practically all other Member States of the SAARC except Pakistan because of the neighborhood policy on the lines of the Gujral Doctrine. South Asia has seen more conflicts today than in the past because of poverty, unemployment, composition of nuclear power, refugee problem, Kashmir problem etc. As a result, this region has been continuing to be a subject of over discussion in global politics.

South Asia is one of the critical regions with complex security in the world primarily due to the fact that most of the South Asian States are engulfed with varying degrees of conflicts and disputes. Inter-state conflicts in South Asia probably are highest compared to any other regional blocs in the world. Bilateral relations are defined by antagonism and mistrust. Similarly, the cultural diversity based in languages, religions and ethnicities is another factor to disputes among South Asian Nations. Rather it

frequently exerts a negative impact on inter-state relations in South Asia due to religious differences.

In considering the role of conflict in international relations, one is compelled to raise serious questions concerning not only war's morality but also its practicality as a method of conducting relations between states.²⁴¹ Generally, bilateral issues as total situations in which two parties are aligned against each other. In every issue, there are a great many parties at different levels of political organization. Each has different interests in the issue.

There is a large elephant (India) and also a small insect (Maldives) in the SAARC. Mutual understanding among the SAARC countries is still forced to continue forward in the pace of tortoise.²⁴² The experiences in regional cooperation elsewhere in the world indicated the possibility of such cooperation in spite of bilateral problems existing among the countries of the region. Even bilateral disputes crop up which do not stand in the way of regional cooperation in the economic, social, technical and cultural spheres.²⁴³ It is perfectly apparent that the relationships that exist among a group of states in a particular region are often more important than their relationships with states outside the region.²⁴⁴ Bilateral relationship between various countries in the region can at best be described as worrying. India, by far, the largest country in the region has problems with almost all its neighbors. Major and complex bilateral issues among South Asian Countries are given below.

4.2 India – Pakistan

India and Pakistan are powerful countries of the SAARC. They have conflict than cooperation between them since six decade ago. There are long-standing territorial and religious differences between South Asian neighbors (India and Pakistan) that have existed since 1947, when the Indian sub-continent was partitioned and the two countries

²⁴¹ Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, Culcutta : Scientific Book Agency, 1967, p. 26.

²⁴² *Gorkhapatra*, Kathmandu, May 2, 2001.

²⁴³ SAARC Secretariat, *From SARC to SAARC: Milestone in the Evolution of Regional Cooperation in South Asia (1980-1988)*, Kathmandu : SAARC Secretariat, 1, December 1988, p. 3.

²⁴⁴ David S. Mclellan (et. al.), *The Theory and Practice of International Relations*, New Delhi : Prentice- Hall of India Pvt. Ltd. 1977, p. 317.

became independent from Great Britain. Violent outbreaks occurred in 1947-48, 1965 and 1971 when the two nations went to war. In July 1999, India and Pakistan came to the brink of another war over the disputed Kashmir region. The region has seen many conflicts in the past. India and Pakistan, the region's two bigger countries, have fought three conventional wars. Non-conventional war (cross border terrorism) continues. Things got really complicated when both India and Pakistan tested nuclear bomb and declared themselves to be nuclear powers. Today, South Asia is described as the most dangerous spot in the world with a specter of a nuclear holocaust hanging over it.

India and Pakistan have complex bilateral issues between them which are given below.

4.2.1 Kashmir problem

Kashmir is a mountainous region located in the North-west corner of the Indian sub-continent. It is about the size of Kansas and is dominated by two mountain ranges, the Himalaya and Karakorums. The valley of Kashmir is the heart of the state and the Kashmiri speaking population inhabits it. The history of Kashmir has largely been the history of the Kashmiris.²⁴⁵ 63 per cent of the territory is under Indian occupation; while the rest, 37 per cent, is with Pakistan, called Azad Jammu and Kashmir (AJK).

Indian controlled Kashmir is divided into 14 administrative districts: Anantnag, Baramulla, Budgam, Doda, Jammu, Kargil, Kathua, Kupwara, Leh, Poonch, Pulwama, Rajauri Garden, Srinagar and Udhampur. Major cities include Srinagar, Jammu and Leh. The Pakistan controlled portion of Kashmir is divided up into the two main regions: Azad Kashmir and Northern areas. Kashmir is the region of mixed faith with Muslim, Hindu and Buddhist populations.

The whole state is politically, linguistically and religion wise divided into three different regions. Whereas Jammu is Hindu dominated Dogri speaking area, Kashmiri speaking Muslim population dominates Kashmir valley and Buddhists, numerically dominates the Ladakh region. India-Pakistan relations have suffered greatly since the time of independence due to mistrust, suspicion and uncertainty. But these two countries

²⁴⁵ Sisir Gupta, *Kashmir: A Study in India-Pakistan Relations*, New Delhi : Asia Publishing House, 1967, p. 24.

have also engaged in Confidence Building Measurements (CBMs) ever since they gained independence in 1947 and have managed to resolve a number of conflicts.

India's forcible occupation of the state of Jammu and Kashmir in 1947 is the main cause of the dispute. India claims to have signed a controversial document, the instrument of accession, on 26 October 1947 with the Maharaja of Kashmir, in which the Maharaja obtained India's military help against popular insurgency. The people of Kashmir and Pakistan do not accept the Indian claim. There are doubts about the very existence of the instrument of accession. The United Nations also does not consider Indian claim as legally valid and UN recognizes Kashmir as a disputed territory. Except India, the entire world community recognizes Kashmir as a disputed territory. The fact is that all the principles on the basis of which the British partitioned the Indian sub-continent in 1947 justify Kashmir as a part of Pakistan, the state had majority Muslim population, and it not only enjoyed geographical proximity with Pakistan but also had essential economic linkages with the territories constituting Pakistan.

The logic behind the partition of the Indian empire into Muslim and non-Muslim portions suggested that Kashmir ought to go to Pakistan. But the Maharaja decided to accede to India.²⁴⁶ And India explicitly supported this decision. Pakistan argued that the Muslim majority in Kashmir has to govern by Pakistan by virtue of Kashmir's geographical situation, religious conformity and ethnic affinity. The very fact of Kashmir dispute started from this point.

The architect of British India partition in 1947 was Lord Mount Batten. Pakistan blamed him as an Indian puppet because of his role regarding Jammu and Kashmir (J & K). Islamabad believed that Indian troops were sent to Kashmir to occupy the disputed territory under the grand design of Lord Mount Batten that was Batten developed the strategy of India's occupancy over Jammu and Kashmir by using military and diplomatic strength. Pakistan started deploying more forces in Jammu and Kashmir. India proposed for a fresh plebiscite in Jammu and Kashmir to resolve the growing conflict. But Pakistan showed no enthusiasm and turned against the Indian proposal. Indian Prime

²⁴⁶ Alastair Lamb, *Kashmir: A Disputed Legacy, 1846-1990*, Karachi : Oxford University Press, 1993, p. 2.

Minister Jawahar Lal Nehru raised this issue before the UN, complaining of Pakistani aggression in Kashmir.²⁴⁷

The Kashmir dispute is the oldest unresolved international conflict in the world. Pakistan considers Kashmir as its core political dispute with India. So does the international community, except India. While Indian security forces are practicing an unprecedented reign of terror in occupied Kashmir which is being widely reported world-wide; the Indian government, led by Hindu nationalist Bharatiya Janata Party, was neither willing to negotiate the issue multilaterally through international mediation nor was it ready to sort it out with Pakistan through bilateral negotiations. India and Pakistan have already fought three wars over Kashmir issue. The exchange of fire between their forces across the Line of Control (LOC), which separates Azad Kashmir from occupied Kashmir, is a routine affair and now that both India and Pakistan have acquired nuclear weapons potential. Thought they have not used of nuclear weapons but which cannot be ruled out. The international community can avert the likely nuclear disaster in South Asia, whose cause may be Kashmir, with an intervention.

For decades, India has defied with impunity to all the UN resolutions on Kashmir, which call for the holding of a free and fair plebiscite under UN supervision to determine the wishes of the Kashmiri people. Not just this, a massive Indian military campaign has been on, especially since the start of the popular Kashmiri uprising in 1989, to preserve the basic rights of the Kashmiri people.

Table No. 4.1
Military expenditure of India and Pakistan

Military expenditure of India and Pakistan in US dollar (in millions)		
Year	India	Pakistan
1990	8051	2636
1991	7532	2823
1992	7209	2997
1993	8137	2993
1994	8109	2917
1995	8340	2965
1996	8565	2961
1997	9307	2837
1998	9387	2833
1999	10482	2858

²⁴⁷ *Ibid*, p. 161.

2000	10900	2867
2001	11837	3071
2002	12882	3176

Source: www.sipri.org.

The above table shows the military expenditure of India and Pakistan since 1990 to 2002. Expenditure of India is higher than Pakistan and expenditure of Pakistan is also increasing, which has been a hindrance for the development of both countries as well as the SAARC. It is an unnecessary expenditure and an overload for the people of South Asia so that India and Pakistan have to decrease their military expenditure and invest those money to development sectors in there own countries for better quality of life of people.

The bilateral conflict between India and Pakistan as an extension of the internal conflicts and dilemmas of the region has often been fuelled by hostile sections of the media.²⁴⁸ South Asia has been a tension filled region. India and Pakistan fought four wars (1948, 1965, 1998 and 1971) during the last fifty years, three of those over Kashmir and the last one (1971) resulted in emergence of Bangladesh as an independent country. Fighting in the states of Jammu and Kashmir went on between the armies of India and Pakistan in 1948. This was the first war under the territory of Jammu and Kashmir.

In 1965, India and Pakistan went on a war for the second time over the issue of Jammu and Kashmir. This did not only affect the disputed territory but also overflowed both nations by land and in the air, and even from the sea into metropolitan India and Pakistan. One reason for this rapid deterioration in Indo-Pak relations undoubtedly lay in the increasing evidence from 1965 war that India intended sooner or later to incorporate all of its part of the state of Jammu and Kashmir into the Indian union as just another state, thus unilaterally declaring the Kashmir issue forever closed.²⁴⁹

The third war between these two countries erupted in 1971 due to the crisis of multitude matters in relations between former West-Pakistan and East-Pakistan. The breakdown in relations between West and East-Pakistan had its roots in the unstable course of political history of Pakistan. It has evolved from the time of the transfer of

²⁴⁸ K. K. Bharagava & Sridhar K. Khatri, *South Asia 2010: Challenges and Opportunities*, New Delhi : Konark Publishers Pvt. Ltd., 2001, p. 220.

²⁴⁹ Lamb, op. cit., p. 247.

power in 1947. Thus the third war of 1971 occurred mostly with the velocity of religion and ethnicity. Ethnic and religious clashes are such conflicts that develop situation for wars. These wars were low intensity conflicts in their nature, nurtured by trans-border terrorism and insurgencies. In July 1972, 'Shimla Agreement' came into existence promising India and Pakistan to maintain the status quo until they settle their differences peacefully. The issue went into cold storage after 1972, only to re emerge in 1989 after an uprising in Kashmir. Despite 'Shimla Agreement' and 'Bus diplomacy' the fourth war between these two powerful countries broke out at the freezing mountains of Kargil in 1999.

By the end of the decade of 1990s India became offender of human rights in Kashmir, and Pakistan was identified as a patron of terrorism in the name of Jihad. In 1998, the Kashmir dispute attained an extra dimension when India and Pakistan tested their nuclear devices and became overt nuclear power. By the time, Pakistan embarked on the Kargil operation in 1999, the low-intensity conflict in Kashmir was yielding mostly negative results for Pakistan in terms of international support. The Kargil operation, ostensibly meant to highlight the Kashmir cause, collapsed to make Pakistan realize that it had become too isolated internationally for the policy of highlighting to work.

Pakistanis have always believed that the former princely state of Jammu and Kashmir, more than three-quarters of whole population was Muslim, belonged by right to the Muslim dominion (now Islamic republic) of Pakistan. However, the decision of the Hindu Maharaja to become part of India in the wake of attacks by Pathan tribal invaders triggered a lightning airlift of Indian troops to the Kashmiri capital, Srinagar in October 1947. Those Indian troops saved Srinagar from the Pakistani supported tribal invaders.

Initially, Indian Prime Minister Jawaharlal Nehru promised that as soon as fighting had stopped, a plebiscite would be held to ascertain whether the people of Kashmir preferred to remain part of India or join Pakistan. No plebiscite has ever been held, however, and Nehru believed until his death that only by firmly holding Kashmir. Half a century has not sufficed to win the hearts and minds of Kashmir's mostly Muslim populace for New Delhi, however, India's army keeps on holding a million of its regular troops on permanent alert in that state. While most Kashmiri might have opted to join Pakistan a decade ago, recent polls in that long tortured state now indicate that they

decided preference for complete independence from both feuding neighbors. It could not be easy perhaps for Kashmir to support itself, but if both India and Pakistan withdrew all of their troops and New Delhi and Islamabad jointly agreed to dismantle the barricades along the Line of Control (LOC) and to guarantee the integrity of Kashmir, revived tourist trade alone might be lucrative enough to keep Kashmir solvent.

Pakistan claims that the Kashmir is India's only the state with a Muslim majority and 120 million or so Muslims are living in the wrong country.²⁵⁰ Pakistan has been insisting on third party mediation in Indo-Pak talks, it is common knowledge in Pakistan that the US think tanks favor a solution based on the conversion of the Line of Control (LOC) into the international border and a special status in Indo-Pak talks for the Kashmir leaders. India has been denying to any kind of mediation to solve the Kashmir dispute. It believes that Kashmir problem is the problem of India and Pakistan rather than of any other third country. If the situation is not normalized and rectified in time, sooner or later the dispute can take a larger shape threatening nuclear war and justifying Kashmir "the world's most dangerous place".²⁵¹

Kashmir has come to be labeled as a core dispute by Pakistan in order to prevent it from being enumerated as one of the non-core issues. The non-core disputes have become linked to conditions placed by India and Pakistan's conduct. For instance, disputes can be discussed meaningfully if Pakistan stops its cross-border infiltration of terrorists. In this formulation, the existence of non-core issues can lessen the compulsion of discussion Kashmir as the irreducible guide pro quo for Pakistan's stopping its cross-border terrorism. Today as India and Pakistan once again engage in a composite dialogue, the two sides actually betray their real positions by insisting on two different approaches. Pakistan wants the core issue discussed on priority; India wants it to be a basket among other non-core baskets.

Kashmir is a perennial and the most explosive factor of conflict relationship between Indian and Pakistan. It is currently a burning problem between the traditional rivals threatening new ruptures all the time. Historically, the Kashmir question is also a fall out of the partition politics in the immediate aftermath of independence. Kashmir, which was a princely state, with a predominantly Muslim population and a Hindu ruler,

²⁵⁰ *The Economist*, India, May 22, 1999, p. 4.

²⁵¹ *The Kathmandu Post*, Kathmandu, March 12, 2000.

was left out by the British rulers while helping the Indian government in obtaining from the Indian princes the instruments of accession. The ruler of Kashmir was also undecided about the future of his state. This has provided an opportunity to the Pakistani government, which came into existence on the basis of two-nation theory to covet its usurpation.²⁵²

In the eyes of Pakistani government, Mujahideens are freedom fighters and the government supports them according to their needs, while Indian Government treats them as terrorists as designed, funded and infiltrated by the Inter-Services Intelligence (ISI) of Pakistan to make India fragile and weak. In the eyes of the international community, it was no longer acceptable to give to Pakistan the whole or a part of Kashmir inhabited by non-Muslims. The world, therefore, started thinking more in terms of compelling India to award more genuine autonomy to the unhappy Kashmiri's return for a tacit conversion of the Line of Control (LOC) into the international border.

The Kashmir problem can be solved at the moment when international community decides to intervene in the matter to put an end to Indian state activities in occupied Kashmir and to implement UN Resolutions. These resolutions recommend demilitarization of Kashmir (through withdrawal of all outside forces), followed immediately by a plebiscite under UN supervision to determine the future status of Kashmir.

Relations between India and Pakistan have not improved to the complete satisfaction of anyone. It is a no-war-no-peace situation; it is a no-victory-no defeat state of relations. But there can be no doubt of the fact that the SAARC States have to learn to live with the co-existence of conflict and cooperation by now.

The aspirations of the people of Kashmir have to be taken into account. India and Pakistan have a stake in the Kashmir issue because both sides occupy portions of the land. But this land belongs to the people of Kashmir. They are the principal party. The Kashmir issue needs to be resolved respecting the sentiments of the people residing in Kashmir.

Former SAARC Secretary General, Yadav Kanta Silwal said the businessmen, artists and civil societies have been playing crucial role to promote people to contact, to

²⁵² E. Sudhakar, *SAARC: Origin, Growth and Future*, New Delhi : Gyan Publishing House, 1994, p. 89.

remove mistrust from high political level and establish good relationship between India and Pakistan. If there is a good relationship between them, over all South Asian scenario will be changed.²⁵³

India and Pakistan have remained for over five decades through UN mediated cease-fire in Kashmir that has failed to restore peace. Several high level Indo-Pak talks were held without substantive output. First time in the history, leaders of Kashmiri Liberation Front visited India after 60 years. Chairperson of Huriyat Conference (Umbrella Organization of Liberation Fronts of Kashmir) Mirweig and leader of Jammu and Kashmir Liberation Front (JKLF) Yasin Malik were leading the seven member's delegation team. Main aim of this visit was to put the life on peacekeeping process between two nuclear weapon competing countries.²⁵⁴

Religious nations and pre-occupied minds create the Kashmir problem and making it more complex. Kashmir problem never be solved without support and participation of Huriyat Conference and JKLF for long- term solution. So, the both countries (India and Pakistan) have to convince and involve them in negotiation to resolve the Kashmir problem forever.

4.2.2 Nuclear Competition

The process of global nuclear arms reduction had gained momentum after the Cold War with the disappearance of confrontation between the military blocs of the East and West. The black clouds of armed conflicts are forming over the sky of South Asia. Arms conflicts have been reflected either in the form of low intensity war between India and Pakistan. A low intensity war between India and Pakistan represents an extraordinary threat to human security in the region. The nature of such low intensity war is hostile and belligerent that devastates not only public ownership and national properties but also annihilates and disturbs the innocent people of the whole region.

The issue of nuclear proliferation in the South Asian continent has grown in importance since the end of the Cold War. Technology has played an important role in the development and production of nuclear weapons. The emergence of multi-polarity in the international political system contributes to the search for security within the regional

²⁵³ An interview with Yadav Kanta Silwal, former SAARC Secretary General on 23 August 2006.

²⁵⁴ *Kantipur*, Kathmandu, June 3, 2005.

areas of the world. In an attempt to meet the threat of external forces the states of India and Pakistan have developed technologies as their method to counter each-other. India and Pakistan are on the threshold of nuclear weaponization in a region that has significant border disputes and the world's highest incident of terrorist violence.²⁵⁵

South Asian people have devoted most of their thinking not to the task of how best to de-legitimize and get rid of nuclear weapons but to justify their possession, operationalizing their threat and, if considered necessary, organizing their actual use. This community has two branches. Sitting on the branch are those who pay lip service to eventual global nuclear disarmament but it is just a lip service. For this, it is only a far horizon of their thought and little consequence for the actual preoccupations that constitute their fundamental political contributions. On the other branch is who no longer pay even such lip service. They have nuclear weapons, never go away from nuclear wars and to live with it but both branches are connected in the same trunk.

India and Pakistan initiated a nuclear programme immediately after their independence. They initially started with a desire to exploit nuclear energy for peaceful purposes. Development of nuclear weapons became an indispensable part of both countries. Though it is difficult to trace the origin of the nuclear weapons programme of both the countries, it is safe to assume that both India and Pakistan had a robust nuclear weapons programme since the 1970s. The 1962 war with China and the subsequent defeat increased the pressure on India to build the nuclear weapons, which ultimately led to its first 'peaceful explosion' in 1974.²⁵⁶

Most of the Indians are seen to have greeted the Hindu religiousist government's adventure as an explosion of their self-esteem. Specially, for the western world, the decision of the Atal Behari Bajpayee government seemingly a feeble coalition arrangement to go for nuclear option was a daredevil exercise. It was natural for it to invite world wide condemnation including stinging sanctions on the part of the United States, Japan and Spain. India has to forego billions of dollars quid pro quo for her nuclear adventure. Immediately in the aftermath of India's nuke explosion the former US

²⁵⁵ Brahma Chellaney, "South Asia's Passage to Nuclear Power", *International Security*, New Delhi : n.p., 16(1), 1991, p. 43.

²⁵⁶ RCSS, *Defense, Technology and Cooperative Security in South Asia*, Colombo : Regional Centre for Strategic Studies (RCSS), February 2004, p. 8.

President Bill Clinton imposed economic sanctions on India. As a result, India had to be deprived of military and economic aid to the tune of about 140 million annually. However, in response to the western sanctions Indian Prime Minister Bajpayee said in an interview with the Newsweek: "It is an illusion on the part of those who impose sanctions that their action will weaken our resolve or force us to retreat. India has immense innate strengths."²⁵⁷

The electoral success of the Bharatiya Janta Party (BJP) in India was a crucial factor in India's nuclear tests in 1998. Nuclear weapons test in May 1998 brought conflict between Indo-Pak relations. The nuclear tests not only caused a nuclear arms competition between the two but also caused other countries in the region to increase their military budgets, thus fueled a regional arms competition.²⁵⁸ The nuclear tests in 1998 by India and Pakistan were events that shook the region.

In May 1998, India and Pakistan conducted tit-for-tat nuclear tests. The tests invited near universal international condemnation. They also produced grave prognostications about a nuclear arms race in South Asia. Proliferation and security experts claimed that South Asia was the likeliest site for a potential nuclear arms exchange in the future. In the wake of the tests, the United States, Canada, and Japan imposed economic and military sanctions to punish New Delhi and Islamabad for their nuclear transgressions. Simultaneously, the United States also began a serious bilateral dialogue with leaders in both countries to cap the nuclear arms competition in the region, to establish strategic stability and repair the nuclear non-proliferation regime. This issue provides a snapshot of South Asia's nuclear realities eight years after (in 2006) the nuclear tests. It also outlines the structural factors that contribute to strategic instability in South Asia and fleshes out some of the safety and security issues concerning the nuclear weapons complex in both countries, which have implications for both regional and global security.

Both countries continue to aggressively upgrade their nuclear delivery systems. Both have the power of delivering nuclear weapons and well-developed ground-based missile delivery systems that can be launched from mobile launchers, virtually ensuring an operational delivery capability. The risk of unauthorized or inadvertent use of nuclear

²⁵⁷ *The Telegraph Weekly*, Kathmandu, June 17, 1998.

²⁵⁸ *The Kathmandu Post*, Kathmandu, June 30, 1998.

weapons in South Asia has concerned all Member States of the SAARC. While command and control redundancy is essential at all times, a lack of it becomes much more dangerous during crises and conflicts. Community of strategic experts in India and Pakistan say that the loudest and most frequent voices are raised in support of the claim that nuclear weapons are to be welcomed through the 'wondrous' workings of deterrence. They enhance the stability and security of the countries of South Asia, especially to India and Pakistan. Nuclear power is well established in India. Its nuclear strategy has been directed towards complete independence in the nuclear fuel cycle, necessity because of its outspoken rejection of the 1970 nuclear Non-Proliferation Treaty (NPT). The size and composition of India's nuclear arsenal is difficult to determine. The Indian Atomic Energy Commission (IAEC) states that the series of five nuclear test explosions in May 1998 involved both fission and fusion designs. India has a flourishing and largely indigenous nuclear power program and expects to have 20,000 MW nuclear capacities on line by 2020.

India advocated its nuclear powers as a source of national pride. Economic revival will take a lot of sweat, tears and time, the bomb tests were also meant to be a short cut to greater world prominence. India refused to count the cost of measuring its worth in military plutonium, rather than industrial silicon. Nuclear information of India and Pakistan is given below.

Table No. 4.2

Nuclear information of India and Pakistan

India and Pakistan ballistic missile flight tests from October 2003 to May 2005

India: ballistic missiles

Date	Missile	Nature	Range	Payload
23 January 2004	<i>Prithvi I</i>	Surface to surface	150 km	1,000kg
19 March 2004	<i>Prithvi II</i>	Surface to surface	250 km	500kg
3 July 2004	<i>Agni I</i>	Surface to surface	700 km	1,000kg
29 August 2004	<i>Agni-II</i>	Surface to surface	2,000 km	1,000kg
27 October 2004	<i>Prithvi III (Dhanush)</i>	Surface-to-surface	350 km	1,000kg
7 November 2004	<i>Prithvi III (Dhanush)</i>	Surface-to-surface	350 km	1,000kg
12 May 2005	<i>Prithvi II</i>	Surface-to-surface	250 km	500kg

Pakistan: ballistic missiles

3 October 2003	<i>Hatf III (Ghaznavi/ M-11)</i>	Surface-to-surface	280 km	500 kg
8 October 2003	<i>Shaheen I (Hatf IV)</i>	Surface-to-surface	750 km	500 kg
14 October 2003	<i>Shaheen I (Hatf IV)</i>	Surface-to-surface	750 km	500kg
9 March 2004	<i>Shaheen II (Hatf VI)</i>	Surface-to-surface	2,000 -2,500 km	1,000kg
29 May 2004	<i>Ghauri I (Hatf V/ No-Dong)</i>	Surface-to-surface	1,300 km	1,000kg
4 June 2004	<i>Ghauri I (Hatf V/ No-Dong)</i>	Surface-to-surface	1,300 km	1,000kg
12 October 2004	<i>Ghauri I (Hatf V/ No-Dong)</i>	Surface-to-surface	1,300 km	1,000kg
29 November 2004	<i>Hatf III (Ghaznavi/ M-11)</i>	Surface-to-surface	280 km	500kg
8 December 2004	<i>Shaheen I (Hatf IV)</i>	Surface-to-surface	750 km	500kg
19 March 2005	<i>Shaheen II (Hatf VI)</i>	Surface-to-surface	2,000 -2,500 km	1,000kg
31 March 2005	<i>Hatf II (Abdali)</i>	Surface-to-surface	190 km	500kg

Selected ballistic missile flight tests by India and Pakistan

INDIA: selected ballistic missile flight tests from February 1988 to August 2004		PAKISTAN: selected ballistic missile flight tests from February 1989 to March 2005	
Name	Date	Name	Date
<i>Prithvi I</i>	25 February 1988	<i>Hatf I</i>	6 February 1989
“	11 February 1991	“	7 February 2000
“	5 May 1992	<i>Hatf II (Abdali)</i>	6 February 1989
“	7 February 1993	“	28 May 2002
“	26 March 2003	“	26 March 2003
“	29 April 2003	“	31 March 2005
“	23 January 2004	<i>Hatf III (Ghaznavi/M-11)</i>	3 July 1997
<i>Prithvi II</i>	27 January 1996	“	26 May 2002
“	23 February 1997	“	3 October 2003
“	16 June 2000	“	29 November 2004
“	31 March 2001	<i>Hatf IV (Shaheen I)</i>	15 April 1999
“	12 December 2001	“	4 October 2002
“	19 March 2004	“	8 October 2002
“	12 May 2005	“	8 October 2003
<i>Prithvi III</i>	11 April 2000 (failure)	“	14 October 2003
“	21 September 2001	“	8 December 2004
“	27 October 2004	<i>Hatf V (Ghauri I/Nodong)</i>	6 April 1998
“	7 November 2004	“	25 May 2002
<i>Agni</i>	22 May 1989	“	29 May 2004
“	29 May 1992 (failure)	“	4 June 2004
“	19 February 1994	“	12 October 2004
<i>Agni I</i>	25 January 2002	<i>Hatf VA (Ghauri II)</i>	14 April 1999
“	9 January 2003	<i>Hatf VI (Shaheen II)</i>	9 March 2004
“	3 July 2004	“	19 March 2005
<i>Agni II</i>	11 April 1999	TOTAL	24 Tests
“	17 January 2001		
“	29 August 2004		
TOTAL	27 Tests		

Source: www.iiss.org

The above table shows the nuclear name, flight tests date, nature, range and payload, which were already tested by India and Pakistan. India is in better position in nuclear weapons than Pakistan. Pakistan also has been developing nuclear weapons in recent years. India and Pakistan are doing competition on nuclear weapons, which is hampering the entire development of the SAARC and making South Asia as a dangerous and unsafe place in the world. This is a sorrowful matter to South Asian people. So, India and Pakistan have to decrease their expenditure on nuclear weapons and invest that money in development and public sectors in their own country to better quality of life of people that is a demand of South Asian people and the present era.

Pakistan's nuclear weapons programme started in the 1970s. Pakistan's efforts to achieve nuclear weapons coupled with Chinese assistance. Pakistan's nuclear weapons programme played a crucial role in the 1980s. Pakistan has been active since the early 1980s in acquiring ballistic missiles and missile technology. This has resulted in the acquisition and development of an imposing list of missile systems. These systems are all basically derivatives of Chinese and North Korean technology.

In the wake of Pakistan's test firing of its first intermediate range missile in 1998 with a range of 1500 km., the Ghauri, former Prime Minister Nawaz Sharif had warned the Bill Clinton administration in advance of India's clandestine plan with regard to nuclear explosion. After a few weeks of Indian explosion, Pakistan retaliated by exploding six nuclear devices coinciding with Indian President Narayan visited to Nepal thus triggering nuclear arms race in already volatile South Asian region. Pakistan's 'tit for tat policy' vis-à-vis Indian nuclear explosion has made this region more vulnerable from security point of view.

In 1995, Non-Proliferation Treaty (NPT) was prolonged unconditionally and indefinitely. The Comprehensive Test Ban Treaty (CTBT) was passed in 1996, and it has been signed by more than 170 nations. These nuclear tests will no doubt impede the development of cooperative security in South Asia.

In the mean while, Indian Prime Minister Atal Behari Bajpayee has made it clear that his country will not sign the Comprehensive Test Ban Treaty (CTBT) unless the discriminatory clauses were done away with. Understandably, the Pakistani sides also

avoid signing of the CTBT.²⁵⁹ The United Nation's Security Council has urged both India and Pakistan on May 29, 1998 to sign the NPT and the CTBT without delay and without conditions. While, the United States of America is pressing hard India and Pakistan to sign the CTBT.

With both sides owning nuclear weapons, nuclear war has become a real possibility in this region. It was disparately reckoned that the arsenals could be used during Kargil war, provided the situation had gone beyond control. Fortunately, the innocent human beings of this region did not have to face with such unpredicted vulnerable disaster.

Nuclear related agreements have been signed and ratified or acceded in some measures by India and Pakistan. International conventions are also given below that have neither been signed nor ratified.

Treaty/ Convention/ Agreement:²⁶⁰

- a. Agreement on the Prohibition of Attack Against Nuclear Installations and Facilities.
- b. The Antarctic Treaty.
- c. Code of Practice on the International Trans boundary Movement of Radioactive Waste.
- d. Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency.
- e. Convention Concerning the Protection of Workers Against Ionizing Radiation.
- f. Convention on Early Notification of a Nuclear Accident.
- g. Convention on the Liability of Operators of Nuclear Ships.
- h. Convention on Nuclear Safety.
- i. Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter.
- j. Food and Agriculture Organization/ United Nations - nuclear projects.
- k. Lahore Memorandum of Understanding.

²⁵⁹ *The Telegraph Weekly*, Kathmandu, May 20, 1998.

²⁶⁰ <http://www.southasianmedia.net/majorissue/index.cfm>.

- l. International Convention for the Safety of Life at Sea.
- m. Regional Co-operative Agreement for Research, Development and Training in Nuclear Science and Technology in Asia and the Pacific.
- n. Safeguards Agreements with the IAEA.
- o. Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and other Celestial Bodies.
- p. Treaty Banning Nuclear Weapon Tests in the Atmosphere in Outer Space and Under Water.
- q. Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Seabed and the Ocean Floor and in the Sub soil, and
- r. United Nations Convention on the Law of the Sea.

The weaponization of the region has presented a significant problem in policy making by the western states, particularly by the United States. If there is a continued increase of nuclear weapons on the South Asian continent, then this region will be a source of continued conflict into the next century.

Various descriptions of the Indo-Pak conflict:

- a. There is a clash of civilization between Islam and Hinduism, represented in South Asia by India and Pakistan.
- b. It is for Pakistan, a cause of revenge to India's role in breaking up East Pakistan.
- c. Jammu and Kashmir was strategically required by Pakistan as a US allies against Russia and India.

The nuclear weapon capabilities of both countries have arisen independently of the nuclear fuel cycle. Both use indigenous uranium because they are outside the NPT; they are largely excluded from trade in nuclear plant or materials, which has hampered their development of nuclear energy. Nuclear weapons constitute state terrorism and that is bound to generate non-state terrorism.

There is much need to strengthen relations and cooperation among the countries of South Asia. That is the only way forward. This region has unfortunately become one of the most dangerous places on the earth. Nuclearization of the two major countries in the region can spell disaster for the rest of other Member Countries of the SAARC as

well. South Asian States have candidly highlighted their concerns and have consistently called for dialogue as the way to ensure peace and stability in South Asia.

If on the one hand, India and Pakistan through these nuclear tests have elevated their respective ranks in the comity of nations, the events have concurrently, on the other, frightened small nations like Nepal, Bangladesh and Sri Lanka. These small nations neither can influence the two big of the SAARC nor can remain speechless over these sad happenings which have caused the people and the leaders of these countries continued sleepless nights for fear of the nuclear arms race that was on now in their part of South Asia. It is perhaps time that the smaller and non-nuclear states contain the nuclear threat that has already encircled these nations

The nuclear tests have created certain equilibrium in South Asia which as South Asian States have generated a commonality of interest of both India and Pakistan vis a vis the five nuclear powers as well as against the sanctions imposed by some of the G-8 countries. Additionally, it has created urgency for both of them to give continuity to their dialogue on the various pending issues. If such scheme will be acceptable to India and Pakistan, then it will deescalate nuclear confrontation between the two South Asian bigger powers leading to positive climate to South Asian cooperation.²⁶¹

Nuclear competition between India and Pakistan made South Asia one of the most dangerous conflict prone sites in the world. Entire region is terrifying and feeling insecure by unhealthy nuclear competition between them. This is not only bilateral problem of India and Pakistan; it is a regional problem because it effected to the entire region. So, South Asian States have to solve this problem by collective efforts.

The disputes between two larger countries, India and Pakistan of the SAARC have been causing various negative effects in the postponement of the SAARC Summits from time to time. According to the SAARC Charter, the Summit can hold by the consent of all Member Countries, it has just been held Fourteen times in 22 years of its establishment. Hostile relationship between India and Pakistan is mainly causing failure to common perspective and concept of the SAARC.²⁶² There are many bilateral problems between India and its South Asian neighbors. One looks other with fear, suspicion and

²⁶¹ Lok Raj Baral, *Regional Framework for Amity and Peace in South Asia*, Kathmandu : Centre for Nepal and Asian Studies (CNAS), TU, 1988, p. 7.

²⁶² *Kantipur*, Kathmandu, August 22, 2001.

distrust. So the bilateral relations between India and other regional states are still not free from tension.

Bilateral issues between India and Pakistan have been dominating to the SAARC Summits. In consequence, other issues of Member Countries have been lying on shadow. Some times, the SAARC Summits were postponed by this reason. So, India and Pakistan have to take one step-ahead action above religious notions and pre occupied minds to solve the bilateral problems for better quality of life of South Asian people, especially people of India and Pakistan. If it is done by India and Pakistan, South Asian scenario will be changed.

4.3 Nepal – India

Nepal and India are close neighbors bound by ties of history, culture and geography. Nepal is a mountainous kingdom sandwiched between Asian giants- China to the North and India to the South with diverse social and political system. For a long time Nepal was forced to adopt a policy of isolation because of its landlocked position. The rise of the British Empire in India and the vested interests of the Rana rulers of the time, Nepal adopted for a policy of Non-alignment, which has become the cornerstone of its foreign policy.²⁶³ This policy best suited to Nepal's national interest, which enabled it to chart an independent course, deciding each international issue on its own merit. Relation between India and Nepal are close yet fraught with difficulties stemming from geography, economics, and the problems inherent in big power-small power relations, and common ethnic and linguistic identities that overlap the two country's borders.

Nepal has cooperation and conflict with India. Cooperation as well conflict are determining the relationship between Nepal and India. There are many bilateral issues between them such as Koshi, Gandaki, Mahakali Agreements or Treaties, Peace and Friendship Treaty, Maoist Insurgency, Boarder Issues etc. Among them, Peace and Friendship Treaty and Maoist Insurgency are still major and complex bilateral issues between them that are given below.

²⁶³ CBC, *Economic and Social Statistics of Sri Lanka*, Kelaniya : Central Bank of Ceylon (CBC), 1981, p. 46.

4.3.1 Peace and Friendship Treaty

Nepal-India relation developed after the Second World War. Even after India's independence from British in 1947, Nepal-India relations continued to be based on the Second Treaty of Sugauli, which was signed with the Government of British India in 1923. The Treaty of Peace and Friendship was signed in July 31, 1950 with each-other appointed as their plenipotentiaries the following persons, namely, the Government of India, His Excellency Shri Chandreshwor Prasad Narayan Singh, and Ambassador of India in Nepal; the Government of Nepal Mohan Shamsheer Jung Bahadur Rana, Maharaja, Prime Minister and Supreme-Commander-in-Chief of Nepal. The Treaty of Peace and Friendship, which is still cornerstone of Indo-Nepal relations was almost defense pact between the two countries.²⁶⁴ Under the Treaty of Peace and Friendship, the two governments agreed to consult mutually on matters relating to national security and defense in addition to respect each other's sovereign independent status.

They agreed to continue diplomatic relations; and, on matters pertaining to industrial and economic development, to grant rights equal to those of its own citizens to the nationals of the other residing in its territory. It became a major turning point for the movement of Indian people to Nepal and the Nepal-India open border further reinforced it. However, it did not materialize until the installation of democracy in February 1951, which replaced the oligarchic Rana regime within three and a half months of the signing of the treaty. The letters of exchange that were appended with the treaty made it more specific:

Neither government shall tolerate any threat to the security of the other by a foreign aggressor. To deal with any such threat the two governments shall consult each other and devise effective counter measure.²⁶⁵

Thus, the treaty and letter exchanged with it had important implications for the mutual security arrangements between the two countries especially during the sixties when India faced hostilities from China and Pakistan: Commenting on this treaty then Indian Prime Minister Jawaharlal Nehru said,

²⁶⁴ Shiva Bahadur Singh, *Indo-Nepalese Relation: Discord and Harmony*, Varanasi : Ganga Kaveri Publishing House, 1994, p. 40.

²⁶⁵ *Ibid*, p. 41.

"When we came into the picture, we assured Nepal that we could not only respect her independence but see, so far as we would, that she developed into a strong and progressive nation. We went further in this respect than the British government had done and Nepal began to develop other foreign relations. Frankly, we do not like and shall not brook any foreign interference in Nepal. We recognized Nepal as an independent country and wish her well. But, no other country can have intimate relationship with Nepal as ours is. We would like every other country to appreciate the intimate geographical and cultural relationship that exists between India and Nepal."²⁶⁶

After the British withdrew its colonial rule from India in 1947 and the rise of communists in China two years later, Rana rulers of Nepal found themselves isolated and deserted without the support of neighboring countries. Internally, the political squabble within the Rana family and the change of forceful overthrow of the oligarchic rule posed by the democratic forces created a deep seated fear in the Rana rulers who feared of looking not only their huge fortune but also the extraordinary privileges they enjoyed.

It is clear that the Treaty of Peace and Friendship constituted a step ahead of the 1923 Treaty. It ties Nepal with India's northern security system on the Himalayan frontier and the latter's special position in the Kingdom was asserted. Nepal, on the other hand, for the first time secured an explicit recognition of its independent sovereign status from the government of independent India.

Particularly, there are two articles in the treaty (articles 6 and 7), which without duplicity in interpretation, have such provisions that can undermine the independent status of the state in charting out its own agenda for development. Article 6 clearly states that each government will give to the nationals of the other in its territory "national treatment" with regard to participation in industrial and economic development of such territory and to the grant of concessions and contracts related to such development. Article 7 states that both the governments agree to grant on a reciprocal basis to the nationals of one country in territories of the other the same privileges in the matter of residence, ownership of property, participation in trade and commerce movement and

²⁶⁶ Manik Lal Bajracharya, *Nepal-India Relationship. . . ? (Myth and Realities)*, Kathmandu : Anil & Rajiv Bajracharya, n.d., pp. 121-122.

privileges of a similar nature (see appendix - 3).²⁶⁷ But it does not secure the Nepalese citizens from unequal and unhealthy competition from skilful Indians. Both the Indians and Nepalese hold somewhat similar views regarding control of the border for the purpose of management so that there is an orderly flow of goods and people. However, there is a distinct perception of Nepalese policy makers not to close the border but to regulate it. Harka Gurung, head of New Era recommends particularly three suggestions to Nepal for national policy change: (i) The border with India (approximately 800 miles) needs to be regulated to systematize and control the flow of migration; (2) Citizenship needs to be issued after clearly identifying the Nepali people of the Terai, and (3) Work permit needs to be introduced to all foreigners working in Nepal.²⁶⁸ It is unlikely that the Nepalese government can unilaterally implement any bold plan of similar nature given the intransigent attitude.

The Treaty of Peace and Friendship was made subject to various types of controversies after the Rana regime. Subsequent developments in Nepal have not changed this legal document on which India's relations with Nepal are based till today. However, it has created a number of misunderstandings and misconceptions from time to time. It is evident that while the government of India felt that it had responsibilities and special interests in Nepal; the Nepalese always insisted that Nepal was independent throughout her history and more so since British withdrawal from India. Nepalese nationalist could not deny the reality during the Rana-British period; the Rana rulers of Nepal had allowed the British-rulers in India to have predominant influence on Nepal. Tensions came ahead between India and Nepal in the mid-1970s, when Nepal pressed for substantial amendments in its favor in the trade and transit treaty.

In 1975, when King Birendra Bir Bikram Shah proposed that Nepal be recognized internationally as a Zone of Peace, he received immediate support from China and Pakistan. In New Delhi's view, if the king proposal did not contradict the Peace and Friendship Treaty and was merely an extension of Non-alignment, it was unnecessary; if it was a repudiation of the special relationship, it represented a possible

²⁶⁷ Jitendra Dhoj Khand, *Nepal's Relations, Cooperation and Peace*, Kathmandu: Prava Khand, 1984, p. 341

²⁶⁸ As told by Harka Gurung, Head of New Era, during an interview on 16 July 2006.

threat to India's security and could not be endorsed. In 1984, Nepal repeated the proposal, but there was no reaction from India.

The Peace and Friendship Treaty is basically political documents that provides for common defense. Many changes have taken place in both Nepal and India since the conclusion of the Peace and Friendship Treaty, and both sides have intermittently derogated from several of its provisions. Nevertheless, India has no wish to alter these provisions because in its view, opening a formal debate on the matter may give rise to numerous problems, with India in the end losing the privileges it currently enjoys. In the past, Nepal had both formally and informally indicated that it is not satisfied with the treaty and seeks changes in its terms. Although, either party with one year's notice can terminate the treaty, the Nepal government lacks the courage to do so since the consequences of a unilateral abrogation are unpredictable. As a result, serious frictions have frequently occurred between the two nations, and they reached a climax in March 1989 at the expiration of the trade and transit treaties.

Indo-Nepal relation appeared to be reassessed when Nepal's late former-Prime Minister Manmohan Adhikari visited New Delhi in April 1995 and insisted on a major review of the Peace and Friendship Treaty. In the face of the first statements by his Indian host relating to the treaty, Adhikari sought greater economic independence for his landlocked nation while simultaneously striving to improve ties with China.

Prompted perhaps by the Gujral Doctrine which mainly centers around the stipulation that India will not seek any reciprocity whatever, while dealing with her small neighbors including Nepal, the Nepalese Foreign Ministry had vociferously signaling to India either through media or in person the need to replace the Peace and Friendship Treaty by a new one. In the process, the Nepalese former Foreign Minister, Kamal Thapa, only three weeks back had sounded through a tete-a-tete with the NTV that under the changed circumstances, the treaty signed with India 47 years ago had got to be replaced by a now one which represented the aspirations of the people and the requirements of the changed circumstances.

Nepalese people admire the great significance to Thapa's courage in having put Nepal's feelings regarding the treaty to the Indian establishment in a straightforward manner, which by all means could be attributed to the dawn of democracy in the country.

Minister Thapa, however, said that Nepal needed the replacement of the Peace and Friendship Treaty with a new one but not the abrogation.²⁶⁹ Treaty of Peace and Friendship to be terminated on either side by one year's notice that abrogated all previous treaties on this subject between Nepal and British ruled in India.²⁷⁰

Director of SAARC Secretariat, Rishiram Ghimire said that Nepal could not put an official process in written to India about review of Peace and Friendship Treaty, which is an unequal treaty. This is a big weakness of Nepalese leaders.²⁷¹

For all practical purposes this treaty is based on sovereign equality and reciprocity. Both sides misinterpreted about the Treaty of Peace and Friendship. While the Indian side nurtured the wrong notion that the treaty authorized India to claim her special position in Nepal, the Nepalese side rightly thought that it recognized Nepal's integrity and sovereignty, therefore, India cannot claim special position as has been claimed frequently. As discussed elsewhere in this matter, so far mutual consultation with regards to security threat is concerned; it has been made abundantly clear that either side can take no unilateral action. And Nepal reserved the right to decide herself how to deal with it. During the visit of Nepalese Interim Prime Minister K.P. Bhattarai in 1989, the Janata Dal regime in India had already covered by the controversial Treaty of Peace and Friendship. It was made especially clear that in the security aspects, Nepal and India can consult each-other.²⁷² The Peace and Friendship Treaty that Nepal had concluded with the head of the oligarchy called Rana regime in its last days in power has survived to this day, much to the discomfort of some Nepalese. The whole process was conducted in such a discreet manner that most of the provisions that could have aroused objections in Nepal were included in letters exchanged on the day the treaty was signed, and the existence and contents of these letters were kept secret for nine years. The letters were not attached to the treaty when it was registered with the United Nations.²⁷³

Treaty of Peace and Friendship was a robust imitation of the 1923 Treaty between British India and the Ranas. It could not and did not go down too well with

²⁶⁹ *The Telegraph Weekly*, Kathmandu, September 17, 1997.

²⁷⁰ Bajracharya, *op. cit.*, p. 120.

²⁷¹ As told by Rishiram Ghimire, Director of SAARC Secretariat, during an interview on 4 September 2006.

²⁷² Bajracharya, *loc.cit.*, f.n. 26.

²⁷³ *The Telegraph Weekly*, Kathmandu, February 21, 1996.

many Nepalese, who felt that the treaty was unequal, non-credible and un-democratic, and who bristled openly at the suggestion that India's security perimeter legitimately extended up to the Himalayas. Nepal had dissatisfaction with Peace and Friendship Treaty and likes to renegotiate it. India's own unspoken security doctrine hinges on its strategy of preventing its neighbors from communicating with extra regional powers.

Nepal has a very complex bilateral relationship with India governed by the Treaty of Peace and Friendship in 1950. A great deal of understanding and good will is required from both sides in order to make the bilateral treaty work in the interests of both countries. Understanding and good will could be made long lasting if both countries approached the problems surrounding the Peace and Friendship Treaty within the framework of the SAARC and in conformity with the principles of the Charter of the United Nations.

A great deal of hue and cry is being raised on the issue whether the Peace and Friendship Treaty could continue in an amended form or abrogated into. However, the reality fortunately or unfortunately is that the people of Nepal right from the day July 31, 1950 when it had been signed have never accepted this treaty willingly and whole heartedly. It is a matter of shame that even India was ready to listen to it; Nepal does not put clearly to advance own views to them. Against this shameful scenario, there is nothing surprising when many delegations return home with packages of new assurances from the other party.²⁷⁴ Nepalese leaders in their fiery speeches always demand replacement of the treaty but when it comes to the crunch, it is not known what makes them go on hibernation.

Former SAARC Secretary General, Yadav Kanta Silwal claimed that Nepal did not take assist of international experts for equitable distribution in any kind of treaty or agreements with India. In consequence, Nepal has been doing unequal treaty with India. For example: Peace and Friendship Treaty, Koshi, Gandaki, Mahakali Treaty or, Agreements etc. This is a big mistake and weakness of Nepalese leadership.²⁷⁵ Nepal has been maintaining political equidistance with its neighbors in order to live in peace and friendship. Nepal-India relation continues to be dominated by Treaty of Peace and Friendship.

²⁷⁴ *The Telegraph Weekly*, Kathmandu, August 20, 1997.

²⁷⁵ An interview with Yadav Kanta Silwal, former SAARC Secretary General on 23 August 2006.

Treaty of Peace and Friendship is, undoubtedly, a very significant document for Nepal because it is the only valid document in which Nepal's sovereignty has been recognized by India. Without going into depth and exploring possibilities of rectifying the shortcomings, this treaty will be made more controversial. Such actions from either side are definitely uncalled for. Between the friends, there are doubts and misconceptions. Only the mutual trust can strengthen friendship. Therefore, Nepal and India have to remove doubts and misunderstandings without delay through free and frank discussions. The Treaty of Peace and Friendship between India and Nepal has forced Nepal to reduce the country's total dependence on India.

4.3.2 Maoist Insurgency

The Maoist insurgency has created a number of problems and challenges and its negative impacts has been seen in all aspects of Nepalese life as well security aspect of India. It has also negatively affected the bilateral relation between India and Nepal. Generally, Maoist insurgency was originated in Nepal and it was national issue for Nepal but it became bilateral issue for Nepal and India. Maoists activities are still raising within both countries because still they are cooperating each other for achieve their goals.

Maoist insurgency has been viewed in the light of Nepal's history of communist movement. Communist Party of Nepal (CPN) was constituted by the Nepalese youths who were influenced by the success of Russian October Revolution of 1917 and Chinese People's Revolution of 1949. These revolutions prevailed against the exploitation of imperialism, feudalism and colonialism. Immediately after World War II, the Indian Communist Party (ICP) involved in the process of struggle against British colony and influenced Nepalese youths residing in India. Those youth with strong vows to restore democracy in Nepal joined their hands together under the red banner of the Communist Party of Nepal. The educated people were attracted and attached with the sentimental waves of Marxism and Maoist thought which were floating over the sky of under-developed countries. The hidden agenda of constituting the Communist Party of Nepal was to gear up the struggle against Rana autocracy, which had been reigning over the Nepalese subjects for more than 100 years. The party was totally motivated by the political mottos and objectives. The Communist Party of Nepal was constituted on 22 April 1949. The founder members of the party were Pushpalal Shrestha, Nar Bahadur

Karmacharya, Niranjana Govinda Baidhya, Tulsi Lal Amatya and Shambhu Ram Shrestha.²⁷⁶

The communist movement in Nepal that first appeared in 1949 after the formation of Communist Party of Nepal under the leadership of late Pushpa Lal Shrestha that emerged in intellectual opposition to the Nepali Congress, though at times, they united against their common foes, first the Ranas, and subsequently, the monarchy.

The First Convention of Communist Party of Nepal was held on 30 January, 1954 and concluded after nine days, electing Man Mohan Adhikari as its first party General Secretary.²⁷⁷ Pushpa Lal and Mohan Bikram Singh followed the ideology of 'Mao thought' emerged in China. In basic sense, no substantive difference was found between themselves except the strategic policy to achieve the goal of 'New People's Democracy' a perpetual ideology of Mao. All the communist parties of Nepal had more or less the same objective of obtaining 'New People's Democracy' but the means were different.

In 1960, Nepal's brief exercise in democracy was dissolved when King Mahendra seized state power and banned all political parties. During this era of prohibition, the Communist and Congress Parties continued functioning. Apparently unsure who exactly was their enemy and underpinned by the loosest of ideology, the communists began disagreeing amongst themselves and various units began acting independently. Personality of differences fractured them further, and as a result, Nepal saw at one moment as many as 19 Communist Parties.

In 1974, two radicals, Mohan Bikram Singh and Nirmal Lama succeeded in holding the historic fourth convention and their official declaration departed significantly from Puspallal's belief that the communists needed to join hands with congress to fight against absolute monarchism. They instead began a people's movement that could be easily converted into an armed revolt at the appropriate time. The present Maoist top leaders were born of this movement.

Meanwhile, an armed communist revolution popped up quite unexpectedly in Jhapa in the southeastern corner of Nepal and across the border from the Naxalbari

²⁷⁶ Bhim Rawal, *Nepalma Samyabadi Andolan: Udbhav, Vikas Ra Bartaman Avastha (Communist Revolution In Nepal: Origin, Development and Present Situation)*, Kathmandu : Pairabi Prakashan, 1990, p. 29.

²⁷⁷ *Ibid*, p. 37.

region in India. This romantic adventure was inspired by the Naxalite movement well underway in West Bengal, and led by young activists bent on eliminating 'class enemies' in Jhapa. The King easily suppressed it due mainly to the inexperience of the leaders, the suppression of Naxalites in India, and the lack of militancy in other districts of Nepal. The leaders of Jhapa movement even took to the constitutional path and participated in later *Panchayat*. The Jhapa movement was just one example of the extreme left continuously present in Nepal.

In 1983, Mohan Bikram separated from the CPN (Masal) and only two years later, a faction within Masal broke away and formed the CPN (Mashal). At its head was Pushpa Kamal Dahal (Prachanda), the military head of today's Maoists. This cacophony of communist movements remained until 1990. An united front of Congress Party and the united left front a grouping of seven left parties organized the People's Movement against King Birendra's (Panchayat) system and after only two months with a small loss of lives multi-party democracy was restored in Nepal. Both Masal and Mashal did not join the movement until street protests had gained momentum but were quick to capitalize on its success, forming the United People's Front (UPF) to act as force in the coming elections. A constitution was promulgated in November of 1990, and in the following elections; Congress took 110 seats, CPN- United Marxist Leninist 69 seats, and UPF 9 seats.

The factions still could not co-exist and by mid-1994, there was further splintering. One group headed by Nirmal Lama was given official recognition in parliament while the other led by Baburam Bhattarai (the Maoist's current mouthpiece and architect of political propaganda) was spurned. In March of 1995, Baburam's group held its 'third plenum' at which they renamed their group, the CPN – Maoist and foreswore elections to take up arms.

In the early beginnings of the insurgency, successive governments viewed the Maoists as a law and order problem and unleashed the police against them. In late 1995, the Central Government under Home Minister Khum Bahadur Khadka, elected from Dang district near the heart of the insurgency, responded with a police operation codenamed 'Romeo'. Many believed that Khadka considered the rise of the extreme left in his home as an affront and thus it resulted in the particular ruthlessness of 'Romeo'.

The only success was the thorough alienation of the local peasantry as suppression in those areas rose to the level of state terror.

It is no secret that Nepal, a country sandwiched between two Asian giants-India and China, is suffering from the worst political crisis in its history. A constitutional democracy that was restored following the 1990's people's movement appears to be on the verge of collapse due to continued success of Maoist insurgency or "People's War" that was launched in February of 1996 by the Communist Party of Nepal-Maoist (CPN-Maoist). The Maoist People's War has become a direct threat and a death-knell to the government of Nepal. The CPN-Maoist first fired its salvo of "People's War" on February 12, 1996 seeking to destroy constitutional monarchy and aiming to establish a Maoist people's democracy.

The CPN-Maoist proclaimed its launch of *Jana Yuddha* in the remote and impoverished western hills of the country on 12 February 1996. The party declared that it wanted to destroy constitutional monarchy and turn Nepal into a *Ganatantra* by establishing *Naulo Janbadi Vyavastha* through a People's War including armed struggle. It also stated that it wanted to ensure the transition of society to socialism through exercising the system of New People's Democracy, something that China practiced under the rule of Mao-tse Tung.

The insurgency that began from 3 mid-western hilly mountainous districts of Rolpa, Rukum, and Jajarkot, western district of Gorkha and an eastern district of Sindhuli. Now Maoist activities spread to all over the Nepal and India also. By mid-January 2001, the Maoists had declared the formation of provisional revolutionary district governments in Rukum, Jajarkot, Salyan and Rolpa districts.

In February 1996, Baburam Bhattarai presented the Nepali Congress led coalition government of Sher Bahadur Deuba with a list of 40 demands that covered the complete range of nationalism, democracy and livelihood. The demands included abrogation of existing Indian treaties, stripping the monarchy of all power and privileges, drafting a new constitution by means of a constituent assembly, nationalizing the property of capitalists, declaration of Nepal a secular nation, an end to all foreign aid and a number of social reforms and development demands. Bhattarai stated that if the government could not take immediate steps towards fulfilling these demands by February 17, 1996,

they will be forced to embark on an armed struggle against the existing state. Four days earlier than the stated deadline, the Maoists struck simultaneously in six districts.

The Maoist insurgency has survived eleven years period and continues to enter into new phases itself is a clear indication that the movement is no longer a temporary phenomenon without social bases. The most disturbing situation for the counter-insurgency planners is that many of the Maoist affected areas are inhabited by a large number of well trained retired Indian and British Army (Gurkha Soldiers). Authorities suspect that some of these retirees provided training to Maoist guerrillas.

There is strong ideological dimension to the Maoist insurgency whether; it is right or wrong, and the Mao's ideology and 'People's War' strategy propounded by Mao-tse Tung. The CPN-Maoist is the founding member of Revolutionary Internationalist Movement (RIM) and President of Coordinate Committee of Maoist Parties and Organizations of South Asia (CCOMPOSA). Perhaps CPN-Maoist is the most influential member of both organizations.

Table No. 4.3

Numbers of victims killed by State and Maoists (according to the occupation) in connection with the "People's War"*

Occupation	By State	By Maoist	Total
Agricultural workers	1287	740	2027
Teachers	57	84	141
Political workers	5386	417	5803
Police personnel	14	1287	1301
General people	163	280	443
Students	194	133	327
Civil servants	39	528	567
Social workers	6	7	13
Business persons	44	103	147
Workers	137	73	210
Health workers	2	4	6
Army personnel	11	661	672
Photographers	2	3	5
Journalists	10	4	14
Law professionals	0	2	2
Prisoners	1	3	4
Dacoits	9	4	13
Engineer	0	1	1
Unidentified persons	921	248	1169
Total	8283	4582	12865
Conflict-induced displacement in Nepal 2002-2004			
By State	By Maoist	Due to terror	Total
3767	11632	22792	38191

Note: * refer to 13 February- 30 December 2005.

Source: www.inseconline.org

The above table shows that the number of victims killed by the state is higher than Maoist and number of displacement in Nepal by Maoist is higher than state. During

the eleven years period around the 13,000 people were killed by state and Maoist and around 40,000 peoples were displaced in Nepal.

Since the beginning of insurgency in 1996, different governments of Nepal have treated the Maoist war as a law and order problem. The government has sought to control Maoists by means of police operations codenamed Operation Romeo, Kilo Shera Two, Jungle Search Operation, and Search and Destroy. The state has justified authoritarian policies in the name of suppressing the insurgency, but without addressing the basic inequalities that plague the Nepali society. These incidents have shaken the whole country and have established the fact that Maoist insurgency is a living reality and that the Communist Party of Nepal -Maoist is an undeniable political force.

In fact, the communist movement has now polarized into declared to Nepal as a (direct) republic and by election of constitutional assembly blocs. This process of polarization is a good source of power to Maoists. The failure of other left groups in forming and maintaining unity has certainly helped Maoists. The successive failures of government's police operations in Maoist insurgency clearly show that the insurgency is taking momentum with substantial popular support. This is not only law and order problem. Centuries old relations of production, archaic social structures and non-functional governance system maintained by the force of past aligned with the monarchy, severely skewed resource distribution and perpetuated a system of injustice, racial, ethnic, geographical, gender and social discriminations, rampant poverty and unemployment that have helped ignite the Maoist insurgency.

The Maoist conflict cannot be solved militarily for long- term and, therefore, called for a negotiated settlement that proved to reach an agreement to bring the constitutional process back on the rail and the Maoists are brought on board to settle the conflict on a democratic basis. But still there is an urgent need to stop violations of human rights by the security forces and the Maoists.

India has a unique relationship with Nepal, and India is obliged under a Peace and Friendship Treaty to offer protection to the state in Kathmandu. For New Delhi, Nepal's war against Maoists was intimately linked to its campaign against the terror of the left wing extremist groups within India. New Delhi called for a restoration of the balance between constitutional monarchy and multi-party democracy to strengthen the

ability of the Nepali state to deal with the grave crisis. New Delhi impressed upon Kathmandu that there can be no military victory against the Maoists and a political dialogue is necessary to address the genuine grievances of the people that the movement had articulated. As the Maoist gain ground, this three-fold policy of India had come under stress.

Nepali strategic planners have failed to find a way in which people have stopped giving sanctuaries to guerrillas. This could have been done by means of massive economic development package to people in the early period of insurgency. The relief package that the government had allocated after so much of killings had become irrelevant. Nepal's problem is not the Maoist war but an entrenched coalition of corrupt politicians and bureaucrats that profits from Maoist war. It is very much likely that the economic relief package announced to combat insurgency could be another opportunity to corrupt civilians as well as military authorities for embezzlement. Nepal is still facing a threat to human security and freedom especially since 1996. The threat has emerged from the various corners of the kingdom in the name of *Maobadi* and is still rising. The rising socio-economic, ethnic, religious and political differences in Nepalese society if not solved justifiably, the threat, no doubt, will take a larger shape disturbing the whole society.

There are three major principles of New People's Revolution as stated by Mao, viz. party, revolutionary united front, and people's army. CPN -Maoist has adopted these principles in its party politics with these major concepts. The party has its own organizational setup to smooth the path of people's revolution. Maoist activities are increasing to threat in the region by violation of human right and terrorist activities. These types of activities encourage terrorism to play and flourish in the region. Inconsequence, security threat is also increasing in South Asia day by day. Social and economic causes are the responsible factors for the origin of Maoist insurgency in both countries (Nepal and India). Collective efforts of South Asian Nations, especially, Nepal and India are necessary to solve it by co-action for long-term solution. As Indian Communist Party (CPI-Marxist) leaders have play significant role to involve. Nepalese Maoist in political main stream by political safe landing, similarly, they have to play significant role again for involvement of Indian Maoists in political main stream by

dialogue and agreement for long-term solution which is the desire and necessity of Nepal and India as well people of South Asia.

4.4 Bangladesh – India

India and Bangladesh are active members of the SAARC. Bangladesh emerged as an independent country from Pakistan on 16 December 1971 by assistance of India. India and Bangladesh have cooperation as well as conflict. They have bilateral issue between them that is given below.

4.4.1 Sharing of Ganges Water

Bangladesh has three large river systems (Ganga, Brahmaputra and Meghna) drain into the sea. At least eight of the 54 rivers and streams cross the India-Bangladesh border. Bangladesh is geographically surrounded by India, except for a stretch of 283 km border with Myanmar (Burma). Its relation with India was hostile when it was a part of Pakistan. River Ganges flows through China, Nepal, India and Bangladesh. It receives 80 percent of its rainfall during the June-September monsoon period and the volume of water at Farakka becomes 2.5 million cubic feet. Farakka is the greatest bone of contention between Bangladesh and India. In 1951, India first thought of building a dam in Farakka at 18 miles upstream from Bangladesh that was (then East-Pakistan) designed to divert the Ganges that flow during the dry season into Bhagirathi-Hoogli River to flush out the silt at the port of Calcutta. The dam was commissioned after the independence of Bangladesh. It was expected that, given the cordial relations between India and the newly created state, the Farakka dam issue can be dealt amicably, but it was not. India did not consult Dhaka before operating the barrage. In the years that have followed, Bangladesh has suffered adverse effects on its agriculture, fishery, navigation and forestry due to the reduced flow in the dry season when it most needs the Ganges water.

South Asian regional water issues can be mainly divided into three broad categories.

- a. Sharing of river waters.
- b. Cooperative development of water resources, and
- c. Sharing of data and information on common rivers to facilitate flood forecasting and water quality control.

If there is any single issue that makes bilateral relations among the countries of the sub-continent, it is water. The issue of cross-border water distribution, utilization, management and mega irrigation/hydro electric power projects affecting the upper and lower riparian countries are gradually taking central stage in defining inter-state relations as water scarcity increases and both drought and floods make life too often miserable.

Negotiations on sharing of Ganges water at Farakka started from 1960 at the time of signing of Indus Water Treaty between India and Pakistan. India decided to construct a barrage across the Ganges at Farakka in 1951 in order to divert water to Bhagirathi-Hoogli River to maintain its navigability, which was being hampered due to situation. Construction at Farakka Barrage was started by India in 1960 unilaterally by violating the international norms of any construction for diversion of water in International River. The construction of the barrage was completed in 1974.

Ganga, Brahmaputra and Meghna rivers sustain 86 percent of the total land area in Bangladesh. India and Bangladesh have failed since 1974 to agree on a strategy of water flows during the dry season when Bangladesh proposed several storage dams on the tributaries of the Ganges up rivers in Nepal. But India objected to it. Instead it proposed a diversion from Brahmaputra through a large canal to argument the Ganges water. This was not acceptable by Bangladesh, which feared ecological damage from the canal. Bangladesh's proposal to associate Nepal with the talks on the question of sharing the Ganges water has been rejected by India as a politically motivated proposal.²⁷⁸

Three days before that treaty (in 1977 treaty), India and Bangladesh agreed on the amounts of water, which India could divert in April and May of that year. But the diversion canal was being tested and these amounts were very small. By the end of that year a new government headed by General Ziaur Rehman was in power in Bangladesh that India mistrusted. So, no agreement was reached on how the water was to be shared in 1977. The diversion of water by India continued at higher levels and what was left for Bangladesh was much less than in the 1977 or later agreements.

After 1977, there was five years of agreement with a minimum guarantee clause. But then for two years (1983-84), when Indira Gandhi was back in power in India,

²⁷⁸ CNAS, *Strategic Studies Series*, Kathmandu : Centre for Nepal and Asian Studies (CNAS), TU, (3), Spring 1985, p. 45.

Memorandum of Understanding (MoU) was signed between Bangladesh and India neither agreement nor guarantee, than a year spent with nothing; then three years (1986-88), Rajiv Gandhi became Prime Minister of India with same Memorandum of Understanding (MoU) again with no minimum guarantee clause; another eight years (1989-96), passed with nothing; finally the thirty-years sharing of Ganges water agreement made between Bangladesh and India in 1996 without any guarantee clause.

Three day meeting held in January 1983 in New Delhi of the Indo-Bangladesh Joint Rivers Commission (JRC), led respectively by Indian Irrigation Minister Kedar Pandey and Bangladesh Agriculture Minister A.Z.M obaidullah Khan to solve the problem of sharing the Ganges water. Its main outcome was the agreement to study the Indian and Bangla proposals for long-term solution to the problem of sharing the water of the Ganges during the lean season. The Indira Gandhi - Ershad Summit held in October 1983 and the two leaders directed the JRC to undertake and complete within 18 months technical and pre-feasibility studies of the two plans for equitable sharing of the Ganges water during the dry season. Both sides recognized that the 1977 Farraka agreement did not provide for a satisfactory and durable solution.²⁷⁹

Prime Minister of the republic of India and the government of the People's Republic of Bangladesh signed on the treaty of sharing of the Ganges waters at Farakka on December 12, 1996. The Government of the republic of India and the government of the People's Republic of Bangladesh determined to promote and strengthen their relations of friendship and good neighborhood, inspired by the common desire of promoting the well-being of their people, being desirous of sharing by mutual agreement the water of the international rivers flowing through the territories of the two countries and making the optimum utilization of the water resources of their region in the fields of flood management, irrigation, river basin development and generation of hydro-power for the mutual benefit of the peoples of the two countries. They recognized the need for making an arrangement for sharing of the Ganges water at Farakka in the spirit of mutual accommodation and the need for a solution to the long-term problem of augmenting the flows of the Ganges are in the mutual interests of the people of the two countries. This is being desirous of finding a fair and just solution without affecting the rights and entitlements of either country other than those covered by this treaty.

²⁷⁹ Mana Ranjan Josee, *Nepal and the World*, Kathmandu : Mana Ranjan Josee, I, October 1984, p. 121.

Former Indian Prime Minister I.K. Gujral scored a diplomatic victory when he signed a new thirty-year water sharing accord with the Awami League government lead by Sheikh Hasina Wazed.

Table No. 4.4

A picture on the sharing of the Ganges water as per 1977 and 1996 treaties

Comparative statement showing water availability of Ganges river under 1977 and 1996 treaties.							
Period	Bangladesh			India			Remarks
Period	1977	1996	Incr./ Decr.	1977	1996	Incr./ Decr.	
							* The flow was calculated on the basis of 75% dependable flow during 1948 to 73, i.e. prior to the operation of Farraka Barrage.
1-10, Jan	58500	67516	9016	40000	40000	0	** The flow was calculated on the basis of average flow
11-20, Jan	51250	57673	6423	38500	40000	1500	(50% dependable) during the period from 1948 to 1988 i.e. the period
21-31, Jan	47500	50154	2654	35000	40000	5000	of 25 yrs (1948 to 73) during Pre Farraka operation and 15 yrs
1-10, Feb	46250	46323	73	33000	40000	7000	(1974 to 1988) during post Farraka operation
11-20, Feb	42500	42859	359	31500	40000	8500	under mutual agreement. The period of 1988 to 1996 i.e. 8 yrs. of
21-28/29, Feb	39250	39106	-144	30750	40000	9250	unilateral withdrawal was not considered.
1-10, Mar	38500	35000	-3500	26750	39419	12669	
11-20, Mar	38000	35000	-3000	25500	33931	8431	
21-31, Mar	36000	29688	-6312	25000	35000	10000	
1-10, Apr	35000	35000	0	24000	28180	4180	
11-20, Apr	34750	27633	-7117	20750	35000	14250	
21-30, Apr	34500	35000	500	20500	25992	5492	
1-10, May	35000	32351	-2649	21500	35000	13500	
11-20, May	35250	35000	-250	24000	38590	14590	
21-31, May	38750	41854	3104	26750	40000	13250	

Source: www.be-center.org/riversfarakka_engrrep.htm

The above table shows the comparative statement of Ganges water availability under the 1977 and 1996 treaties between India and Bangladesh. According to the both treaties, India's water availability increased in 1996 treaty than 1977 treaty and Bangladesh's decreased in 1996 than 1977 treaty.

The Ganges water sharing treaty shaky started due to low flows in 1997. It has been working reasonably and none of the country has asked for a review. The continuity depends on the state of the political relationship between the two countries. Apart from the Ganges, there are many other rivers that cross the India-Bangladesh border, and agreements may be needed to some of them. However, the current state of India-Bangladesh relation is perhaps not conducive to the conclusion of further treaties. The treaty provides Bangladesh various opportunities to invest in long-term sustainable projects to develop fresh water resources in the Ganges. One big question about the treaty is the guarantee of minimum flow for Bangladesh. This is still an area of great concern for Bangladesh, which needs to be resolved in the shortest possible time.

The major dispute between Bangladesh and India is on the sharing of the Ganges water during lean period. India constructed a Barrage on the Ganges at Farraka in West Bengal to divert water through the Bhagirathi-Hoogly system to flush main part of Calcutta. Bangladesh claims that there is no enough flow in the Ganges that could be diverted through Bhagirathi-Hoogly to flush Calcutta port and at the same time maintaining agriculture, ecology and economy of the areas in the downstream, particularly, the southern part of Bangladesh.

According to the location, size and contiguous borders with other South Asian Countries, it is India, in its capacity in both upper and lower riparian, that has come into conflict with most of its neighbors, except Bhutan, on the cross-border water issues. Given an atmosphere of mistrust, an upper riparian India has serious issues to resolve with lower riparian Bangladesh and upper riparian Nepal.

Nepal and Bangladesh could not include the collective utilization of water resources issue in the area of cooperation within the SAARC framework because of lack of interest and indifference of India. India's role is important and necessary to include it in the area of cooperation within the SAARC forum. It is seen, India has to address the

issue of collective utilization of water resources in the regional forum for better quality of life of South Asian people.

With the installation of the current government of Bangladesh after the 12 June 1996 election, the government started negotiating with India on the Ganges water sharing treaty. Things moved very rapidly and treaty was reached between the two countries on 12 December 1996. The basic principles of the recent treaty are as follows:

- a. The flow at Farakka is calculated on the basis of average flow (50% dependable flow).
- b. Proportion of sharing between Bangladesh and India is 45:55 and in some cases the proportion will be 30:70.
- c. During the period from 1 March to 31 May the water sharing will be on the basis of hydraulic cycle when one side will have 35000 cusec guaranteed flow and the other side will receive rest of the flow. In such a cycle when the flow is 50,000 cusec then India will receive 35,000 cusec and Bangladesh will receive only 15000 cusec.
- d. When the flow falls below 50,000 cusec no water sharing principle will exist, Bangladesh and India will sit immediately to decide equitable water sharing, and
- e. The same principles will be applied to the water sharing of flow of other common rivers.

Both governments are realizing the need to address acute shortage of water, incidence of drought and floods that often bring miseries to the people and, at times, states into conflict. The distribution and management of water resources among the upper and lower riparian regions across states, need to be undertaken amicably without depriving the lower and upper riparian regions without politics.

Bangladesh is not insensitive to the fact that sharing of the water of Ganges and other regional basins are also a major concern for India, despite its advantages as the upper riparian and much wider options. Water sharing is a problem that has for long been prominent behind troubles in the union government's relation with the states like Punjab, West Bengal and Assam. One notable gap in the whole question of water sharing between Bangladesh and India from the both sides, has been that the dynamics of the problem within India between the union government on the one hand and West Bengal and Assam on the other. Although, the original stated objective of the Farakka project was to fulfill the need of the Calcutta port, in reality, the withdrawal of water upstream has reduced the ability of the river to flush down the Hoogly river causing aspersion in

West Bengal. On the other hand, the Indian position to divert the water of Brahmaputra that flows through Assam into Bangladesh is viewed by the Assamese as a potential threat to their interests, both political and economic.²⁸⁰ There is no doubt that the Ganges water-sharing problem can be resolved only through a joint political decision by Bangladesh and India. And in their search for the mutually acceptable political decision, it may be useful for the two countries to take the interests and perspectives of West Bengal and Assam into closer consideration than before.

Both India and Bangladesh need to go beyond this towards a comprehensive agreement on principles that have prevailed the foundation for such agreements in the future. The central question is still remaining on the sharing of Ganges water between India and Bangladesh because there is no enough water in the Ganges for both countries.

4.5 Sri Lanka – India

India and Sri Lanka are active members of the SAARC. India and Sri Lanka gained independence from the British on 15 August 1947 (India) and 14 February 1948 (Sri Lanka). They have cooperation and conflict between them also. Liberation Tiger of Tamil Eelam (LTTE) problem was origin in Sri Lanka and it was national problem for Sri Lanka before the intervention by India in Sri Lanka in 1987. But it became the bilateral problem for Sri Lanka and India because Tamils of Tamilnadu and Tamils of Sri Lanka have been cooperating between each-other by assist, and sympathy to achieve their objectives that is proved the connection between Sri Lanka's Tamils and Tamils of Tamilnadu. So, collective effort of Sri Lanka and India compulsory for solve LTTE problem forever. Bilateral issue between Sri Lanka and India is given below.

4.5.1 LTTE Problem

Since independence from the British Empire in 1948, the struggle between majority Sinhala (Buddhist) and minority Tamils (Hindu) has become a regular feature of political life in Sri Lanka. There were also occasional significant personal and property violence, time and again. Since 1983 there has been on and off civil war, mostly between the government and the Liberation Tigers of Tamil Eelam (LTTE). Tamils and Sinhalese

²⁸⁰ Iftekharyzzaman, "The Ganges Water Sharing Issue: Diplomacy and Domestic Politics in Bangladesh" in Baladas Ghoshal (ed.), *Diplomacy and Domestic Politics in South Asia*, New Delhi : Konark Publishers Pvt. Ltd., 1996, p. 198.

represent two separate ethnicities with different religions- Hindus and Buddhists. The Sinhalese amount 74 percent of the total population whereas the Tamils-constitute 18.2 percent. Tamils are also categorized in two sources of origin-Sri Lankan Tamils and Indian Tamils contributing 12.6 and 5.6 percent of total population respectively.²⁸¹

The Tamil United Liberation Front (TULF) proposed the concept of a separate nation- Tamil Eelam in 1976. Tamil United Liberation Front was the umbrella organization of the Tamil political parties. But the inability of the political leaders of the Tamil United Liberation Front to persuade the stubborn Sinhala counterparts to grant autonomy to the Tamil minorities allowed insurgency to flourish. The Tamil United Liberation Front campaigned for a separate state with a belief that the Tamil people will be able to live as equal citizens only in a separate Tamil state.

In 1977, there was the beginning of a separatist challenge to the integrity of Sri Lanka. This time was a period of relative quiescence that was followed by the most violent period of ethnic conflict in Sri Lanka's history beginning in 1983 and culminating in an Indian intervention, which aggravated rather than resolved the conflict. The conflict has continued intermittently ever since, with a few very brief periods of peace, a peace of exhaustion. The current ethnic conflict in Sri Lanka is a much more complex than a simple straightforward confrontation between a once well entrenched minority-the Sri Lankan Tamils and a now powerful but still insecure majority-the Sinhalese.²⁸²

Tamil United Liberation Front was a coalition of Tamil parties who went on to campaign in the 1977 elections for an independent state for Tamils in Sri Lanka. They won and went to parliament to represent the northern and eastern provinces. The government banned TULF representatives from parliament for advocating an independent state. Talks and non-violent actions continued, but youths started to form militant groups, some funded by bank robberies, and military presence in the North also grew. A deadly attack on the military in the North sparked riots in Colombo and elsewhere in 1983, thousands of Tamils died in the violence, and many more fled Sinhalese-majority areas. This is usually taken as the beginning of the ethnic conflict.

²⁸¹ CBC, op. cit, p. 12.

²⁸² <http://www.tamilnation.org/report.html>

Since 1983, there was the beginning of violence and counter-violence perpetrated by both ethnic communities as well as the Sri Lankan State. But the actual spark that ignited the passions was an attack by Tamil militants on a patrol of government soldiers (who were all Sinhalese) on 23 July of 1987, killing 13 soldiers. The Sinhala reaction was that Colombo was in flames in a frenzy of killing and arson directed at Tamils living there, including the infamous Welikade prison massacre on 25 July of 1987. Inmates that were killed included Tamil Eelam Liberation Organization (TELO) leaders also.²⁸³

The Tamil people of the island of Ceylon constituted a distinct nation. They formed a social entity with their own history, traditions, culture, language and traditional homeland. The Tamil people call their nation 'Tamil Eelam'. Founded in 1976, the LTTE is the most powerful Tamil group in Sri Lanka and uses overt and illegal methods to raise funds, acquire weapons, and publicize its cause of establishing an independent Tamil state. The LTTE began its armed conflict with the Sri Lankan government in 1983 and relies on a guerrilla strategy that includes the use of terrorist tactics. The group's elite Black Tiger squad conducts suicide bombings against important targets, and all rank and file members carry a cyanide capsule to kill themselves rather than allow them to be caught. The LTTE is very insular and highly organized with its own intelligence service, naval element (the Sea Tigers), and women's political and military wings.²⁸⁴

The LTTE control most of the northern and eastern coastal areas of Sri Lanka but they have conducted operations throughout the island. The original name for island, Serendib, meant place of happy occurrences. They are socially and economically in a better position than Tamils of Indian origin, the great majority of whom are plantation workers. Indian Tamils live sandwiched between the Sinhalese and Sri Lankan. The Sri Lankan Tamils enjoyed dominant position in the public services and professions during the British colonial period and for some time even after independence. But they found their position challenged by the Sinhalese in the 1950s, particularly after the Sinhalese language was made the only official language of Sri Lanka in 1956.²⁸⁵

²⁸³ Mohammad Humayun Kabir, *The India Factor in Sri Lanka's Foreign and Security Policy*, Colombo : Bandarayake National Memorial Foundation, 1996, p. 34.

²⁸⁴ <http://www.lankademocracy.org/issue>

²⁸⁵ Monis Ahmar, "Ethnicity and Constitutional Reforms: A Pakistani Perspective" in Iftekharruzaman, (ed.), *Ethnicity and Constitutional Reform in South Asia*, Colombo : Regional Centre for Strategic Studies (RCSS), 1998, p. 110.

The LTTE overt organizations support Tamil separatism by lobbying foreign governments. The LTTE also uses its international contacts to procure weapons, communications and bomb making equipments. The LTTE exploits large Tamil communities in North America, Europe and Asia to obtain funds and supplies for its fighters in Sri Lanka.

Two agreements to grant Tamils autonomy and the recognition of minority rights were accorded in 1957 and 1965. But both of these pacts were aborted due to Sinhala public pressure. This made Tamils angrier. Angered Tamils displayed their anger non-violently through protest marches, rallies, demonstrations, hoisting of black flags and shouting of slogans.²⁸⁶ Tamils in Sri Lanka are being discriminated against in the fields of economic opportunities, employment, education, religious freedom and language, and Tamil youth are being arrested indiscriminately, tortured and murdered by the police and armed services in the North.

Sri Lanka has feared India because of its minority complex vis-à-vis the 65 million Tamils that live in the strong Indian state of Tamilnadu (India). It began by seeking settled maritime boundaries with India and Myanmar, and then put its diplomatic pressure behind the creation of Zone of Peace in the Indian Ocean as an instrument of national security. Sri Lanka tried to avoid linkages with the region as a means of achieving security. In June 1987, while India dropped relief to Tamils in Jaffna, Bhutan and Maldives chose not to involve them in this controversial issue. Pakistan and Sri Lanka were against this move, where Nepal and Bangladesh mutually supported this action of India.²⁸⁷

After signing an accord with Jayewardene, the President of Sri Lanka on 29 July 1987 primarily to preserve Indian security and regional interests, the Indian Peace Keeping Force (IPKF) was inducted to northeastern Sri Lanka to maintain law and order. LTTE declared war not only with Sri Lankan government but also with the IPKE too. The LTTE could not digest the activities of IPKF. The LTTE resented direct intervention made by India particularly, the presence of Indian troops at Tamil soil. Nationalism emerged in the region primarily as a reaction to foreign domination and expressed itself in an urge to establish identity. Nationalism in Sri Lanka is a comparatively new

²⁸⁶ *Ibid*, p. 105.

²⁸⁷ *The Hindu*, India, June 19, 1987.

phenomenon in South Asian region. The Tamil issue of 1983 has proved a clear example of nationalism.²⁸⁸

The unresolved dispute of Tamil separatism has forced the two states to become aware of their limitations. India has come to realize that there is a limit to how far it can go to offer assurances to Colombo at the risk of alienating the state of Tamil Nadu; and Colombo has realized that the people of Sri Lanka simply cannot suppress their fear of India because it contains the state of Tamilnadu people's sympathy with the LTTE. In 1987, Indian military intervention with suspicion occurred but later Sri Lanka was the withdrawal of the Indian troops from its territory in 1989. The Sri Lankan nationalists campaigned to paint the Indian intervention as a violation of Sri Lanka's sovereignty while on the LTTE's side; India was unable to persuade the Tamil leaders to accommodate the Sri Lankan point of view. In the eyes of many Sri Lankans, after having failed to negotiate an independent position for itself, Sri Lanka implicitly acknowledged India's predominance before signing the 1987 agreement that brought the Indian troops to Sri Lanka.

Sinhala-majority government since independence passed various bills of legislation in the national parliament. The government empowered the Sinhala-majority in many ways. Government actions for Sinhala supremacy developed the suspicion among Tamil-minorities. The sensitized Tamils responded to these government interventions with anger. They concluded that the state's political process served only to respond to the demands of the majority community.²⁸⁹

The LTTE had no faith in constitutional politics. It requested the people to boycott the 1983 election. The LTTE gradually emerged as the most powerful force in Jaffna. The LTTE cadres, unlike other groups were highly motivated and dedicated. It is obviously clear that the LTTE was not born within a day or two. It was born out of a long period of Sinhala oppression. Apart from Tamilnadu government of India, a number of states and private organizations in Lebanon, Libya and Syria provided trainings to the Tamil groups. Ex-French legionnaires, Palestinian Liberation Organization and other

²⁸⁸ Khand, *op.cit.*, p. 271.

²⁸⁹ Rohan Gunaratna, *Sri Lanka's Ethnic Crises and National Security*, Colombo : South Asian Network on Conflict Research (SANCR), 1998, p. 104.

Palestinian groups, Eastern European Organizations and a few South American groups were also involved in this.²⁹⁰

Not only LTTE but also other fractions of Tamil groups such as People's Liberation Organization of Tamil Eelam (PLOTE), Tamil Eelam Liberation Organization (TELO), Eelam People's Revolutionary Liberation Front (EPRLF) and Tamil Eelam Army (TEA) also provided trainings in various places of India in their preliminary stages. They were financed, armed and trained by Research and Analysis Wing (RAW) from 1983-1987. However, there were not less than 20 Tamil groups fighting against the government machinery of Sri Lanka.²⁹¹ LTTE emerged as one of the single Tamil militant groups. It was equipped with militant cadres, skilled men power, sophisticated weapons and effective communication network. LTTE has the grass root base. Its cadres have iron disciplined that made the LTTE an action oriented group committed to attain effective result. The LTTE established itself as the sole representative of the Tamil people in Sri Lanka by eliminating the rival Tamil insurgent groups and brought the administrative structure of the Jaffna peninsula under its dominance. In Jaffna, the heartland of the minority-Tamils, there are good schools and universities established by foreign missionaries that provided an excellent opportunity to obtain better education for Tamils. Tamils are more qualified than Sinhalese.

The LTTE strengthened its arsenal and guerrilla power strongly that the government felt to settle the insurgency problem with Indian mediation. It was perceived that the main actor behind the LTTE insurgency was India. India, first, provided financial logistics and war techniques support to the LTTE and other Tamil groups with the hidden objective of circling and coiling Sri Lanka to bring under India's regional security umbrella. The liberation movement for separate Tamil state in Sri Lanka has been attracting the sentiment of Tamil ethnicity of India. It could invite a disturbed political situation, heading towards independent Tamilnadu and challenging the sovereignty and integrity of India. This assessment was very near to the reality. The slogan "Tamils of South Asia are one" could threat the security situation made by the contemporary leaders of both countries.

²⁹⁰ Rohan Gunaratna, *War and Peace in Sri Lanka*, Colombo : Institute of Fundamental Studies, 1987, p. 52.

²⁹¹ *The Rising Nepal*, Kathmandu, January 17, 2006.

The LTTE has become much powerful that it has established its own army, navy, police, judiciary, tax and tariff system and economic institutions. The LTTE has also been defeated in several places in several times by the Sri Lankan army with severe damage. Thousands of Tamil youths have sacrificed themselves in the altar of Tamil Eelam fighting against the state power. Sri Lanka alleges that Tamil terrorists as a kind of “tactical headquarters” have used Madras, the capital of Tamil Nadu state of India.²⁹² Sri Lanka has been charging India for providing training camps for separatist Sri Lankan Tamils, arming the terrorists and encouraging them to intensify their violent campaign for a separate state in the North. India has refuted all these allegations and has expressed concern at thousands of Sri Lankan Tamils seeking refugees in India. LTTE leader Velupillai Prabhakaran has established an extensive network of checkpoints and informants to keep track of any outsiders who enter the group's area of control.

In the interim, the cease-fire agreement of 2002 needs to be strengthened and the urgent needs of the people of the war zone, including the minorities, necessitate the establishment of an interim administrative structure without further delay. The havoc by the tsunami demands joint efforts by the LTTE and the Sri Lankan government. The connection between Tamil question and the Indo-Sri Lanka bilateral relationship, which was direct and perfectly obvious between 1983 and 1991, has become less direct and more difficult to assess in the post-1991 period.

Both countries have followed the peace building process of building and tension free Indo-Sri Lanka relations on the basis of close consultation and complete political trust, with a strong economic content to remove mistrust from them and solve the LTTE problem. Indo-Sri Lanka relations have never been in better shape without solving the LTTE problem. Before March 2007, more than 34000 people loosed their lives in the conflict between government and LTTE in Sri Lanka.²⁹³

The conflicts in Sri Lanka illustrate the operation of some of the most potent triggering factors in ethnic tension and confrontation: language, religion, long historical memories of tensions and conflict, and separatist aspirations. The Sri Lanka's experience also illustrates the important point that minorities seeking redress of grievances and guarantees of protection of their identities are by no means always agents of democratic

²⁹² CBC, op. cit., p. 18.

²⁹³ *Annapurna Post*, Kathmandu, April 4, 2007.

change or adherents of the very liberalism they advocate for themselves. There are the separatist wars taking place between the governing forces and the forces of a particular ethnic group seeking either to achieve autonomy within the states borders or separatism and independence.²⁹⁴

The LTTE temporarily pulled out of the peace talks in 2003, saying that insufficient attention was being put on developing an interim political solution. The government eventually produced a proposal, and the LTTE a counter-proposal, which former President of Sri Lanka Chandrika Bandaranaike Kumaratunga responded to by taking over several defense related Ministries. Peace talks remained suspended. The cease-fire between the LTTE and the government has largely held through all of this, and negotiations are expected to recommence in the near future to solve this problem forever by collective efforts of Sri Lanka, India and LTTE.

4.6 Nepal – Bhutan

Nepal and Bhutan are underdeveloped, landlocked and Hilly-Himalayan countries in the South Asian region. They have natural relations due to their geography, economy, history and culture. The exchanges of visits and views at various levels have added a new tone in their relations. They have established their diplomatic relations in June 4, 1983. They have less effective bilateral cooperation between them in the SAARC forum. Beside cooperation, they have main bilateral issue which is given below.

4.6.1 Bhutanese Refugee Problem

The refugee problem, which was originated by the trend of moving from one country to another, has widely been created because of First and Second World War. This problem is becoming more complex day by day in the world. This problem is not limited to any particular area, community and religion, but it is spreading all over the world. It has been seen as a human and political problem. About 30 million people are forced to live as refugee, 44 countries in the world are carrying the burden of refugee, among them Nepal is in the position of 27 according to the number of refugees.²⁹⁵

²⁹⁴ *The Telegraph Weekly*, Kathmandu, March 26, 1997.

²⁹⁵ *Gorkhapatra*, Kathmandu, February 2, 2005.

A few numbers of Nepali speaking people wereliving in Bhutan since the eight-century when Buddhism was introduced in Bhutan. Since 1624, a formalized settlement of Lhotshamps began in Bhutan through an agreement reached between king Dharama Raja of Bhutan and King Ram Shah of Gorkha, Nepal. Lhotshamps were the ones who cleared the malarial jungle and cultivated land in southern Bhutan. Besides, the Lhotshamps have also contributed to the security of Bhutan for several centuries. They are one of the nation-builders of Bhutan. The present Wangchuk dynasty was established in 1907 only.

United Nation High Commissioner for Refugees (UNHCR) defines refugees "As any person, who are result of events, occurring before January 1, 1951 and owing to well-founded fear of being persecuted for reasons of race, religious, nationality or political opinion is outside the country of his to such fear or for reasons other then personal convenience is unwilling to vial himself of the protection of that country."²⁹⁶

"Refugees are not born but created by states, individuals and groups" said Sadako Ogata, former high commissioner of the United Nations High Commissioner for Refugees (UNHCR). She has rightly said that the issue of human rights and the problems of refugees are inextricably linked. The vast majority of refugees are driven from their homes by human rights abuses. Persecution, torture, killings and the reprehensible practice of ethnic cleansing generate huge flow of refugees.²⁹⁷

United Nations High Commissioner for Refugees (UNHCR) was established on the 14 December 1950 with the objectives of helping and protecting refugees. This institution has been providing assistance to Bhutanese refugee in the Nepal. Former high commissioner of UNHCR Sadaga Ogata after visiting different camps in Nepal had given words for the solution of the problem but it has remained just in words. UNHCR has been extending various supports for Bhutanese refugee's shelter, food, health and education under the assistance of international community.

The UNHCR has international mandate to protect and provide assistance to refugees, its performances in Nepal to support the Bhutanese refugee are laudable. The

²⁹⁶ Ram Kumar Dahal, *Dakshin Purbi Asia Ra Dakshin Asia (South East Asia and South Asia)*, Kathmandu : New Hira Books Enterprises Pvt. Ltd., 2002, p. 100.

²⁹⁷ *The Rising Nepal*, Kathmandu, September 14, 2002.

UNHCR cannot push away itself or phase out the relief assistance until the refugee's problem is solved.

The refugees from such countries like Somalia, Afghanistan, Sudan and former Yugoslavia were victims of armed conflicts or civil war but the refugees from Bhutan were forced to leave their country not because of civil war or foreign intervention but because of the racist and ethno-centric policies and feelings of the Bhutanese government against the Nepali-speaking citizens of southern Bhutan, called Lhotshamps. They have become victims of the government's racist and ethnic clearing policy.

After the establishment of the United Nations in 1945, Universal Declaration of Human Rights Charter was introduced. People who involve in the crime and work politically against the principle and objective of UN are not acknowledged as refugees according to the Charter. But people who are compelled to seek the life security and asylum in another nation being abandoned their home by the pressure of political crisis, anarchy, civil war, military attack, natural disasters as earthquake, flood, landslide, draught, disease as well as political moves like state pressure, exploitation, torture and human rights disruption in vast extent, are acknowledged refugees.

Sixty Bhutanese refugees had entered Nepal informally in 1990 while others entered in 1991 formally. Now the total populations of Bhutanese refugee are around 140 thousands in Nepal. They have lived in seven different camps of Morang and Jhapa districts in Nepal.

Nepalese leaders had also encouraged for the movement in Bhutan against tyrannical monarchy to establish democracy from the beginning of 1990. Nepali origin Bhutanese and some Drukpa also had participated in this movement, for which they became the victim of Bhutanese government's punishment. National Assembly of King Jigme Sigme Wanchuck's government amended the citizenship law of 1958 and 1977 in 1985 and adopted the policy of suppression to non-Drukpa. Similarly, other cultures and dress codes were banned, there was the imposition of culture and dress code of Drukpa, and other cultures were maltreated. Because of all these discriminatory incidents, the movement started for human rights and democracy in Bhutan. After banning the

prevalent socio-cultural pluralism and diversity in Bhutan in 1989, there were efforts to discourage and to end non-Drukpa culture.²⁹⁸

There were few root causes such as the citizenship act of 1985, the marriage act and other rules and regulations enforced against Nepalese language, culture and religion as well. To begin with, it was the citizenship act (1978), which came into force during 1985. According to the national census of 1978, the citizens were granted their respective citizenship certificates till the end of 1985. But suddenly the Drukpa government in 1988 took a surprising decision and began withdrawing the certificates granted earlier to its own citizens. The government did this; it appears, under the instigation of some crook brains then ruling the roost in Bhutan. The decision instantly affected about 14000 people in a single district-Samchi for example. The government desperately tried to force upon the people to accept that they had migrated to Bhutan well after 1964-65 and hence, they were not eligible for the citizenship certificates. The affected people, then, provided their land revenue tickets and other relevant legal documents but in vain, the government began demanding certificate-evidences, which could prove that they were the natives of Bhutan since the last seven generations. In yet another move, the Drukpa regime introduced the green belt policy in 1986 in the border areas where the Bhutanese of Nepali origin had greater concentrations. Understandably, this affected the people living in those areas to the maximum but this particular event gave the people proper indication that the days ahead had some more disasters for them.

The refugees mostly Hindu left their lands in southern Bhutan between 1988 and 1993, during the time of strong calls for democratic reform within Bhutan and implementation of restrictive changes in the country's citizenship laws. Most of the refugees state that the Royal Government of Bhutan (RGOB), applying the new citizenship laws, forcibly evicted them from their homes while the RGOB claims that, for the most part, the refugees left voluntarily in search of better opportunities.

Since 1993, the RGOB and the government of Nepal have held several bilateral meetings known as Joint Ministerial Level Committee (JMLC) on the issue of repatriation but became unable to come to any consensus on determining the fate of the refugees. The situation remained stagnant throughout the 1990's. While the Nepalese

²⁹⁸ *Nepal Samachar Patra*, Kathmandu, October 28, 2004.

government and the Bhutanese refugee pressed for repatriation, the RGOB insisted that most of the people in the UNHCR administered camps were not Bhutanese citizens. The RGOB claimed that many of them originated from India and Nepal, and entered the camps claiming to be refugees so as to benefit from free housing, food and services.

In December 2000 a significant breakthrough occurred at the tenth JMLC. Both governments agreed on terms for verification. The two sides agreed that each designate a team of five members, which worked together to review each refugee's claims to Bhutanese citizenship. Together, the two teams are called the Joint Verification Team (JVT), the team began verifying refugees at the end of March 2001. Following verification, categorization and repatriation of the refugee are supposed to take place. The head of each family undergoes a 5-20 minute interview before the entire, ten-member joint verification team.

The governments of Bhutan and Nepal had commended for beginning the JVT process. When the Bhutan verification team visited the refugee's camps at the end of last January 2002, the refugees welcomed the members with hope, enthusiasm and good will. In its first couple of weeks, the joint verification team dramatically increased its verification rate from 2-3 families per day to 12-13. Joint Ministerial Level Meeting between Nepal and Bhutan agreed on four categories for the refugees verifications: (1) Bonafide Bhutanese who may have been forcefully evicted (2) Bhutanese who emigrated voluntarily (3) Bhutanese who have committed criminal activities, and (4) non-Bhutanese. While most observers believe that about 99% of the refugees are Bhutanese, the four categories make it difficult to predict who will be allowed to go home. Many refugees claim that they were forced to sign voluntary migration forms at the time of their eviction, and therefore, they fear that they will be categorized as voluntary migrants. Those categorized as criminals face an uncertain fate as well. Nepal may not want to accept another country's alleged criminals. However, if the alleged criminals return to Bhutan, it is unclear what consequences they will face.

By actions taken by the governments of Nepal and Bhutan, after all, residents in the first camp were verified. They were told how the resolution to the problem has proceeded, as the terms of categorization and repatriation policies will necessarily become more apparent in that period. It is encouraging to note that Nepal and Bhutan will reportedly soon hold another Joint Ministerial Conference to discuss ways to

accelerate verification. While verification may be the beginning of the end of the Bhutanese refugee problem in Nepal, that end is still not in sight.

Prakash Chandra Lohani, former Minister said there have been several bilateral dialogues between Nepal and Bhutan. Nepal has given assurance to provide full security to the Bhutanese verification team and has asked to restart the stalled verification process in the remaining camps but Bhutan has not responded to this. Although, the international communities including the United States and European Union have shown concern, such concerns have not yielded any tangible results.²⁹⁹

Traditional Drukpa started to suppress non-Drukpa community. Bhutan adopted negative attitude towards Nepal and Bhutanese of Nepali origin because of the support of them for the movement of democracy from Nepal. After massive suppression, they entered Nepal through India. 84.65 percent of Bhutanese refugees, who are in Nepal, have proof of citizenship, 10.05 percent have the proof of ownership of land; 2.95 percent have the proof of school and marriage registration and it is told that the government had looted the proofs of other 2.35 percent in the process of suppression.³⁰⁰

Bhutanese refugee's problem, on the one hand, has affected economic and political situation of Nepal, and on the other hand, there is a bitter fact about massive human rights violation. Misconducts like suppression, violence and detention done by Indian government to the returning refugees have clearly broken their natural right, which is established by international law as a personal right of returning to their own country. More surprising is the fact that Indian government is totally silent about Bhutanese refugee's problem.

According to international law, India is a first country to provide shelter for Bhutanese refugee but India has straightly violated it. It is seen, India has to try to solve this problem because it is India's moral responsibility but India did not anything like that. It has been found that Nepal has done some mistakes: only limiting this problem in dialogue, without internationalizing and not informing to human rights institutions in officially. It is foolish attempt to draw the attention of the world only by giving speech in UN Generally Assembly. The dialogue, which was in friendly environmental between

²⁹⁹ As told by Prakash Chandra Lohani, former Minister, during an interview on 18 September 2006.

³⁰⁰ Dahal, *op. cit.*, p. 98.

Bhutan and Nepal to solve this problem, has already been finished from 1991-1993. No progress has been made since 16 years to solve the problem, the dialogue is only limited in get- together. Bhutan does not want to leave the dialogue because Bhutan may face international pressure. So Bhutan has been proposing dialogue only delaying to solve it, and is lengthening and continuing the dialogue. International lobby of Nepal has weakening whereas Bhutan's is strengthening about the problem.

The European Union inspected the refugees but could not contribute for solution. Although, dialogues have been held more than twenty times at different levels between Bhutan and Nepalese government for the solution of this problem, there are not any achievements until now. This problem has remained just like the problem experienced by other underdeveloped small countries for Nepal. Bhutan is only and unique country with the legal provision that any citizen can leave the country willingly. Bhutan does not want to take back the refugees verified by joint committee but wants to make pretensions and to keep Nepal in messy situation. The activities of Bhutan government have proved that Bhutan is not positive to call back its people with respect and regulate the human rights of refugees.

India has taken the responsibility of determining the policies related to foreign relations, security and defense of Bhutan according to the treaty of 1949 between Bhutan and India. Nepal has a belief that this problem will be solved if India pressurizes Bhutan for it. But India is not showing any interest. There are many discussions in Nepal about the involvement of India in it and difficulty of solving this problem without Indian involvement. This problem is created by India also. India worked to deliver those refugees carrying in truck as soon as they entered from Bhutan to India. India always wants to get rid of any activities, which helps the democratic movement in Bhutan because such movement will create a barrier to Indian colonialist temperament. Director of the SAARC Secretariat, Rishiram Ghimire said the fifteen Ministerial Level Meetings were held between Nepal and Bhutan but it could not play significant role to solve this problem. Nepal could not internationalize this problem because of political instability and lack of stable government in Nepal.³⁰¹

Table No. 4.5

³⁰¹ As told by Rishiram Ghimire, Director of SAARC Secretariat, during an interview on 4 September 2006.

Bhutanese refugees and asylum seekers in Nepal.

Year	Numbers
1993	85, 334
1994	103, 265
1995	104, 740
1996	106, 801
1997	108, 674
1998	105, 651
1999	107, 571
2000	108, 897
2001	110, 780
2002	112,263

Source: UNHCR Statistical Yearbook, 2002

In the year 2002, there were 112,263 Bhutanese refugees registered with the UNHCR in Nepal. Approximately, 25,000 Bhutanese refugees were living outside of the UNHCR managed refugee camps in Nepal and India. Thus, there were a total of approximately 137,263 Bhutanese refugees living in the UNHCR managed camps in Nepal and outside of the refugee camps in Nepal and India in 2002.

Bhutanese refugees are housed in the following seven refugee camps under the supervision of the UNHCR.

Table No. 4.6

Bhutanese refugees of concern in Nepal - main locations, end 2002.

Location, Name	Type	Total
Sanischare (Morang)	CAMP	20,090
Beldangi 1 (Jhapa)	CAMP	17,650
Beldangi 2 (Jhapa)	CAMP	21,790
Beldangi 2 Extension (Jhapa)	CAMP	11,100
Khudunabari (Jhapa)	CAMP	12,800
Timai (Jhapa)	CAMP	9,740
Goldhap (Jhapa)	CAMP	9,100

Source: UNHCR Statistical Year book, 2002

Nepal has outlined three options for solving the Bhutanese refugee's problem: solution to be sought through bilateral talks, seeking Indian assistance and internationalization.

The first option is sought for bilateral initiative. It held many rounds of bilateral negotiations with Bhutan but could not be successful. Bhutan's recalcitrance and intransigence had pushed the Bhutan-Nepal Joint Ministerial Level Committee (JMLC) bilateral talks on repatriation of Bhutanese refugee to deadlock in the past. Bhutan, instead of cooperating with Nepal for the resolution of Bhutanese refugee's issue, was deliberately procrastinating the repatriation process through never-ending bilateral talks, while it campaigned among the internationals for disbanding of refugee's camps and assimilation of Bhutanese refugee in Nepal. India says that the Bhutanese refugee's issue is technically a bilateral issue and it can be resolved through bilateral initiatives. It refused to be involved in the issue.³⁰²

Since the first two options became almost redundant, the only option left was internationalization of the Bhutanese refugee issue. The Bhutanese refugee problem persisted too long and the bilateral talks were dawdling, demanding an immediate internationalization of the Bhutanese refugee issue. Tired of end-less and futile Nepal-Bhutan bilateral talk, Bhutanese refugee started seeking direct intervention of international community to mitigate their suffering. The Bhutanese refugees issue was getting internationalized through the refugee's own efforts, since they knew that only support from the world community can be able to make the difference.

The optimism expressed by the Bhutanese refugees on the verification process appears to be totally misplaced and it is becoming increasingly clear that Bhutan is not going to accept any of the refugees back to Bhutan.

The reasons for the origin of Bhutanese refugee problem and lose all hopes for return back to Bhutan are:³⁰³

- a. The verification process appears to have been abandoned after the first camp at Khudunabari was completed in December 2001.

³⁰² *The Rising Nepal*, Kathmandu, October 29, 2004.

³⁰³ http://www.southasianmedia.net/major_issue/index.cfm

- b. Nepal, which appears to have been trapped in the categorisation of refugees, is caught up in the semantic definition of "harmonisation" little realising that this step was suggested by Bhutan to delay the process as much as possible.
- c. Bhutan, on the excuse that Nepal is passing through political turmoil, has sought to win over senior politicians of Nepal by wining and dining them.
- d. Bhutan has gone about in a systematic way to destroy all buildings, gardens, fields and remnants of dwellings of the refugees- the result- the refugees will not be able to identify their places of residence now. In the meantime, the Royal Government of Bhutan is desperately trying to locate the reluctant northerners in southern Bhutan. The northerners being used to a colder climate are unwilling to move south. They are being showered with incentives and where this fails, with threats to move south. By any international standards this process of driving out lawful citizens of specific ethnicity and making the lands and places available to another group of different ethnic origin is nothing but ethnic clearing.
- e. The UNHCR, which has been feeding the refugees all along, has expressed a view that it cannot go on feeding the refugees indefinitely and that it is time that the refugees are permanently settled. They were thinking of Nepal or any other third country. This appears to be the view of other donor countries also. No country can be more grateful than Bhutan as this can legitimize its blatant illegal action in evicting the innocent people of southern Bhutan.
- f. In 1958, the National law of Bhutan permitted the Nepalese migrants to attain citizenship after residing in Bhutan 10 years and owning agricultural land.
- g. The 1977 Citizenship Act dramatically increased the period of residence for citizenship to 20 years and added a new requirement that the applicants have to be able to write and speak Dzongkha and have some knowledge of Bhutan.
- h. The 1985 Act was made more stringent requiring sound knowledge of Bhutanese history, culture, customs and traditions, and the ability to speak, read and write Dzongkha well. Anyone born before 1958 and had only Bhutanese parent apply for naturalization. Additional requirements included good moral character, no criminal record or record of disloyalty to the King, country and people.

The former king of Bhutan Jigme Singye Wangchuk, in complete disregard for the international relationship has made very unscrupulous remarks during his sojourn in

New Delhi in 1997. He said that no uncertain terms that almost 99 percent of the Bhutanese refugees presently taking shelter in Nepal are actually non-Bhutanese.³⁰⁴ This rough and tough attitude of the Bhutanese Monarch, this blunt and undiplomatic remark provides adequate grounds to presume that Bhutan is still not willing to accept the realities and also that the Indian establishment are even now patting up the back of Bhutan to go ahead with the policy of lingering and prolonging the process of reaching a peaceful and amicable settlement of the issue in the larger interests of both Nepal and Bhutan. The Bhutanese refugee problem is now at a serious juncture. Bhutan has not shown intention to take back the verified Khudunabari refugees and it has also obstructed the process of verification in other camps as well. It neither wants an involvement of third party, nor does it show its intention to solve the decade-old problem through bilateral negotiation. It has remained the major obstruction for the solution of the problem.

Yadav Kanta Silwal, former Secretary General of the SAARC said the Nepal has to start directly and clearly bilateral talk with Bhutan with options: how much refugees does accept by Bhutan to return black? How much refugees are wishing to go third country? And how much refugees are wishing to stay in Nepal? According to the willingness of Bhutan and refugees, this problem can be solved because this is a best and practical solution of Bhutanese refugee's problem.³⁰⁵ Nepal has experienced the pain of Maoist-insurgency; it does not want to see the same painful insurgency in Bhutan. Besides, the Communist Party of Bhutan has been established in Bhutan.

It is seen, Nepal has to internationalize this problem to create international pressure to Bhutan. If, Nepal is only limits this problem on Nepal-Bhutan bilateral dialogues; then it cannot be solved and Nepal will have to bear the blame of this problem. It is the explicit example of diplomatic failure of democratic government of Nepal after the restoration of democracy. Let's hope and wish that in the coming days this problem will be solved and Bhutanese refugees will return to their country with prestige.

4.7 India – Other Countries

³⁰⁴ *The Telegraph Weekly*, Kathmandu, January 8, 1997.

³⁰⁵ An interview with Yadav Kanta Silwal, former SAARC Secretary General on 23 August 2006.

India is the largest country in the region. As India is in center, main misperception exists between India and other small countries in the region on security matter, which is given below.

4.7.1 Divergent Security Perception

Security means state of being safe or freedom from risk or danger. The word security in general usage is synonymous with safety. Security means the absence of threats. Emancipation is the freeing of people (as individuals and groups), from the physical and human constraints, which stop those from carrying out what they freely chose to do. Security and emancipation are two sides of the same coin.³⁰⁶ Perception is the process of acquiring, interpreting, selecting and organizing sensory information.

There is a basic and inhibiting divergence in security perceptions between India and other small countries in the region, not only between India and Pakistan. In many cases, this can be tracked to variations in the tenor, scope and trust of bilateral relations between South Asian Nations and the super power who, in one way or another, have considerable stakes and influence in the region.³⁰⁷

The security environment in South Asian region has seen three substantive changes. First, the role of extra-regional power in South Asia is helping to keep the balance of power operation at a high level of escalation. Second, the kinds of linkages, which are observed both in political and military spheres, appear to be having a distinct bi-polar character about it. And the third is the introduction of the nuclear issue with greater stridency in the region.³⁰⁸

Regional security in South Asia is mainly directed and influenced by low intensity state conflicts and also followed by regional hegemonies. Low intensity conflicts, virtually, occupy central stage in many parts of this region. Various factors have been contributing to fuel the small wars in this region. The Indo-Pak relation always remained cool because of terrorist acts in Kashmir. Another crux of security problem emerged after nuclear test done by India and Pakistan respectively in 1998.

³⁰⁶ Paikaisothy Sarvanamuttu, *Comprehensive Security: Conceptual Considerations for South Asian Comprehensive Security Dialogue*, Kathmandu, 2nd and 3rd May 2002, p. 7.

³⁰⁷ Josee, op. cit., p. 224.

³⁰⁸ Pradhan, op. cit., p. 96.

South Asian States have two schools of thought that permeate the concept of stability ensuring security in South Asia. One is apparently a populist view advocated by India and another is the realist view as nurtured by the rest of the countries in the region. The first emanates from the Indian desire to play a pivotal role consistent with its acknowledged power potentials in the region. Conversely, the second view found its solace in India's recognition of the difficulties ascertaining its major power role in South Asia. This is reflected in India's carefully nourished and assertively extended policy and continued recrimination against the external power's involvement in the region on the other. Belief in India's central role in maintaining regional order, as New Delhi perceives has been disrupted as countries like Pakistan has opted for strategic convergence with extra-regional powers and aimed at countering India. Apparently, the involvement of extra-regional powers in their security environment also viewed this as a factor concomitant to a weaker power's ambition to seek strategic party with the regional influential.³⁰⁹

None of Member States are able to put up real security of South Asia against superpower aggression. They have, therefore, a need to build up a common security set up not only against a foreign invader but also even against aggressors from among themselves. The countries of South Asia are still passing through a period of intense, may be even militant and nationalism.³¹⁰ Not all nations in South Asia have confidence that their neighbors have a vital stake in their unity and integrity. The security threats are different from one another between India and its South Asian neighbors. The threats what they perceived are divergent.

There are several important dimensions to South Asia's security, which are given below.

First, the region is asymmetrical in nature. The size of India is larger than six countries of the region combined together. Furthermore, India sits right in the middle of South Asia and shares borders with almost all countries. No country in the region shares border with each other, except India. This geo-political situation has many ramifications in the region.

³⁰⁹ *Ibid*, p. 99.

³¹⁰ *The Rising Nepal*, Kathmandu, December 2, 1983.

Second, South Asian security is inextricably linked with the unresolved Kashmir issue. The hard reality is that Pakistan lacks power to force the issue with India. Until India is ready to resolve the issue, Pakistan is a helpless spectator and the dispute continues.

Third, both India and Pakistan have intensified in manufacturing their missile capabilities not only as defense strategy but also as symbol of power and prestige. Most significantly, India plans to acquire Theatre Missile Defense system (TMD) from Israel to neutralize missile capabilities of Pakistan. The plan means that Pakistan is likely to counter India's plan and the arms race continues in the region.

Fourth, in terms of India's nuclear protocol, the objective of nuclear weapons is to deter the use of nuclear weapons by any state or entity against India and its forces. It is significant to note that the word 'entity' has been employed. It refers to non-state actors (terrorist outfits) outside India's borders.

Fifth, Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka have not been doing anything that affects India's security.

Sixth, India claims that its security interests are trans-South Asian region. India defines its security position in the light of China's military strength and Pakistan assesses, its security concerns against India's position. This has manifested in arms and missiles race in South Asia. This triangular security dimension-China, India and Pakistan complicates the security situation in South Asia.

Finally, a security threat includes violence and internal instability. Nepal, Sri Lanka and India are going through violent political confrontations within the country. These are not healthy signs for South Asia because such violent confrontations may spill over neighboring countries.

Cooperative security can be defined as a safeguard against threats. Three issues need to be taken into consideration. What is threat? What is threatened? And what is the defense against threat? The state is a threat. Another state is threatened; the state military is used for defense. For solving the India-Pakistan problems, both the countries need to understand each other's security concerns.³¹¹

³¹¹ RCSS, *op. cit.*, p. 46.

The South Asian region is eminently suitable for applying the concept of cooperative security. However, problems arise due to different threat perceptions among the ruling circles.³¹² Merely levels of forces do not determine the security threats between India and Pakistan by state of political relations and political perceptions. India and Pakistan perceive threat from one another.

The security threat is different from one another between India and its South Asian neighbors. Neither have they had common internal enemy nor external enemy.³¹³ One major issue is the fear of mistrust in India's intentions among its neighbors, which causes them to search for what they see as ways of ensuring their security against India and what India sees as foreign interference in this region and an attempt to bring colonialism back to it. The second, which flows from the first and is really another from of it, is India's suspicion and fear that certain big powers, which are inimical to this country, are trying to deny its rightful place in this region. They are fueling fear of India among its neighbors to use them as pawns in their schemes against it, which are also part of their larger global designs.

There are major sources of mistrust such as great disparity between the size and the power potential of India on the one hand, and its neighbors on the other. The reasons for the suspicion and fear of India and her actions in the smaller states of South Asia including Pakistan are historical, geographical, political and psychological. These factors dominated the bilateral relations of India with her South Asian neighbors.

Krishna Prasad Khanal, Professor of Central Department of Political Science said the conflict between India and Pakistan in the SAARC, India's relation with Russia and Pakistan's relation with USA, and competition of nuclear weapons between India and Pakistan are creating intra- regional divergent security perception among South Asian Nations especially, between India and Pakistan which is hampering to the entire development of the SAARC.³¹⁴

³¹² ISACPA, *SAARC Development Goals (SDGs) 2005-2010*, Kathmandu : Independent South Asian Commission on Poverty Alleviation (ISACPA), 2004, p. 258.

³¹³ Krishna Hachhethu, *Nepal's Perception on Regional Co-operation in South Asia*. Unpublished MA Thesis, Central Department of Political Science, Tribhuvan University, Kirtipur, Kathmandu, 1986, p. 26.

³¹⁴ As told by Krishna Prasad Khanal, Professor of Central Department of Political Science, during an interview on 19 September 2006.

India is perceived as a big brother by small neighbors and there exists no common security perception among South Asian Nations. Some nations even perceive security threats arising from within the region and some from outside the region.

The refugees have also contributed to the insecurity of the host state in South Asia. The examples are that of East Pakistan in 1971 and Sri Lanka in the early eighties. The Bengali refugees from Pakistan in 1971 formed the Mukti Bahini, fought against the Pakistan armed forces and facilitated the breakup of Pakistan, which created the new and independent state of Bangladesh. Similarly, the Sri Lankan refugees in India and western countries activated the Tamil Diaspora outside Sri Lanka which created tremendous international pressure on Sri Lanka not only on the question of human rights violations in the UN and other forum but also made vulnerable to its international donors demanding an early and peaceful resolution of its ethnic conflict.³¹⁵

In both the cases of Sri Lanka and East Pakistan, the critical factor was, of course, the support to and the use of the refugees by the host state i.e. India. India's relation with its neighbours continues to be marked by fear, mistrust and suspicion. A minimum degree of political understanding is essential to meet the security concerns of each country of the region. By fostering understanding, good neighborly relations and meaningful cooperation, it can be well maintained that the cooperation movement will enhance the stability and security of the region.³¹⁶

The development of security issue has not received as much attention as it deserves probably because it is embedded in a nation state. The Kashmir issue with enormous security implications for regional peace and stability has never featured on the SAARC agenda because the SAARC Charter excludes bilateral and contentious issues from the deliberations of the Association.

The most common sources of perceptual conflicts are misunderstandings that arise out of ideological, historical, religious, nationalist, racial or ethnic differences between the contesting parties. Perception or misperception can be analyzed in terms of an actor's self-image and the perception of the character, intentions, power and

³¹⁵ S. D. Muni & Lok Raj Baral, *Refugees and Regional Security in South Asia*, New Delhi : Konark Publishers Pvt. Ltd. 1996, p. 25.

³¹⁶ Pradhan, op. cit., p. 100.

capabilities of his/her opponents. When gaps exist between perception and reality, the task of accommodation becomes difficult.

There are gaps between the theory and practice of confidence building in South Asian Nations. People tend to be ignorant and the policy makers are suspicious about Confidence Building Measurements (CBMs).³¹⁷ There is a fundamental difference between ASEAN and SAARC. Common security perceptions remain in the ASEAN but divergent security perception in the SAARC.

South Asian security is neither guaranteed by an arms race, nuclear superiority for which India and Pakistan are competing, nor by the involvement of extra-powers in the sub-continent. Peace and security are relative terms. There can be no security without peace, and no peace without security. For each nation of South Asia, security and peace are over-riding concern, which required that no one assume the role of a hegemonistic or hegemonial power.³¹⁸

Realism demands that the South Asian Countries identify the real threats to their security, which are largely non-traditional. South Asian States need to comprehend and diversify their understanding of security keeping in view the changing global security scenario where as non-traditional threats have become more serious than the traditional ones. Unfortunately, the South Asian States continue to remain concerned about traditional security threats. The security scenario facing these countries has therefore not improved. The dominant traditional security threats for the South Asian States are from within the region since they do not face any common extra-regional external threats. Their threat perception is therefore shaped more by their fear psychosis and less by the real security threats confronting the region, which are non-traditional in nature. The South Asian States have failed to realize the potential of these non-traditional threats, which provide enough scope and reason for regional cooperation. Rather, their negative threat perceptions have proved detrimental to the spirit of cooperation in the region.³¹⁹

³¹⁷ Monis Ahmar, *The Challenge of Confidence Building in South Asia*, New Delhi : Har Anand Publications Pvt. Ltd., 2001, p. 2.

³¹⁸ RCSS, op. cit., p. 112.

³¹⁹ Baljit Singh, "Regional Cooperation in South Asia Problems and Prospects", *South Asian Survey*, New Delhi : SAGE Publication, 12(2), July-December 2005, p. 184.

The SAARC forum has been focusing more on the non-traditional aspects of security and has deliberately excluded conventional security issues. The non-traditional aspects of security are both vital at national and regional levels. The SAARC as a regional mechanism that assumes importance, especially in this context, as the security discourse has been focusing more on non-traditional aspects in the recent years. Trust building among the citizens, civil societies and states is an important element to create a condition of common security perception, peace, stability and co-operation in the region.

The political will can strengthen the process of regionalism that has been lacking in South Asia. The determination and dedication of political will are basic to the future of the SAARC. The bilateral political problems between India and her neighbors, the absence of long-term vision and the peace of the SAARC are the preoccupations of Member States with their own domestic activities.³²⁰ Bilateral problems among South Asian Countries are the products of a lack of political will, poor quality of governance, cross-border trafficking and training in small arms.³²¹

The Heads of State or Government have noted since inception of the SAARC due to their specific vulnerabilities, small states require special measures for support from all concerned for safeguarding their sovereignty, independence and territorial integrity. But they did not mention clearly who are insecure from where and how? It is a thoughtful matter for South Asian people. Krishna Prasad Khanal, Professor of Central Department of Political Science said the SAARC has crossed more than two decade since date of its formal establishment but it has only held 13 Summits because of bilateral problem among South Asian Nations.³²²

Promotion of political understanding for successful and viable cooperation for accelerating economic growth, social progress and cultural development, which is an important objective enshrined in the SAARC Charter requires a certain degree of political understanding. Experiences in some regions have demonstrated the utility and efficacy of addressing this issue. In South Asia, an appropriate mechanism for consultations on political issues needs to be set up. The requisite political will for

³²⁰ Pradhan, *op.cit.*, p. IV.

³²¹ Bharagava & Khatri, *loc. cit.*, f. n. 8.

³²² As told by Krishna Prasad Khanal, Professor of Central Department of Political Science, during an interview on 19 September 2006.

accelerating progress is certainly a missing ingredient. But South Asia has not to hold only the political leaders at the highest level responsible for this. The political will can be generated by action at various levels. For this purpose the parliamentarians, the politicians, and the media practitioners and, in the present day world of privatization and marketisation, the private and corporate sectors can also play an important role. Basically, the civil societies as a whole in South Asia have to understand very clearly the enormous cost of non-cooperation, conflicts and hostility within and across the borders of South Asian Countries.³²³

Narendra Prasad Upadhyay, Editor of *Telegraph Weekly* claims that the tradition to calling the UN and white color persons by South Asian Countries as a mediator to solve the intra/inter-states problems which is wrong tradition because we can better understand and feel about the problems than them. We have also capable men powers within the region to solve it. So, we have to establish regional peacekeeping body in regional level to solve the problems for long-term solution, which will be resultful and pressless by external powers.³²⁴

The troubles in South Asia, its endemic tensions, mutual distrust and occasional hostilities are largely considered products of the contradictions of India's security perception with the rest of the countries of South Asia. India's neighbours perceive threats to their security coming primarily from India whereas India considers neighbours as an integral part off its own security system. The pre-eminence of India in the South Asian power configuration given its geography, demography, economics and ecology is something, which neither India nor its neighbours can do nothing but accept. But the image of India in South Asia is a power that demands habitual obedience from its neighbours. No wonder then, that there has always been certain psychological misgiving on the part of the smaller states about their all-powerful neighbours India.

The SAARC is indo-centric region. As India is in the center, some sort of misperception and dispute exist of India with almost all the countries of South Asia. India wants to continue its influential role in the SAARC; where as other countries want to diminish its influential role in the SAARC forum. These types of behaviors have been increasing misperception on security aspect between India and other South Asian

³²³ *The Telegraph Weekly*, Kathmandu, May 15, 1996.

³²⁴ An interview with Narendra Prasad Upadhyay, Editor of *Telegraph Week* on 19 August 2006.

Countries especially, between India and Pakistan. As a result, divergent security perception is remaining in the region.

4.8 An Assessment

Every regional organization has bilateral issues in the organization. The South Asia has complex bilateral issues, which have been hampering the entire development of the region. The SAARC cannot meet the objectives of the Association only through social progress and economic growth unless bilateral problems are solved by peaceful negotiations, which is still remaining in the region.

There is no single particular factor/reason as main cause of bilateral problems in South Asia. It is embroiled in many issues and provides a disappointing picture in every social, economic and political context. This is due to the fact that South Asia is almost perpetually plagued by various inter and intra-state conflicts and crisis stemming from the lackadaisical approach of the ruling elite toward resolution of such problems which are based on narrow considerations of caste, religion, ethnicity, language and community. The relations of states are dominated by regional politics and more than by events outside their region. An example of the importance of regional politics is the situation in the South Asia, which has been dominated by India-Pakistan conflict for over a six decade.

The Pakistani President, Pervez Musharraf called upon the SAARC to take up bilateral contentious issues at its forum. Without desirable peace, there could be little progress in the region. Bilateral differences have to be resolved in the SAARC on the basis of justice and fairplay, he stated while proposing a vote of thanks at the end of the Eleventh SAARC Summit in Kathmandu. India has always refrained from raising bilateral issues in the SAARC. General Musharraf further said bilateral disputes have to be settled sincerely by collective efforts of the Member Countries.³²⁵

The field of information and media can play significant role to reduce misunderstanding for solve the bilateral problems and to promotion of peace, progress and harmony in South Asia as well as the fundamental ethos and values of the SAARC, highlighting the importance of regional co-operation. Its role is also important to optimal-utilization of available resources and facilities in the SAARC region to

³²⁵ *The Hindu*, India, January 7, 2002.

strengthen cooperation in the field of media and information and upgrade the professionalism of media persons through human resource development programmes and regional exchanges for better quality of life of South Asian people.

The gap between promise and performance, rhetoric and action, policy formulation and implementation has remained wide over last twenty-two years. It is clear that the bilateral problems in South Asia cannot be solved at the same level of thinking, which was used in 1947 when the British left South Asia after their dead end strategies.

The SAARC has not been addressed bilateral issues in the SAARC forum because its Charter makes clear that the bilateral issues are not allowed to be discussed in the SAARC forum. In consequence, doubt and mistrust until remaining within the region and SAARC Summits were postponed in different times which has been effecting to the entire development of the South Asia. It is seen that the SAARC has to address the bilateral issues to remove the doubt and mistrust from the region, and establish the good relationship among South Asian Nations for better quality of life of South Asian people.

Former SAARC Secretary General, Yadav Kanta Silwal said the socio-economic transformation is necessary to remove bilateral issues from the South Asia. If it can be done by the SAARC, the whole scenario of the region will be changed.³²⁶

The SAARC has to initiative political issues to make the SAARC as an effective regional organization in the world. The SAARC leaders also have to establish the good political culture in the region by mutual trust and understanding for better quality of life of South Asian people.

The socio-economic progress of the South Asian Countries has been slow due to the dilemmas arising from fears of bilateral and contentious issues, intra/inter-states conflicts and divergent security perception.

Narendra Prasad Upadhyay, Editor of Telegraph Weekly suggests the South Asian Countries have to utilize media properly for remove mistrust, conflict, problems and challenges from the region, and to promote people to people contact and regional cooperation in the region.³²⁷

³²⁶ An interview with Yadav Kanta Silwal, former SAARC Secretary General on 23 August 2006.

³²⁷ An interview with Narendra Prasad Upadhyay, Editor of Telegraph Weekly on 19 August 2006.

Speaking on the sidelines of the opening of the two-day meet of the Fourteenth SAARC Summit, Indian Prime Minister Manmohan Singh said that South Asia is in the midst of an economic and political transformation. The Prime Minister further said that the political transformation is painful. So, South Asia has to work out for her selves within the region and between the governments.

In Fourteenth SAARC Summit, Prime Minister of Pakistan, Shaukat Aziz urged the SAARC Countries have to leverage their strength and overcome common challenges. He also proposed a five-point roadmap to promote genuine peace and security in the South Asian region. He further pointed out that political environment in the region has held back the growth of the SAARC. While stating that the SAARC must be made goal oriented, Aziz added, we need to move from debate and deliberations towards concrete action.³²⁸

Bilateral issues have been slowed down the socio-economic development of the region. It is seen, the SAARC had better to include bilateral issues in the SAARC forum by the amendment of the article 10 of its Charter and establish the decision taken system by majority not unanimity to solve the common bilateral and regional problems of South Asia for social progress and economic growth of the region. Otherwise, number of socio-economic challenges and bilateral issues of the region will be increased and become more complex.

³²⁸ <http://www.ekantipur.com/article.htm>

CHAPTER - V

SUMMARY, FINDINGS AND SUGGESTIONS

5.1 Summary

After getting realized the complexities of fulfilling necessities without the help of neighboring countries by the Member States of international community, the concept of regional organization has been established in the different parts of the world with a view to establish mutual harmony, friendly relationship and meet certain requirements in regional level. Especially, when UNO was established in 1945 as an international organization, the establishment of regional organizations has been rapid in different parts of the world. As a result, in South Asia, the SAARC was established on 7-8 December 1985 in order to increase the living standard of the peoples of South Asia and solve regional problems and challenges at the regional level. The SAARC has been established by the five years long indefatigable efforts and collective commitment of the leaders of seven countries (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) of South Asia and under the article 52-54 of UN Charter.

Social and economic aspects appear to be revenant but social and economic developments are not connects in practice in the SAARC region, which has been ignoring by South Asian policy makers. The South Asian States share many common socio- economic challenges in the region such as illiteracy, trafficking of women and children for prostitution, HIV/AIDS, population growth, drug trafficking and abuse, ethnic problem, terrorism, poverty, unemployment and trade. Although, knowing about the remedies of these common challenges, the leaders, instead of focusing their energies and insights to solve these problems are ongoing themselves on interest, quest for power and unhealthy arms competition that have been experiences by South Asian society everyday.

The bilateral issue had already been raised between the two powerful countries: India and Pakistan before the establishment of the SAARC. In spite of its establishment, the bilateral issue among Member States is still increasing gradually and becoming complex. By which, Kashmir problem, nuclear competition, peace and friendship treaty, Maoist problem, LTTE problem, sharing of Ganges water, Bhutanese refugee problem and divergent security perception can be its distinct evidence that are supposed to be solved with great effort, much sensitively and priority. Continued attachment with doubt, mistrust, misunderstanding among Member States, and lack of involvement of bilateral issues among the South Asian Countries are mostly considered to be its main reasons. Especially, for the establishment of appropriate environment, the SAARC Charter had to be amend; it could involve bilateral issues considerably and establish the system of resolving bilateral issues through peaceful dialogue using the political will of the leaders.

Otherwise, the SAARC region will be facing continuous mistrust; misunderstanding and conflict instead of cooperation and understanding that will stand against the main spirit of the SAARC Charter. Intra/inter states conflict, mistrust and misunderstanding among the Member States are proved to be the main hindering factors to the development of the South Asia.

As India is at the center, some sort of its dispute seems to exist with almost all the countries, except Bhutan and Maldives. India wants to establish its influential role in the South Asia where as other countries want to diminish its role. The size and centrality of its location in South Asia, bilateral problems between India and its neighboring countries tend to hinder the development of the SAARC region. Therefore, the challenge for South Asia in the twenty-one first century will be to work for synergy in bilateral conflict management and for optimal cooperation through a proper mixture of bilateral, sub-regional and regional cooperation. Regional problems and tensions among South Asian Countries have relevance to internal conflicts and tensions, which South Asian Countries are facing today. Even after more than two decades of its formation, the South Asian Forum has failed to make any significant impact on improving people's life style. South Asian region has complex social, economic and political issues, in which internal, regional and external factors interact, affect strategies for management of bilateral problems and development of cooperation. The gap between promise and performance, rhetoric and action, policy formulation and implementation has remained wide in the South Asia.

Twenty-two years have passed from the period of SAARC established. Fourteen Summits and many more meetings have been held, but the concrete results achieved for the advancement and well being of the people of the region have been rather modest. If the leaders of the South Asia correct their mistakes, weakness and give collective effort to better quality of life of South Asian people, the scenario of the South Asia will definitely be changed.

5.2 Findings

Below are the major findings of the study.

1. Regional organizations are organizations of several countries of a region. They are international, as more than two nations are members of such

organizations. They are regional, because they pertain to one region. Such organizations are based on a formal agreement or treaty signed by the concerned governments. They are concerned with political, economic and security cooperation among their member status. The idea of regional cooperation emerged after World War II, because many countries were suffering from economic and political problems.

2. It was in 1980 that the late President of Bangladesh Ziaur Rehman first time proposed institutionalization of regional cooperation in South Asia. Several factors such as political; economic; security and potentiality of mutual economic benefit through regionalism seemed to have influenced President Ziaur Rehman's thinking about establishing regional organization in South Asia. The SAARC was finally established in 1985 comprising Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka and held First Summit in December 7-8, 1985 in Dhaka where Charter of the South Asian Association for Regional Cooperation was signed. The SAARC was launched with the objectives of promoting welfare of the peoples of South Asia and improving their quality of life through accelerated economic growth, social progress and cultural development in the region. 8 December every year is observed as the SAARC Charter Day.
3. South Asian region is an organization of those countries that adopt Hindu, Islamic, Buddhist religion with different political, economic, social, cultural and intellectual background. South Asian cooperation is a product of necessity and a source of hope for the people of the region. The SAARC region is characterized by diversity in language, religion, ethnicity and various culture which cannot be found anywhere in the world. There is also a great diversity in geography, size, population and the natural resources endowments that prove that the SAARC region is different and unique regional organization in the world.
4. Economy and society are intertwined. Social and economic aspects appear to be extremely relevant but economic and social developments are not connected in practice in the SAARC region. Social development and

economic growth are mutually reinforcing to human resource development, which is a pre-condition for economic growth. But South Asian policy makers have neglected these aspects.

5. From its establishment, the SAARC region has been facing so many common socio-economic challenges like; illiteracy, trafficking of women and children for prostitution, HIV/AIDS, population growth, drug trafficking and abuse, ethnic problem, terrorism, poverty, unemployment and trade. In addition, the SAARC region is seen to have been playing a vital role to eradicate poverty and combat terrorism in different periods. But in the present situation, the most dangerous disease-HIV/AIDS has been appeared as the most complex and burning challenge for the South Asia that is threatening to the human civilization. In order to cope with such complicated and burning challenge, the collective effort of all of the Member States of the SAARC is needed and compulsory. Otherwise, this harmful disease -HIV/AIDS will be proved a curse for South Asia. The common socio-economic challenges of the South Asia are still in front. The South Asia has not achieved the expected progress due to the lack of collective efforts of Member States, lack of implementation of the various decisions made by leaders of the South Asia and passiveness of the SAARC's Centers and Bodies into account. The SAARC region needs to do a lot of work, to promote the living standard of the people, for the fulfillment of its goals and to be recognized as a successful regional organization in the international community. It also needs to emphasize on practical aspects. It has to not limit itself to theoretical aspects.
6. The socio-economic situation of the South Asian region is to a great extent due to the dilemmas arising from fears of bilateral and contentious issues being raised and the attention being shifted from economic issues to political issues. The South Asian Countries are full of natural resources, but people of this region are always compelled to live into poverty because these countries are unable to utilize and mobilize those free gifts of nature due to economic insufficiency. The South Asia has some significant achievements to its credit for reducing poverty, illiteracy and

eradicating some diseases. The high rate of economic growth induced by free trade regime can help to alleviate poverty, reduce illiteracy, inequality and solve the problem of unemployment.

7. The SAARC region is Indo-centric region. As India is in the center, some sort of dispute seems to exist between India and other Member Countries. India wants to establish its influential role in the SAARC forum; where as other countries want to diminish its role. Another impact of this location is that India is dominant in the SAARC forum as well as in the region. India's presence and role need to be accepted by small neighboring countries, as there is no alternative because friends can be changed but not the neighbors.
8. India and Pakistan, two prominent states of the SAARC region have all along been engaged in interminable hostility and suspicion. Its side effects have continued to send shock waves across the whole region. India and Pakistan are making South Asia as one of the most conflict region in the world. Pakistan is worried that India can be dominant in the SAARC region and India has a fear that the smaller countries will gang up against it. It is probably because of this fear that the South Asian leaders decided to exclude political, security and bilateral issues within the purview of the SAARC Summit. Due to its narrow agendas, the SAARC region has made very limited progress.
9. The fundamental problems of the South Asian region are essentially political and mostly bilateral; unless they are addressed, the SAARC region will remain a lame duck. The SAARC region has been slow to develop, as there was an absence of political will. Due to political instability in most of the South Asian Nations, they could not address the problems of poverty, terrorism, illiteracy and unemployment. As a result, hundreds of thousands of youths have left the country in search of work as cheap labor in different parts of the world.
10. The SAARC always holds meetings but gives least priority to the resolutions and declarations passed during the meetings after they come

back home. Although, knowing about the remedies of these common problems, the leaders, instead of focusing their energies and insights to solve these problems, have engulfed themselves into vested interests, quest for power and unhealthy arms competition.

11. Progress of the SAARC region depends on the ability and will of the leaders who are required to show a spirit of give and take in handling various issues confronting them in the overall interest of all in the region. It is far too important to be left to the official process alone. As such, it needs to be nurtured by all concerned segments of society. Policy dialogues on South Asian cooperation needs to be promoted widely both bilaterally and through regional and multilateral initiatives.
12. The President of Pakistan General Pervej Musharaff came to Kathmandu to participate in the Eleventh Summit of the SAARC through the sky route of China. This affected the Summit while then Prime Minister of Nepal Surya Bahadur Thapa reached Pakistan to take participation in Twelfth Summit after spending seventeen hours in Bangkok, Thailand. The creation of this situation seems thinkable because it takes just two hours to reach Islamabad from Kathmandu, but here it took seventeen hours. How can we expect greater achievements while such incidents repeat again? And the Summits have a place to discuss on problems and relations of all seven countries, but they are more focused on the issue of India and Pakistan. While there is such obstacle only to go from one country to another to attend the Summit, there is not any dispute, how South Asian people can hope for better life from the leaders of South Asia?
13. Some staffs of the SAARC Secretariat could not provide general information of ISACPA and SDOMD in the process of data collection. High level of personnel of the SAARC Secretariat (Directors, Secretary General) could not cooperate for providing general information about SAARC that determines the level of the SAARC Secretariat and that can also determines the future prospect South Asia.

14. The only usual meets of the Heads of the State or Government can't solve the problems that are faced by the South Asian Countries together. The regular Summit of the Heads of the State or Government may turn into a gathering of the power holders unless they set definite targets to alleviate deep-rooted poverty, bring peace and harmony in the region.
15. SAARC region is at a crossroad today where it is facing various challenges and opportunities in the new Millennium. No problems of South Asian States remain unresolved with positive Political Will. If Member States rectify their mistakes, amend the Charter and solve the bilateral problems peacefully, it will be achieved its goals successfully. The future of the SAARC region depends upon the prospective behavior of its members, especially of India.

5.3 Suggestions

Based on the findings, the study makes the following suggestions.

1. The lack of education is the foe of human being and universe. So, the South Asian region needs to give special priority on education sector to produce eligible, educated and capable manpower in the region.
2. South Asian region needs to emphasize on close interaction and cooperation between the government and non-governmental organizations to plan, evaluate and implement measures against the trafficking of women and children for prostitution.
3. South Asian region needs to give priority to create awareness for preventing the HIV/AIDS by publicity of condom and introduce the compulsory sex education in school level all over the SAARC region.
4. Members States of the SAARC, especially, Islamic nations need to change religious superstitions respectively to control their fast growing population for the time being.
5. South Asian region needs to launch special programs to control illegal market of drugs and make the plan aiming at youths to make them educated, aware and to motivate them with physical and mental exercises.

6. South Asian Countries need to provide maximum right and opportunities to ethnic groups for identity and participation of them in mainstream of development.
7. South Asian Countries need to create the agreeable definition of terrorism to eliminate it from the region. They also need to implement the current protocol for cooperation against terrorism and bring it in line with the international norms.
8. SAARC Secretariat needs to periodically update Regional Poverty Profiles and continue to collaborate with international organizations and the UN agencies in the field of poverty alleviation.
9. South Asian Countries need to make more effective to ISACPA for alleviate poverty from the region.
10. South Asian region needs to include the unemployment issue within the areas of cooperation in the SAARC forum as soon as possible.
11. South Asia needs to give priority to the trade and enterprises sectors for the economic and infrastructure development. The South Asia also has to make SAFTA more effective and implement its rule and regulations honestly in practice.
12. South Asian region needs to create a common currency policy in the region for the development of the region.
13. SAARC Secretariat needs to be restructured as a professional organization with enhanced status of Secretary General.
14. SAARC needs to review article 10 of its Charter and establish the decision-making system by majority. It also needs to include the political, bilateral and contentious issues in the Association and solve them by peaceful negotiation.
15. South Asia needs to prohibit the militarization of the region and its budget has to invest in social and physical infrastructure development.

16. South Asian region needs to establish a network of civil societies in South Asia to address the issues of public accountability at national and regional levels.
17. South Asia needs to follow the water-sharing proposal for better quality of life of South Asian people, which was presented by late King Birendra in 1977 in Colombo.
18. South Asian region needs to develop transport and communication linkages within the region for entire development of the region.
19. South Asia needs to begin energy diplomacy among South Asian Countries to exploit the available natural resources of the region effectively.
20. The South Asian Countries need to agree on the specifics of a comprehensive multi-sectoral agenda for bilateral and regional cooperation in such areas as trade, investment and infrastructure development.
21. South Asian Countries need to create Committee on Social Development in order to cope with the problems brought by globalization, trade liberalization and increasing global economic competition.
23. South Asia needs to establish SAARC People's Assembly (SPA) formally involving NGOs, academia, media, people's organizations, civil society and civic groups.
24. South Asia needs to create Economic, Social and Security Communities as in ASEAN.

BIBLIOGRAPHY

Books

- Adhikari, R. & Ghimire, H. (2058 BS). *Nepali Samaj Ra Sanskriti (Nepalese Society and Culture)*. Kathmandu : Vidhyarthi Pustak Bhandar.
- Agraa, Ali E. EL. (1999). *Regional Integration: Experience, Theory and Measurement*. London : Macmillan Press.
- Agrawal, G. R. (1978). *The Challenge of Educational Finance in Nepal*. Kathmandu : Centre for Economic Development and Administration (CEDA). TU.
- Ahmar, M. (2001). *The Challenge of Confidence Building Measures in South Asia*. New Delhi : Har-Anand Publications Pvt. Ltd.
- Ahmed, S. (1987). *The Identity of the Sub-Continent*. New Delhi : India International Center.
- Azam, K. J. (2001). *Ethnicity, Identity and the State in South Asia*. New Delhi : South Asian Publishers Pvt. Ltd.
- Bahadur, K. (1986). *South Asia in Transition Conflicts and Tensions*. New Delhi : Patriot Publishers.
- Bajracharya, M. L. (n.d.). *Nepal-India Relationship...? (Myth and Realities)*. Kathmandu : Anil and Rajiv Bajracharya.
- Banerjee, D. (1999). *Security in South Asia*. New Delhi : Manas Publications.
- Banskota, N. P. (1990). *Regional Economic Co-operation in South Asia: Nepalese Perspective*. New Delhi : Daya Publishing House.
- Baral, L. R. (1983). *Regional and Extra Regional Links and South Asia Cooperation*. Kathmandu : Centre for Economic Development and Administration (CEDA). TU.
- _____. (1988). *Regional Framework for Amity and Peace in South Asia*. Kathmandu : Centre for Nepal and Asian Studies (CNAS). TU.
- _____. (1988). *The Politics of Balanced Interdependence Nepal and SAARC*. Kathmandu : Ratna Pustak Bhandar.
- _____. (1990). *Regional Migration, Ethnicity and Security: The South Asian Case*. New Delhi : Sterling Publishers Pvt. Ltd.

- Bharagava, K. K. & Khatri, S. K. (2001). *South Asia 2010: Challenges and Opportunities*. New Delhi : Konark Publishers Pvt. Ltd.
- Burghart, R. (et. al.) (1996). *The Conditions of Listing Essays on Religions, History and Politics in South Asia*. New Delhi : Oxford University Press.
- Cecil, P. A. (1913). *Unemployment*. London : Williams and Norgate.
- Chand, A. (1992). *Pakistan: Terrorism in Punjab and Kashmir*. New Delhi : Amar Prakashan.
- Dahal, D. R. & Pandey, N. N. (2005). *New Life within SAARC*. Kathmandu : Institute of Foreign Affairs (IFA). and Friedrich-Ebert Stiftung (FES).
- Dahal, R. K. (2002). *Dakshin Purbi Asia Ra Dakshin Asia (South East Asia and South Asia)*. Kathmandu : New Hira Books Enterprises Pvt. Ltd.
- Dharamdasani, M. D. (ed.) (1998). *Cooperation Among South Asian Nations*. Varanasi : Shalimar Publishing House.
- Dongol, B. D. (1987). *SAARC Voyas from Dhaka to Kathmandu*. Kathmandu : National Archieves.
- Eithne, M. L. (1992). *Understanding Unemployment*. New York : Routledge Press.
- Emajjuddin, A. (1983). *SARC: Seeds of Harmony*. Dhaka : University Press Limited.
- Frankel, J. (1973). *Contemporary International Theory and the Behavior of States*. London : Oxford University Press.
- Gallagher, J. J. (1992). *Low Intensity Conflict: A Guide for Tactics, Techniques and Procedures*. New Delhi : Lancer Publishers and Distributors.
- Ghosal, B. (ed.) (1996). *Diplomacy and Domestic Politics in South Asia*. New Delhi : Konark Publishers Pvt. Ltd.
- Ghosh, P. S. (1989). *Cooperation and Conflict in South Asia*. New Delhi : Manohar Publications.
- Gopal, K. (1996). *Geo -Political Realities and Regional Cooperation: A Study of South Asia*. New Delhi : Trans- Asia Publications.
- Grover, V. (1992). *UNO, NAM, NIEO, SAARC and India's Foreign Policy*. New Delhi : Deep & Deep Publications.
- Guha, S. (2001). *Health and Population in South Asia from Earliest Time to the Present*. New Delhi : Permanent Black Publications.
- Gunaratna, R. (1998). *Sri Lanka's Ethnic Crises and National Security*. Colombo : South Asian Network on Conflict Research.

- Gupta, B. S. (1988). *SAARC-ASEAN Problems and Prospects of Inter-Regional Co-operation*. New Delhi : South Asian Publishers Pvt. Ltd.
- Gupta, S. P. & Tambunlertchai S. (eds.) (n.d.). *The Asia Pacific Economics: A Challenge to South Asia*. New Delhi : Macmillan Press.
- Gupta, S. (1967). *Kashmir: A Study in India-Pakistan Relations*. New Delhi : Asia Publishing House.
- Haas, E. B. (1958). *The Uniting of Europe: Political, Social and Economic Force, 1950-57*. New York : Standford University Press.
- Hada, G. B. (2054 BS). *SAARC Ek Parichaya (An introduction of the SAARC)*. Kathmandu : Bishwa Gyan Manch Prakashan.
- Haq, M. S. (1983). *International Politics: A Third World Perspective*. Dhaka : Academic Publishers Limited.
- Hariharan, S. V. & Jebaraj, J. (2003). *Trade between SAARC and the other Asian Developing Countries*. New Delhi : Serials Publications.
- Hebe, S. & Kay, D. H. (1947). *The Cooperative Movement at Home and Aboard*. London : Macmillan Press.
- Higgins, N. O'. (2001). *Youth Unemployment and Employment Policy: A Global Perspective*. Geneva : International Labour Organization (ILO).
- Hintze, H. (n.d.). *Regionalism Encyclopedia of the Social Science*. New York : Macmillan Press.
- Hussain, M. & Ghosh, L. (2002). *Religious Minorities in South Asia*. New Delhi : Manak Publication Pvt. Ltd.
- Iftak. (ed.) (1998). *Introduction of Ethnicity and Constitutional Reform in South Asia*. Colombo : Regional Centre for Strategic Studies (RCSS).
- Jetly, N. (ed.) (1999). *Regional Security in South Asia: The Ethno-Sectarian Dimension*. New Delhi : Lancers Publishers and Distributors.
- Joshee, M. R. (1984). *Nepal and the World*. Kathmandu : M.R. Joshee.
- Kabir, M. H. (1996). *The India Factor in Sri Lanka's Foreign and Security Policy*. Colombo : Bandaranayake National Memorial Foundation.
- Karim, A. (1993). *Transitional Terrorism: The Danger of the South*. New Delhi : Lancer Publishers and Distributors.
- Kegley, C. W. & Wittkopf, E. R. (1981). *World Politics: Trends and Transformation*. New York : ST. Martin Press.

- Khanal, Y. N. (1991). *South Asian Association for Regional Cooperation*. Kathmandu : Integrated Development System (IDS).
- Khand, J. D. (1984). *Nepal's Relations, Cooperation and Peace*. Kathmandu : Prava Khand.
- Kharat, R. S. (1999). *Bhutan in SAARC: Role of Small State in a Regional Alliance*. New Delhi : South Asian Publishers Pvt. Ltd.
- Khatri, S. K. (1987). *Regional Security in South Asia*. Kathmandu : Centre for Nepal and Asian Studies (CNAS). TU.
- Kishor, N. (1989). *International Terrorism: A New Kind of Conflict*. New Delhi : S. Chand & Company Pvt.Ltd.
- Koirala, R. & Dhakal, D. P. (2056 BS). *SAARC Parichaya (Introduction of the SAARC)*. Kathmandu : Bishwa Gyan Manch Prakashan.
- Koirala, R. P. (1990). *Nepal's Role in Collective Utilization of Its Water Resources*. Kathmandu : The Team Publication Pvt. Ltd.
- Kumar, D. (1999). *Minds of War and Minds of Peace in South Asia*. Kathmandu : Centre for Nepal and Asian Studies (CNAS). TU.
- Lall, K. B., Chopra, H.S. & Meyer, T. (eds.) (1993). *The European Community and SAARC*. New Delhi : Radiant Publishers.
- Lamb, A. (1993). *Kashmir: A Disputed Legacy (1846-1990)*. Karachi : Oxford University Press.
- Lekhi, R. K. (2001). *The Economics of Development and Planning*. New Delhi : Kalyani Publishers.
- Madaan, D. K. (1997). *SAARC Origin, Development and Programmes (From the first to the ninth SAARC Summit)*. New Delhi : Deep & Deep Publications.
- Malhotra, V. K. & Sergouniun, A. A. (1998). *Theories and Approaches to International Relations*. New Delhi : Anmol Publications Pvt. Ltd.
- Mansfield, E. D. & Miner, H. V. (1997). *The Political Economy of Regionalism*. New York : Colombia University Press.
- Mclellan, D. S. (et. al.) (1977). *The Theory and Practice of International Relations*. New Delhi : Prentice-Hall of India Pvt. Ltd.

- Morgenthau, H. J. (1967). *Politics Among Nations: The Struggle for Power and Peace*. Culcutta : Scientific Book Agency.
- Muni, A. & Muni, S. D. (1984). *Regional Cooperation in South Asia*. New Delhi : National Publishing House.
- Muni, S. D. (1973). *Foreign Policy of Nepal*. New Delhi : National Book House.
- _____. (1992). *India and Nepal: A Changing Relationship*. New Delhi : Konark Publishers Pvt.Ltd.
- Muni, S. D. & Baral, L. R. (1996). *Refugees and Regional Security in South Asia*. Delhi : Konark Publishers Pvt. Ltd.
- Naqvi, S. N. H. (1992). *SAARC Link an Econometric Approach*. Kuala Lumpur : Asian & Pacific Development Centre (APDC).
- Narain, I. (1985). *Regional Politics in India*. Jaipur : Printwell Publishers.
- Narain, V. & Upreti, B. C. (1991). *SAARC: A Study of Perceptions and Policies*. New Delhi : South Asian Publishers Pvt. Ltd.
- Palmar, N. D. & Perkins, H. C. (1985). *International Relations*. New Delhi: CBS Publishers and Distributors.
- _____. (1997). *International Relations: The World Community in Transition*. New Delhi : ATIBS publishers Pvt. Ltd.
- Parajuli, C. (2055 BS). *SAARC Ek Parichaya (An introduction of the SAARC)*. Kathmandu : Ashik Pustak Bhandar.
- Paul, T. (1971). *International Cooperation Today*. London : Elek Books Ltd.
- Pentland, C. (1973). *International Theory and European Integration*. London : Faber & Faber Ltd.
- Phukon, G. (2002). *Ethnicity and Polity in South Asia*. New Delhi: South Asian Publishers Pvt. Ltd.
- Pradhan, B. (1989). *SAARC and Its Future*. Kathmandu: Durga Devi Pradhan.
- Prasain, N. R. (2043 BS). *Dakshin Asiyali Sahayog Sangathan (South Asian Association for Regional Coperation)*. Kathmandu: Usha Prasain.
- Porove, W. (1984). *Perspective for the Development of Himalaya Resources*. Colombo: Marga Institute.
- Qureshi, M. L. (1981). *Survey of Economy Resources and Prospects of South Asia*. Colombo: Marga Institute.

- Rai, A. B. (2054 BS). *SAARC Ek Bristit Adhyayan (A Descriptive Study of the SAARC)*. Kathmandu : Makalu Books and Sports.
- Rakesh, R. D. (2059 BS). *Purva Dekhi Pashim Samma (East to West)*. Biratnagar : Vani Prakashan.
- Rama, S. M. (1990). *Regional Organizations: A Third World Perspective*. New Delhi : Sterling Publishers Pvt. Ltd.
- Ramakant. (et.al.) (1983). *Regionalism in South Asia*. Jaipur : Aalekh Publishers.
- Rana, S. S. (ed.) (1997). *South Asia Economic Cooperation Problems and Prospects*. Kathmandu : Academic Research and Development Action Council (ARDAC) in cooperation with Coalition for Action on South Asian Cooperation (CASAC) and Friedrich Ebert Stiftung (FES).
- Rawal, B. (1990). *Nepalma Samyabadi Andolan: Udabhab, Vikas ra Bartaman Avastha (Communist Revolution in Nepal: Origin, Development and Recent situation)*. Kathmandu : Pairabi Prakashan.
- Sarkar, J. & Ghosh, G. C. (2003). *Populations of the SAARC Countries*. New Delhi : Sterling Publishers Pvt. Ltd.
- Sharma, C. K. (2040 BS). *Water and Energy Resources of The Himalayan Block*. Kathmandu : Sangeeta Sharma.
- Sharma, G. (2047 BS). *Antarastriya Sangathanharuko Ruprekha (Structure of International Organizations)*. Kathmandu : Vidhyarthi Pustak Bhandar.
- Sharma, S. L. & Oomen, T. K. (2000). *Nation and National Identity in South Asia*. Hyderabad : Orient Longman Pvt. Ltd.
- Shelley, M. R. (1992). *The Chittagong Hill Tracts of Bangladesh: The Untold Story*. Dhaka : Centre for Development Research Bangladesh (CDRB).
- Shrestha, A. & Dahal, N. R. (2000). *Economic Development and the Vision of Social Justice: SAARC after the Year 2000*. Kathmandu : Nepal Foundation for Advanced Studies (NFAS).
- Shrestha, B. P. (1988). *SAARC an Economic Perspective*. Kathmandu : Centre for Nepal and Asian Studies (CNAS). TU.
- Shrestha, I. B. (2058 BS). *A Study of International and Regional Organizations*. Kathmandu : Kanchan Printing Press.
- Shrestha, S. K. (1997). *Nepal-SAARC Trade Relation: Problems and Prospects*. Kathmandu : Centre for Nepal and Asian Studies (CNAS). Research Division, TU.

- Siddiqi, M. (2006). *India and SAARC Nations*. New Delhi : Maxford Publications.
- Sing, S. M. (1987). *SAARC from Dhaka to Kathmandu*. Kathmandu : Ratna Pustak Bhandar.
- Singh, G. N. (1993). *The Economy of the SAARC Nations*. New Delhi : Anmol Publications.
- Singh, M. (1970). *Cooperatives in Asia*. London : Praeger Publishers.
- Singh, S. B. (1994). *Indo-Nepalese Relation: Discord and Harmony*. Varanasi : Ganga Kaveri Publishing House.
- Sudhakar, E. (1994). *SAARC Origin, Growth and Future*. New Delhi : Gyan Publishing House.
- Tuladhar, N. (1994). *Socio-Economic Profile of SAARC Countries*. New Delhi : South Asian Publishers Pvt. Ltd.
- Tabyconon, M. T. John, C. S. Bhuiyan, A. H. & Afsar, A. K. M.. (1995). *Possibilities and Problems of Research and Development Cooperation among Developing Countries*. Germany : A Publication of Gesellschaft Fur Technishe Zusammenarbeity (GTZ).
- Umar, G. (1992). *SAARC: Analytical Survey*. New Delhi : Renaissance Publishing House.
- Vanaik, A. & Brass, P. R. (2002). *Competing Nationalism in South Asia*. New Delhi : Orient Longman Pvt. Ltd.
- Vance, R. B. (n.d.). *International Encyclopedia of the Social Sciences*. New York : Macmillan Press.
- Verma, R. K. (1994). *Regionalism and Sub-Regionalism in State Politics*. New Delhi : Deep & Deep Publications.
- Wright, Q. (1970). *The Study of International Relations*. Bomboy : The Times of India Press.

SAARC Publications

- Ñ *From SARC to SAARC: Milestones in the Evolution of Regional Cooperation in South Asia, Vol. I. (1988)*
- Ñ *Meeting the Challenge - Report of the Independent South Asian Commission on Poverty Alleviation (1992)*

- Ñ *Regional Poverty Profile (2004)*
- Ñ *SAARC – A Profile (2004)*
- Ñ *SAARC Charter and Provisional Rules of Procedure (2002)*
- Ñ *SAARC Declarations (2004)*
- Ñ *SAARC Development Goals (2004)*
- Ñ *SAARC Ministerial Meetings: April 1986- August 1999 (1999)*
- Ñ *SAARC News Letters (2002-2005)*
- Ñ *SAARC Plan of Action on Poverty Alleviation (2004)*
- Ñ *SAARC Summits (1985-1988). (1990)*
- Ñ *Social Charter of the SAARC (2002)*

Unpublished Works

- Bhandari, S. R. (1995). *Problems of Regional Integration in South with special reference to SAARC*. Unpublished MA Thesis, Department of Political Science, Post Graduate Campus, Purwanchal University, Biratnagar, Nepal.
- Bhandari, S. (2059 BS). *Dakshin Ashiyali Chhetriya Sahayog Sangathan (SAARC) ma Nepalko Bhumika (Nepal's role in the SAARC) (1985-2002)*. Unpublished MA Thesis, Central Department of Political Science, Tribhuvan University, Kirtipur, Kathmandu.
- Dahal, R. K. (1995). *Nepal's First Experiment with Parliamentary System (May 27, 1959-December 15, 1960)*. Unpublished PhD dissertation, Political Science, Faculty of Humanities and Social Sciences, Dean Office, Tribhuvan University, Kirtipur, Kathmandu.
- Dhakal, T. (2061 BS). *Dakshin Ashiyali Sahayog Sangathan ko Upalabdi ra Chunoutiharuko ek Addhyayan (A study of the SAARC: Achievements and Challenges)*. Unpublished MA Thesis, Central Department of Political Science, Tribhuvan University, Kirtipur, Kathmandu.
- Gyawali, M. R. (2061 BS). *Dakshin Ashiyali Sahayog Sangathan (SAARC) ra Yesko Arthik Chunoutiharu (The SAARC and Its Economic Challenges)*. Unpublished MA Thesis, Central Department of Political Science, Tribhuvan University, Kirtipur, Kathmandu.

- Hachhethu, K. (1986). *Nepal Preparation on Regional Cooperation in South Asia*. Unpublished MA Thesis, Central Department of Political Science, Tribhuvan University, Kirtipur, Kathmandu.
- _____. (2000). *Party Building in Nepal: The Nepali Congress Party and the Communist Party of Nepal (Unified Marxist-Leninist) (1990-1995)*. Unpublished PhD dissertation, Political Science, Faculty of Humanities and Social Sciences, Dean Office, Tribhuvan University, Kirtipur, Kathmandu.
- Khanal, R. (1979). *Indo-Nepal Relation from 1960 to 1970*. Unpublished MA Thesis, Central Department of Political Science, Tribhuvan University, Kirtipur, Kathmandu.
- _____. (2003). *Local Self-Government in Nepal: A Study of Democracy at the Grassroots 1990-2000*. Unpublished PhD dissertation, Political Science, Faculty of Humanities and Social Sciences, Dean Office, Tribhuvan University, Kirtipur, Kathmandu.
- Khanal, S. (2002). *A Study on Socio-Economic Causes of Girl and Women Trafficking for Sexual Exploitation in Jhapa District*. Unpublished MA Thesis, Patan Multiple Campus, Department of Sociology/Anthropology, Lalitipur.
- Khand, J. D. (1978). *Nepal-India Relation from 1971 to 1977*. Unpublished MA Thesis, Central Department of Political Science, Tribhuvan University, Kirtipur, Kathmandu.
- _____. (1982). *Nepal- India relations 1971-80: A Study of Continuity and Change*. Unpublished PhD dissertation, Political Science, Faculty of Humanities and Social Sciences, Dean Office, Tribhuvan University, Kirtipur, Kathmandu.
- Kusum, G. P. (2002). *Low Intensity Conflict in South Asia: A Case Study of Nepal (1996-2000)*. Unpublished PhD dissertation, Political Science, Faculty of Humanities and Social Sciences, Dean Office, Tribhuvan University, Kirtipur, Kathmandu.
- Sharma, P. (2002). *People's Participations in Local Development Planning: A Study of Five Districts in the Western Development Region*. Unpublished PhD dissertation, Political Science, Faculty of Humanities and Social Sciences, Dean Office, Tribhuvan University, Kirtipur, Kathmandu.

Sharma, S. (2001). *Social Status of the Trafficked Girls in Nepal*. Unpublished MA Thesis, Patan Multiple Campus, Department of Sociology, Lalitipur.

Seminar and Working Papers

Bharagava, K. K. & Khatri, S. K. (1-3 December 1999). *Working Paper for Conference on South Asia 2010: Challenges and Opportunities*, Paper Presented at the South Asian Conference, Kathmandu : Coalition for Action on South Asian Cooperation (CASAC).

Bharagava, K. K. (19 May 1994). *Conference on Shapping South Asia's Future: Role of Regional Cooperation*, Paper Presented at the South Asian Conference, Kathmandu: Coalition for Action on South Asian Cooperation (CASAC).

Bhattacharya, M. (29 July - 1 August 1998). *Trafficking in South Asia: A Conceptual Clarity Workshop*, Paper Presented at the South Asian Workshop, New Delhi : Delhi Policy Group.

Sarvanamuttu, P. (2-3 May 2002). *Comprehensive Security: Conceptual Considerations for South Asian Comprehensive Security Dialogue*, Paper Presented at the South Asian Dialogue, Kathmandu : Delhi Policy Group.

Shakya, B. M. & Manandhar, N. (11 October, 1999). *Transition from SAPTA to SAFTA: Impact on Nepalese Economy and Vision of Social Justice, Seminar on Economic Development and the Vision of Social Justice after 2000*, Paper Presented at the South Asian Conference, Kathmandu : Nepal Foundation for Advanced Studies (NFAS).

Wignaraja, P. & Akmal, H. (July 8-9 1989). *The Challenge in South Asia*, Paper Presented at the Asia-Pacific Conference, Japan : United Nations University.

Public Documents

Allen, W. P. (ed.) (1946). *Regional Arrangements and the United Nations*. USA : Department of State.

CBC. (1981). *Economic and Social Statistics of Sri-Lanka*. Kelaniya : Central Bank of Ceylon (CBC).

Dangol, B. D. (ed.) (2045 BS). *SAARC Voyage from Bangalore to Kathmandu*. Kathmandu : Ministry of Education and Culture.

NRB. (1987). *Country Profile of Member States of South Asian Association for Regional Cooperation (SAARC)*. Kathmandu : Nepal Rastra Bank (NRB).

_____. (2005). *Economic Intergration in South Asia*. Kathmandu : Nepal Rastra Bank, Research Department, International Financial Division.

NHRC. (2003). *Annual Progress Report*. Lalitpur : National Human Right Commission (NHRC).

Journals

<u>Name</u>	<u>Published from</u>
<i>Asian Survey (Berkeley)</i>	<i>India</i>
<i>Defense, Technology and Cooperative Security in South Asia</i>	<i>Sri-Lanka</i>
<i>International Security</i>	<i>India</i>
<i>International Social Science</i>	<i>UK</i>
<i>Journal of Asian - Pacific Studies</i>	<i>Japan</i>
<i>Journal of Political Science</i>	<i>Nepal</i>
<i>Nepali Political Science and Politics</i>	<i>Nepal</i>
<i>Regional Studies</i>	<i>Pakistan</i>
<i>South Asia Forum</i>	<i>Nepal</i>
<i>South Asian Economic</i>	<i>India</i>
<i>South Asian</i>	<i>Pakistan</i>
<i>Strategic Studies Series</i>	<i>Nepal</i>
<i>The American Journal of International Law</i>	<i>USA</i>
<i>The Journal of Development and Administrative Studies</i>	<i>Nepal</i>
<i>Tribhuvan University</i>	<i>Nepal</i>

Magazines

<u>Name</u>	<u>Published from</u>
<i>Business vision</i>	<i>Nepal</i>
<i>Good Governance</i>	<i>Nepal</i>
<i>Himal Khabar Patrika</i>	<i>Nepal</i>

<i>Himal South Asian</i>	<i>Nepal</i>
<i>India Today</i>	<i>India</i>
<i>Look Nepal</i>	<i>Nepal</i>
<i>Nepal National Weekly</i>	<i>Nepal</i>
<i>Sangam</i>	<i>Nepal</i>
South Asia Politics	India
<i>The Economist</i>	<i>India</i>
<i>Today</i>	<i>Nepal</i>

Newspapers

<u>Name</u>	<u>Published from</u>
<i>Annapurna Post Daily</i>	<i>Nepal</i>
<i>Gorkhapatra Daily</i>	<i>Nepal</i>
<i>Hindustan Times Daily</i>	<i>India</i>
<i>Kantipur Daily</i>	<i>Nepal</i>
<i>Nepal Samachar Patra Daily</i>	<i>Nepal</i>
<i>The Hindu Daily</i>	<i>India</i>
<i>The Kathmandu Post Daily</i>	<i>Nepal</i>
<i>The Rising Nepal Daily</i>	<i>Nepal</i>
<i>Times of India Daily India</i>	
<i>Telegraph Weekly Nepal</i>	

Articles

- Ahmar, M. (1998). Ethnicity and Constitutional Reforms: A Pakistani Perspective. In Iftak, (ed.) *Ethnicity and Constitutional Reform in South Asia*. Colombo : Regional Centre for Strategic Studies (RCSS).
- Amatya, P. (1994). Development and Cooperation in South Asia: A Nepalese Perspective. *Nepali Political Science and Politics*. Kathmandu : Political Science Association of Nepal, 3.
- Bharagava, K. K. (1993). The SAARC: Challenges and Opportunities. In Lall, K.B. Chopra, H. S. & Meyer, T. (eds.) *The European Community and SAARC*. New Delhi : Radiant Publishers.
- Chander, R. K. (ed.) (2005). Regional Economic Cooperation in SAARC. *Economic Integration in South Asia*. Kathmandu : Nepal Rastra Bank, Research Department, International Finance Division.
- Chellaney, B. (1991). South Asia's Passage to Nuclear Power. *International Security*. New Delhi : n.p., 16(1).
- Chopara, P. (1987). Future of South Asia. *South Asia Forum*. Kathmandu : SAARC Secretariat.
- Dhakal, S. D. (2002 January). SAARC Summit XI. *Sangam*. Kathmandu : Shiva Dutta Dhakal, 10.
- Guru-Gharana, K. K. (1997). SAARC Preferential Trading Arrangement (SAPTA) Problems and Prospects. In Rana, S. S. (ed.) *South Asia Economic Cooperation Problems and Prospects*. Kathmandu : Academic Research and Development Action Council (ARDAC) in cooperation with Coalition for Action on South Asian Cooperation (CASAC) & Friedrich Ebert Stiftung (FES).
- Hasan, M. (1999). Regional Security in South Asia. In Jetly, N. (ed.) *Regional Security in South Asia: The Ethno-Sectarian Dimension*. New Delhi : Lancers Book.
- Iftak. (1996). The Ganges Water Sharing Issue: Diplomacy and Domestic Politics in Bangladesh. In Ghoshal, B. (ed.) *Diplomacy and Domestic Politics in South Asia*. New Delhi : Konark Publishers Pvt. Ltd.
- K.C., K. (1998). SAARC: Its Challenges and Future Prospect. *Journal of Political Science*. Pokhara : Prithvi Narayan Campus, 1(1).

- Kelegama, S. (2004 October-December). SAFTA: A Critique. *South Asian Journal*. Lohare : Free Media Foundation.
- Khanal, Y. N. (2002 January). South Asian Association for Regional Cooperation: An Overview. *Sangam*, Kathmandu : Shiva Dutta Dhakal, 10.
- Khatri, S. K. (1998). The Question of 'Political Will' and the Challenge of Deepening Regional Cooperation in South Asia. *Journal of Political Science*. Pokhara: Prithvi Narayan Campus, 1(1).
- Kleffens, E. N. V. (1949 October). Regionalism and Political Pacts. *The American Journal of International Law*. USA: n.p.
- Lama, M. P. (2001). Investment in South Asia: Issues, Constrains and Opportunities. In Bharagava, K. K. & Khatri, S. K. (eds.) *South Asia 2010: Challenges and Opportunities*. New Delhi : Konark Publishers Pvt. Ltd.
- Lohani, M. P. (1985 Spring). Regional Cooperation and Security Dimension. *Strategic Studies Series*. Kathmandu : Centre for Nepal and Asian studies (CNAS). TU, (3).
- _____. (2002). 16 Years of SAARC: An Overview. *Sangam*. Kathmandu : Shiva Dutta Dhakal, 10.
- Maskey, B. K. (1994-1995). Economic and Social Cooperation in South Asia: A New Development Paradigm. *The Journal of Development and Administrative Studies*. Kathmandu : Centre for Economic Development and Administration (CEDA). TU, 13 & 14(1 & 2).
- Muni, S. D. (1985 April). SAARC-Building Regionalism from Below. *Asian Survey (Berkeley)*. New Delhi : SAGE Publications Pvt. Ltd., Vol. XXV, No. 1.
- Rahman, A. (1988). Political Economy of Inter-Regional Cooperation in SAARC and ASEAN Experience. In Gupta, B. S. (ed.) *SAARC-ASEAN Problems and Prospects of Inter-Regional Cooperation*. New Delhi : South Asian Publishers Pvt. Ltd.
- Rajan, K. V. (2005). Renewing SAARC. In Dahal, D. R. & Pandey, N. N. (eds.) *New Life within SAARC*. Kathmandu : Institute of Foreign Affairs (IFA) and Friedrich-Ebert-Stiftung (FES).
- Sangroula, Y. (2006 April-June). Indo-Nepal Women Trafficking Connection. In Alam, I. (ed.) *South Asian Journal*. Lahore : Free Media Foundation, (12).

- Satyanarayan, B. (1998). Regional Economic Cooperation in South Asia: Scope and Prospects. In Dharamadasani, M. D. (ed.) *Cooperation Among South Asian Nations*. Varanasi : Shalimar Publishing House.
- Shrestha, A. P. (1997). South Asia Economic Cooperation Problems and Prospects an Appraisal. Rana, S. S. (ed.) *South Asia Economic Cooperation Problems and Prospects*. Kathmandu : Academic Research and Development Action Council (ARDAC) in cooperation with Coalition for Action on South Asian Cooperation (CASAC) and Friedrich Ebert Stiftung (FES).
- Singh, B. (2005 July-December). Regional Cooperation in South Asia: Problems and Prospects. *South Asian Survey*. New Delhi : SAGE Publications, 12(2).
- Upadhyay, H. (1987). Nepal and SAARC Secretariat: Challenges and Opportunities. *South Asia Forum*. Kathmandu : SAARC Secretariat.

Published from United Nations

- Ñ *Copenhagen Declaration of Social Development and Program of Action (1995)*
- Ñ *HIV/AIDS, Awareness and Behavior (2002)*
- Ñ *Trend and Development Report (2000)*
- Ñ *UN Charter (1945)*
- Ñ *UNHCR Statistical Yearbook (2002)*
- Ñ *World Drug Report (1997)*
- Ñ *World Population Trends and Policies (1979)*

Published from the World Bank

- J *Education and HIV/AIDS (2004)*
- J *Global Economic Prospect and the Developing Countries (2001)*
- J *Social Cohesion and Conflict Prevention in Asia (2001)*
- J *The Little Green Data Book (2005)*
- J *WHO and UNAIDS (2000)*
- J *World Development Indicators (2002-2005)*

Published by International Monetary Fund (IMF)

) *International Financial Statistics (May, 2005)*

Published from United Nations Office for Drug Control and Crime Prevention (UNODCCP)

) *Drug Abuse and HIV/AIDS: Lessons Learned (2001)*

Published from United Nations Drug Control Program (UNDCP)

) *Substance Abuse Related Mortality: A Worldwide Review (1994)*

Published from Human Right Commission (Geneva)

) *Human Development Report in South Asia (2001)*

Published by Asian Development Bank

) *Asian Development Outlook (2005)*

Website Sources

www.adb.org

www.be-center.org

www.boloji.com

www.cris.unu.edu

www.educationsansar.com

www.ekantipur.com

www.en.wikipedia.org

www.himalmag.com.np

www.hrw.org

www.iiss.org

www.ilo.org

www.inseconline.org

www.lankademocracy.org

www.maitinepal.org

www.nepalprsp.org

www.rieti.go.jp

www.saarc-sec.org

www.saarctb.com.np

www.sipri.org

www.south-asia.com

www.southasianmedia.net

www.standardandpoors.com

www.tamilnation.com

www.unctad.org

www.unesco.org

www.uno.org

APPENDICES

Appendix - 1

Charter of the United Nations

*We the Peoples
of the United Nations...
United for a Better World*

SECTION - VIII

REGIONAL ARRANGEMENTS

Article 52

Nothing in the present Charter precludes the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action provided that such arrangements or agencies and their activities are consistent with the Purposes and Principles of the United Nations.

The Members of the United Nations entering into such arrangements or constituting such agencies shall make every effort to achieve pacific settlement of local disputes through such regional arrangements or by such regional agencies before referring them to the Security Council.

The Security Council shall encourage the development of pacific settlement of local disputes through such regional arrangements or by such regional agencies either on the initiative of the states concerned or by reference from the Security Council.

This Article in no way impairs the application of Articles 34 and 35.

Article 53

The Security Council shall, where appropriate, utilize such regional arrangements or agencies for enforcement action under its authority. But no enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council, with the exception of measures against any enemy state, as defined in paragraph 2 of this Article, provided for pursuant to Article 107 or in regional arrangements directed against renewal of aggressive policy on the part of any such state, until such time as the Organization may, on request of the Governments concerned, be charged with the responsibility for preventing further aggression by such a state.

The term enemy state as used in paragraph 1 of this Article applies to any state, which during the Second World War has been an enemy of any signatory of the present Charter.

Article 54

The Security Council shall at all times be kept fully informed of activities undertaken or in contemplation under regional arrangements or by regional agencies for the maintenance of international peace and security.

Appendix - 2

Charter of the South Asian Association for Regional Cooperation

We, the Heads of State or Government of BANGLADESH, BHUTAN, INDIA, MALDIVES, NEPAL, PAKISTAN and SRI LANKA;

1. Desirous of promoting peace, stability, amity and progress in the region through strict adherence to the principles of the UNITED NATIONS CHARTER and NON-ALIGNMENT, particularly respect for the principles of sovereign equality, territorial integrity, national independence, non-use of force and non-interference in the internal affairs of other States and peaceful settlement of all disputes;
2. Conscious that in an increasingly interdependent world, the objectives of peace, freedom, social justice and economic prosperity are best achieved in the SOUTH ASIAN region by fostering mutual understanding, good neighborly relations and meaningful cooperation among the Member States which are bound by ties of history and culture;
3. Aware of the common problems, interests and aspirations of the peoples of SOUTH ASIA and the need for joint action and enhanced cooperation within their respective political and economic systems and cultural traditions;
4. Convinced that regional cooperation among the countries of SOUTH ASIA is mutually beneficial, desirable and necessary for promoting the welfare and improving the quality of life of the peoples of the region;
5. Convinced further that economic, social and technical cooperation among the countries of SOUTH ASIA would contribute significantly to national and collective self-reliance;
6. Recognizing that increased cooperation, contacts and exchanges among the countries of the region will contribute to the promotion of friendship and understanding among their peoples;
7. Recalling the DECLARATION signed by their Foreign Ministers in NEW DELHI on August 2, 1983 and noting the progress achieved in regional cooperation;
8. Reaffirming their determination to promote such cooperation within an institutional framework;

DO HEREBY AGREE to establish an organization to be known as SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION hereinafter referred to as

the ASSOCIATION, with the following objectives, principles, institutional and financial arrangements:

Article I
OBJECTIVES

The objectives of the ASSOCIATION shall be:

- a. to promote the welfare of the peoples of SOUTH ASIA and to improve their quality of life;
- b. 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;
- c. to promote and strengthen collective self-reliance among the countries of SOUTH ASIA;
- d. to contribute to mutual trust, understanding and appreciation of one another's problems;
- e. to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields;
- f. to strengthen cooperation with other developing countries;
- g. to strengthen cooperation among themselves in international forums on matters of common interests; and
- h. to cooperate with international and regional organizations with similar aims and purposes.

Article II
PRINCIPLES

1. Cooperation within the framework of the ASSOCIATION 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.
2. Such cooperation shall not be a substitute for bilateral and multilateral cooperation but shall complement them.
3. Such cooperation shall not be inconsistent with bilateral and multilateral obligations.

Article III
MEETINGS OF THE HEADS OF STATE OR GOVERNMENT

The Heads of State or Government shall meet once a year or more often as and when considered necessary by the Member States.

Article IV

COUNCIL OF MINISTERS

1. A Council of Ministers consisting of the Foreign Ministers of the Member States shall be established with the following functions:
 - a. Formulation of the policies of the ASSOCIATION;
 - b. Review of the progress of cooperation under the ASSOCIATION;
 - c. Decision on new areas of cooperation;
 - d. Establishment of additional mechanism under the ASSOCIATION as deemed necessary;
 - e. Decision on other matters of general interest to the ASSOCIATION.
2. The Council of Ministers shall meet twice a year. Extraordinary session of the Council may be held by agreement among the Member States.

Article V

STANDING COMMITTEE

1. The Standing Committee comprising the Foreign Secretaries shall have the following functions:
 - a. Overall monitoring and coordination of programme of cooperation;
 - b. Approval of projects and programmes, and the modalities of their financing;
 - c. Determination of inter-sectoral priorities;
 - d. Mobilization of regional and external resources;
 - e. Identification of new areas of cooperation based on appropriate studies.
2. The Standing Committee shall meet as often as deemed necessary.
3. The Standing Committee shall submit periodic reports to the Council of Ministers and make reference to it as and when necessary for decisions on policy matters.

Article VI

TECHNICAL COMMITTEES

1. Technical Committees comprising representatives of Member States shall be responsible for the implementation, coordination and monitoring of the programmes in their respective areas of cooperation.
2. They shall have the following terms of reference:
 - a. Determination of the potential and the scope of regional cooperation in agreed areas;
 - b. Formulation of programmes and preparation of projects;
 - c. Determination of financial implications of sectoral programmes;
 - d. Formulation of recommendations regarding apportionment of costs;
 - e. Implementation and coordination of sectoral programmes;
 - f. Monitoring of progress in implementation.
3. The Technical Committees shall submit periodic reports to the Standing Committee.
4. The Chairmanship of the Technical Committees shall normally rotate among Member States in alphabetical order every two years.
5. The Technical Committees may, inter-alia, use the following mechanisms and modalities, if and when considered necessary:
 - a. Meetings of heads of national technical agencies;
 - b. Meetings of experts in specific fields;
 - c. Contact amongst recognized centers of excellence in the region.

Article VII

ACTION COMMITTEES

The Standing Committee may set up Action Committees comprising Member States concerned with implementation of projects involving more than two but not all Member States.

Article VIII

SECRETARIAT

There shall be a Secretariat of the ASSOCIATION.

Article IX

FINANCIAL ARRANGEMENTS

1. The contribution of each Member State towards financing of the activities of the ASSOCIATION shall be voluntary.
2. Each Technical Committee shall make recommendations for the apportionment of costs of implementing the programmes proposed by it.
3. In case sufficient financial resources cannot be mobilized within the region for funding activities of the ASSOCIATION, external financing from appropriate sources may be mobilized with the approval of or by the Standing Committee.

Article X

GENERAL PROVISIONS

1. Decisions at all levels shall be taken on the basis of unanimity.
2. Bilateral and contentious issues shall be excluded from the deliberations.

IN FAITH WHEREOF We Have Set Our Hands And Seals Here unto. DONE In DHAKA, BANGLADESH, On This The Eighth Day Of December Of The Year One Thousand Nine Hundred Eighty Five.

Hussain Muhammad Ershad (Chairperson)

President of the People's Republic of Bangladesh

Rajiv Gandhi

Prime Minister of the Republic of India

Birendra Bir Bikram Shah Dev

King of Nepal

Jigme Singye Wangchuk

King of Bhutan

Maumoon Abdul Gayoom

President of the Republic of Maldives

Muhammad Zia-ul-Haq

President of the Islamic Republic of Pakistan

Junius Richard Jayewardene

President of Democratic Socialist Republic of Sri Lanka

Appendix - 3

Peace and Friendship Treaty, 1950

The Government of India and the Government of Nepal recognizing the ancient ties which have happily existed between the two countries for centuries; desiring still further to strengthen and develop these ties and to perpetuate peace between the two countries; have resolved therefore to enter into a treaty of peace and friendship with each other, and have, for this purpose appointed as their plenipotentiaries the following persons, namely, the Government of India, His Excellency Shri Chandreshwar Prasad Narain Singh, Ambassador of India in Nepal; the Government of Nepal Mohan Shamsheer Jung Bahadur Rana, Maharaja, Prime Minister and Supreme-Commander-in-Chief of Nepal who having examined each other's credentials and found them good and in due form have agreed follows:

Article - 1

There shall be everlasting peace and friendship between the Government of India and the Government of Nepal. The two Governments agree mutually to acknowledge and respect the complete sovereignty, territorial integrity and independence of each other.

Article-II

The two Governments hereby undertake to inform each other of any serious friction or misunderstanding with any neighboring State likely to cause any breach in the friendly relations subsisting between the two governments.

Article - III

In order to establish and maintain the relations referred to in Article - I the two Governments agree to continue diplomatic relations with each other by means of representatives with such staff as is necessary for the due performance of their functions.

The representatives and such of their staff as may be agreed upon shall enjoy such diplomatic privileges and immunities as are customarily granted by international law on a reciprocal basis: Provided that in no case shall these be less than those granted to persons of a similar status of any other State having diplomatic relations with either Government.

Article - IV

The two Governments agree to appoint Consuls-General, Consuls, Vice-Consuls and other consular agents, who shall reside in towns, ports and other places in each other's territory as may be agreed to.

Consuls-General, Consuls, Vice-Consuls and consular agents shall be provided with exequaturs or other valid authorization of their appointment. Such exequatur or authorization is able to the withdrawn by the country, which issued it, if considered necessary. The reasons for the withdrawal shall be indicated wherever possible.

The persons mentioned above shall enjoy of a reciprocal basis all the rights, privileges, exemptions and immunities that are accorded to persons of corresponding status of any other States.

Article - V

The Government of Nepal shall be free to import, from or through the territory of India, the two Governments acting in consultation shall work out arms, ammunition or warlike material and equipment necessary for this arrangement.

Article - VI

Each Government undertakes, in token of the neighborly friendship between India and Nepal, to give to the nationals of the other, in its territory, national treatment with regard to participation in industrial and economic development of such territory and to the grant of concessions and contracts relating to such development.

Article -VII

The Governments of India and Nepal agree to grant, on a reciprocal basis, to the nationals of one country in the territories of the other the sample privileges in the matter of residence, ownership of property, participation in trade and commerce, movement and privileges of a similar nature.

Article - VIII

So far as matters dealt with herein are concerned, this treaty cancels all previous treaties, agreements, and engagements entered into on behalf of India between the British Government and the Government of Nepal.

Article - IX

The treaty shall come into force from the date of signature by both Governments.

Article - X

The treaty shall remain in force until either party terminates it by giving one year's notice.

Done in Kathmandu this on 31st day of July 1950.

(Sd.)

Chandreshwar Prasad

Narain Singh

For the Government of India

(Sd.)

Mohan Shumshere Jung

Bahadur Rana

For the Government of Nepal

Appendix - 4

Profile of the SAARC Countries

Bangladesh

Bangladesh emerged as an independent country on 16 December 1971. Its official name is the 'People's Republic of Bangladesh'. Dhaka is the capital of the Republic and Bangla is the state language. The Independence and National Day of Bangladesh is 26 March.

The four major religions in the country are Islam, Hinduism, Buddhism and Christianity. The Muslims constitute about 88 percent of the population and Hindus about 10 percent. The constitution guarantees religious and cultural freedom to all citizens of Bangladesh.

Bangladesh is a unitary, independent and sovereign republic comprising three basic organs: the Executive, the Legislature, and the Judiciary. The President is the Head of State and is elected by the members of Parliament. The President acts in accordance with the advice of the Prime Minister. Bangladesh has primarily an agrarian economy. The country has a considerable number of large, medium and small-sized industries in both the public and private sectors based on both indigenous and imported raw materials. Among them are jute, cotton, textiles, fertilizer, engineering, shipbuilding, steel, oil-refinery, paper, newsprint, sugar, chemicals, cement and leather.

Bhutan

The Bhutanese call their country Druk-yul, the land of the Drukpas (the people) and of the Druk (Thunder Dragon as in the national flag of Bhutan). The ancient history of the kingdom remains shrouded in mystery. Since the 8th century A.D., however, it is clear that Buddhism has played a large part in shaping the course of Bhutan's history. Although Bhutan was unified under a central authority in the 17th century, evidence strongly suggests that it had existed as an independent entity from very early times.

The people of Bhutan may be divided into two main groups – the Drukpas, who are of Mongoloid origin and are Buddhists, and the Lhotsampas, or the southerners, of Nepali origin, mainly Hindus. Bhutan is a monarchy, ruled by the Wangchuck dynasty, which was founded in 1907 by King Ugyen Wangchuck. Over the years, the monarchs of

Bhutan have been the fountainhead of far-reaching and often dramatic changes in the legislative, judicial and administrative systems in the country.

With over 80% of the people dependent on subsistence farming, the Bhutanese economy is predominantly rural. The share of the agriculture sector in the gross domestic product has dropped to less than 50% with the increase in the contribution of hydroelectric power generation and sale, which now accounts for over 30 percent. The country has the potential to generate 30,000 MW of power from its rivers. Besides electricity, Bhutan exports calcium carbide, wood products and cement.

India

India is an ancient civilization whose roots stretch back to over 5000 years in the course of which a composite culture emerged making it a land of unity in diversity. India today is the seventh largest and the second most populous country in the world. It gained independence from the British on 15 August 1947. India became a Republic on 26 January 1950 when its constitution, which envisages a parliamentary form of government, came into force.

There are eighteen languages recognized by the Indian Constitution of which Hindi, spoken by about 30 percent of the people, is the official language. Nearly every major religion of the world is represented in India.

The freedom struggle was led by Mohandas Karamchand Gandhi, also known as The Mahatma, who is revered as the Father of the Nation. The Constitution of India, which envisages a parliamentary form of government, is federal in structure with unitary features. The President of India is the Constitutional Head of the Executive of the Union. The Constitution provides that there shall be a Council of Ministers with the Prime Minister as head, to aid and advise the President, who shall in exercise of his functions, act in accordance with such advice. Real executive power, thus, vests in the Council of Ministers with the Prime Minister as head. The Legislature of the Union is called the Parliament, and consists of the President and two Houses, known as the Council of States (Rajya Sabha) and the House of the People (Lok Sabha).

India ranks among the top ten industrial nations of the world and has an increasingly powerful middle class. The Indian economy is potentially very strong with its large industrial output, technological knowledge and extensive reservoir of skilled manpower. Major exports include cotton goods, iron, raw jute and jute products, coffee, electrical goods, leather, handicrafts, diamonds, chemicals and software. The major imports are machinery, petroleum, chemicals, cereals, copper, and zinc. The majority of

Indians (64%) earn their livelihood from the land with agriculture accounting for about 35 % of national income.

Maldives

The civilization of Maldives as far as can be estimated, dates back more than 2000 years. Archeological findings from many ancient sites in Maldives show ruins of old Buddhist structures, some dating back to 3rd and 4th centuries. The evidence shows that at the time of conversion to Islam in 1153 A.D. the population of Maldives was mainly Buddhist.

Throughout its history, Maldives has remained independent, although the Portuguese occupied the country for 15 years in the 16th century. From 1887, Maldives was a British protectorate until it became fully independent on 26 July 1965.

The archipelago of the Republic of Maldives is made up of a chain of 1190 small and low-lying islands, stretching over 800 km. from north to south. Out of them only 198 islands are inhabited.

Maldivians comprise a mixed race, unified through sharing a common history, language and religion. Dhivehi is the official language. Islam is the strength and backbone of the country, permeating the entire fabric of the Maldivian culture, polity and civil society.

The Maldives political system is a unique blend of its history, traditions, Islamic faith and modern democratic principles. It has evolved over a period of many years, the first written constitution having been proclaimed in 1932, though unwritten constitutional principles had been in existence long before then. A republican form of government in 1968 replaced the constitutional monarchy, with an Executive President as the Head of State. A new Constitution, that is more comprehensive and in tune with the country's democratic principles was adopted by the country on 1 January 1998. The mainstay of the Maldives economy today comprises fisheries and tourism.

Nepal

The documented history of Nepal begins with the Changu Narayan temple inscription of King Manadeva I (464 A.D.) followed by Malla rulers among other important ones. Before Nepal's emergence as a unified nation in the latter half of the eighteenth century, the designation of Nepal was applied only to the Kathmandu Valley. Nepal had been segmented into more than 52 small principalities. Prithvi Narayan Shah, the Great King of Gorkha was the maker of modern Nepal who united the country by 1769 by conquering Kathmandu Valley and making it the Capital.

The area of Nepal is 147,181 sq km. It is rectangular in shape, measuring about 885 km in length (east to west) and 193 km in width (north to south). The country has three distinct ecological zones, the mountains, hills and the terai (or plains). The mountain region lies above 4,877m. This region covers an area of 51,817 sq km; the 16 districts are home to about 7 percent of the population. The hill region - above 610m to 4,876m - covers about 61,345 sq km and is home to about 44 percent of the population. The 20-tarai districts in the south cover 34,019 sq km. The tarai comprises about 23 percent of the total land area and holds 49 percent of the population.

The climate varies according to the terrain; generally it is hot and humid in the plains in the south while tundra-like conditions prevail in the mountains. Temperatures vary from an average 2° to 23°C during January to 20° to 29°C in July (excluding northern mountainous areas). Temperatures in the plains can reach 40°C in summer and the mountain regions experience sub-zero conditions during winter. Generally December is the driest month, with little or no rainfall, and July is the wettest month, with about 370mm average rainfall.

Nepali is the national language. Hinduism is the official religion of Nepal and Hindus constitute over 85% of the population. Buddha, the founder of Buddhism, was born in Nepal about 563 B.C. and Buddhists account for 7.8% of the population. A small minority of Nepalese adheres to Islam and Christianity.

After 1951, Nepal has exercised multi-party democracy except during the period of about three decades from 1961 to 1990 when a party-less panchayat system existed. But again, following the democratic movement of 1990, Nepal restored a multiparty system with a constitutional monarchy. His Majesty the King is the Head of State and the Prime Minister serves as Head of Government. Constitutionally, there are two houses of parliament namely Pratinidhi Sabha (House of Representatives) and Rastriya Sabha (National Assembly). The House of Representatives consists of 205 members elected by the people for a five-year term. The National Assembly comprises 60 members, members of local bodies elect 10 of whom are nominated by His Majesty the King while remaining 50, 35 by members of the Pratinidhi Sabha and 15.

The mainstay of the Nepalese economy is agriculture, more than 80% of the people dependent on it. The main crops grown are paddy, maize and wheat.

Pakistan

The Islamic Republic of Pakistan appeared on the world map on 14 August 1947 under the leadership of Muhammad Ali Jinnah, Quaid-e-Azam (the Great Leader), who is revered as the Father of the Nation. Pakistan is divided into four provinces: Sindh, Baluchistan, Punjab and the North-West Frontier Province. Islamabad is the capital of the country.

The national language is Urdu, while the official language is English. The leading religion of Pakistan is Islam, which is the faith of about 95 percent of the people. Hinduism and Christianity form the leading minority religions. Other religious groups include the Sikhs, the Parsis and a small number of Buddhists.

Pakistan has a federal structure. The Parliament consists of the Lower House (National Assembly) and the Upper House (Senate). The new administration consists of the President, who continues in office, the National Security Council headed by the Chief Executive, and the Cabinet. Governors have been appointed in all the four Provinces.

The main exports include cotton textiles, cotton yarn and thread, clothing, raw cotton, rice, carpets and rugs, leather, fish and petroleum products. The main imports include machinery, electrical equipment, petroleum products, transportation equipment, metal and metal products, fertilizer and foodstuffs.

Sri-Lanka

Lanka means "resplendent" (From the Pali "alankara"). Stone-age implements found on the island date back at least ten millennia, while evidence is available that the domestication of plants may have taken place around 1500 B.C. Given Sri Lanka's central location on the trade routes of the ancient world and the attraction then of her 'products', pearls, timber, gems and ivory, and later spices, the island had become a center of East-West commerce well before the Christian era. The direct influence of European maritime powers was felt beginning from the 16th century with the arrival of the Portuguese, Dutch and later British. Sri Lanka gained independence from the British on 4 February 1948.

The country is multi-ethnic nation. The Sinhalese, of Indo-Aryan origin, comprise 74 percent of the population; the Sri Lankan Tamils, of Dravidian origin, who migrated to the island thereafter: 12.6 percent; the Indian Tamils, descendants of migrant workers from south India recruited in the last century by the British: 5.5 percent; the

Moors, descendants from Arab traders who arrived in the island from about the 12th century AD: 7.1 percent; and others, who include Burghers, descendants of the Dutch and Portuguese: 0.8 percent. Sinhalese and Tamil are official languages while English is the national language. Four major religions are freely practiced in Sri Lanka. Buddhists account for 69.3 percent of the population, Hindus for 15.5 percent, Christians for 7.6 percent and Muslims for 7.5 percent.

At the time of independence, Sri Lanka adopted a Westminster system of Parliamentary government with a House of Representatives, a Senate and a Cabinet headed by a Prime Minister. The British monarch was retained as constitutional head of state, and was represented in the Island by a Governor-General. In 1972, a Republican Constitution was adopted with a single legislature (the National State Assembly) and a constitutional President thus formally severing links with the British Crown. Following the amendment of Constitution in 1978, an Executive Presidential system of government prevails.

The President of Sri Lanka is both the Head of State and Head of Government. The people directly elect the President for a term of six years. The supreme legislative body is a unicameral parliament consisting of 225 members elected by a system of proportional representation. A multi-party system prevails and many smaller parties are allied to either the government or the opposition group. The leader of the majority party in the parliament is elected as the Prime Minister.

Ninety percent of the economy of the country at independence depended on the export of the three plantation crops of tea, rubber and coconut. Since the late 1970s, the economy has been progressively liberalized. Industrial policy has shifted from import substitution to export-oriented production.

Colombo is the largest Tea Auction Centre in the world since London auctions ceased to function in June 1998. Other exports include textiles and garments, coconut products, spices, cocoa, coffee, essential oils, gems, fishery products, rubber, machinery, footwear and leather products and petroleum by-products.

Appendix- 5

List of Persons Interviewed

(In alphabetical order)

Name	Designation (at the time of interview)	Date of interview
Dev Raj Dahal	Head of FES - Nepal	September 20 2006
Dr. Badri Prasad Shrestha	Former Finance Minister of Nepal	September 3 2006
Dr. Dirga Sing Bam	Former Chairman of SAARC Tuberculosis Centre, Kathmandu	August 30 2006
Dr. Harka Gurung	Executive Director of New Era, Nepal	July 16 2006.
Dr. Prakash Chandra Lohani	Former Minister of Nepal	September 18 2006
Dr. Tribhuvan Nath Jaisawal	Professor of Central Department of Political Science, Kirtipur, TU., Nepal	August 8 2006
Krishna Prasad Khanal	Professor of Central Department of Political Science, Kirtipur, TU., Nepal	August 9 2006
Lawa Prasad Tripathi	Speaker of Ministry of Education and Sport of Nepal	October 2 2006
Madhu Raman Acharya	Joint Secretary of Foreign Ministry of Nepal	September 19 2006
Mana Ranjan Joshee	Former Chief Editor of the Rising Nepal, Nepal	August 16 2006
Narendra Prasad Upadhyay	Editor of Telegraph Weekly, Nepal	August 19 2006
Prof. Dr. Sitamaiya Singh Thapa	Assistant Dean, Faculty of Law, TU, Nepal	June 26 2006
Rishi Ram Ghimire	Director of SAARC Secretariat, Kathmandu	September 4 2006
Sailendra Kumar Upadhyay	Former Foreign Minister, Nepal	September 15 2006
Surendra Bir Malakar	Chairman of NCCI, Kathmandu	July 28 2006
Susila Thapa	Former Health Minister of Nepal	September 14 2006
Yadav Kanta Silwal	Former SAARC Secretary General, Kathmandu	September 23 2006

Appendix- 6

Interview Guide

1. What types of role was played by USA for the creation of Asian and South Asian regionalism?
2. Why and how did South- South Cooperation start?
3. Can you say something about the role and importance of the SAARC in present context in the world politics?
4. Where does the social and economic sector lie in the region?
5. How can South Asia eradicate illiteracy from the region?
6. How did Nepal get an opportunity to establish the SAARC Secretariat in Nepal?
7. What is your opinion about trafficking of women and children for prostitution and what are the responsible factors to create and increase it?
8. What is your suggestion for the prevention of HIV/AIDS in the region?
9. What types of role have been played by SAARC Drug Offense Monitoring Desk (SDOMD) to prevent drug trafficking and abuse in the region?
10. Why terrorist activities are increasing in South Asia?
11. Can you say about trade volume of South Asia in bilateral, regional and multilateral?
12. Why SAARC could not alleviate poverty effectively in the region and how can it does?
13. What types of role have been played by SAARC Chamber of Commerce and Industry (SCCI) to promote the trade in the region?
14. How can South Asia address and solve the unemployment problem?
15. What are the main hindering factors for the development of the South Asia?
16. Why Bhutanese refugee problem has not been solved yet? What is the best way for Nepal to solve it forever?
17. How can South Asia face with its common socio-economic challenges and bilateral issues?
 18. What is your suggestion about the regulation of the boarder between Nepal and India?
 19. What were the weak aspects of Nepal for 1950 treaty between Nepal and India and why this treaty does not review till date?

GLOSSARY

In this research the following terms and phrases denote the following meaning.

Azad	: Independent
Daal-Bhaat	: Pulse- Rice
Ganatantra	: People's Republic
Jana Yuddha	: People's War
Madhesiyas	: People's living in Tarai
Maobad	: Communist Ideas taught by MaoTse -Tung
Maobadi	: Person who follows the Ideas taught by MaoTse -Tung
Naulo Janabadi Vyavastha	: New People's Democracy
Pahade	: People's living in Hill
Panchaseel	: Peaceful co-existence, Non-aggression, Non-interference in other internal affairs, Respect of sovereignty and Exchange of economic and cultural cooperation.
Panchayat	: The King's Pseudo-Democratic Governmental Structure
Prachanda	: Puspa Kamal Dahal, the Head of today's Maoist of Nepal