

Pakistan and Regionalism

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Abstract

Regionalism has not been a very successful endeavour in South Asia so far. What has gone wrong? Regionalism can be approached from both functional and neo-functional approaches. While functionalism is still relevant in Europe, primarily because of its geographical contiguity and cultural commonalities, the same does not seem to have worked in South Asia in spite of common historical and cultural roots and geographical contiguity. The article explores the specific case of Pakistan and its inability to come to terms with the basic tenets of regionalism. It argues that Pakistan's insistence on the inclusion of contentious issues like Kashmir and religious issues at the regional level to achieve strategic goals has prevented it from harnessing the potential of SAARC.

Introduction

Since the 1990s, a resurgent interest in regionalism¹ has resulted in varying degrees of integrationist efforts in Asia, Africa, the Americas, and of course, Europe where it has been the most prominent and successful. The initiatives have emerged from both attempts to gain from globalisation and a defence against some of its deleterious effects on markets, jobs, industry, etc. In South Asia, however, the states have been either reluctant or unable to pursue regionalism effectively though the institutional mechanisms have been created.

Scholarship on regionalism has witnessed two distinct periods since the end of the Second World War.² The first body of studies emerged in the 1950s with the creation of European Coal and Steel Community (ECSC) and the European Common Market. The slow progress towards integration in Europe over the next few decades made such studies partially redundant. Regionalism became topical again in the 1990s as a result of its rapid progress in Europe following the end of the Cold War, the end to the East-

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West divide and the resurgence of integration under the single market programme, the European monetary union, and the common currency. Regionalism once again began to receive serious academic attention³ in other parts of the world too, including South Asia.

In the new context⁴ of regionalism, regions were regarded not simply as formal organisations, such as the European Union, nor as a 'given' but as a process that is constructed and reconstructed in the larger transformation involved in globalisation. Thus, the region is not a static form, but dynamic in its development and open to change and adaptation.⁵ Regionalism, in contemporary times, is seen as a multidimensional form of integration embracing economic, cultural, political and social aspects, thereby extending the understanding of regional activities beyond the creation of free trade agreements or security regimes. It is also considered to have a strategic goal of region-building, and of establishing regional coherence and identity.⁶

The South Asian Association for Regional Cooperation (SAARC) is an important regional arrangement. It was established in 1985 with the objective that 'economic, social, and technical cooperation among the countries of South Asia would contribute significantly to their national and collective self-reliance' and also 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 Since its creation, SAARC has recorded some institutional achievements, but much more needs to be done. While the Charter of SAARC strongly states 'respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in the internal affairs of other states and mutual benefit'⁸, it is abundantly clear that any progress in SAARC is directly proportional to the state of relations between India and Pakistan, its two largest states and economies. For the bulk of the past two decades SAARC has stumbled along with more failures than successes because of strained Indo-Pakistan ties. However, improvements in relations between the two countries in the past few years have raised hopes for a better future.

Pakistan's problematic role in advancing its interests in regional arrangements such as SAARC has been under scrutiny for quite some time. A comparative analysis would show that while Pakistan has been active in the non-regional and essentially ideological Organisation of Islamic Countries (OIC), it has not really been very successful in its extra-regional

endeavours such as the Economic Cooperation Organisation (ECO), and has only last year become an observer in the Shanghai Cooperation Organisation (SCO). Its poor record in promoting regionalism under SAARC therefore is not an exception. Yet it is SAARC that has been the focus of Islamabad's greatest attention. What then underlines Pakistan's approach to regionalism, especially in South Asia?

The paper argues that geo-political, religious and strategic reasons have contributed to Pakistan distancing itself from South Asian regionalism, which it feels, is dominated by its bigger neighbour India. The same sets of reasons have contributed to its involvement in other arrangements such as the ECO, OIC and SCO—though none of them have advanced its regionalist goals, if any. In fact, Pakistan appears to be confused about its 'regional identity' and also does not seem to have a serious regionalist goal from a functionalist perspective that has driven integrationist efforts in the European and other contexts.

Pakistan's Evolving Notions of Regionalism

Pakistan, obsessed by its sense of weakness vis-à-vis India has always felt the need for belonging to some grouping of nations which would provide it a countervailing power. The earliest endeavours in this respect could be found in the form of establishment of links with Motamar al Alam-al-Islami (World Muslim Congress), an international Islamic organization based in Karachi, in 1949. Later, in the mid-1950s, Pakistan became a member of Western sponsored military alliances, South East Asia Treaty Organisation (SEATO) and Central Treaty Organisation (CENTO). In the mid-sixties, Pakistan became a member of Regional Cooperation for Development (RCD) comprising Turkey, Iran and Pakistan. RCD eventually acquired a new nomenclature called Economic Cooperation Organisation (ECO) to which more states from Central Asia and the Caspian region were added as members.

In 1969, Pakistan joined the Organisation of Islamic Conference (OIC), a grouping of 57 Muslim states based entirely on religious affinity. It was only in 1985, when the South Asian Association for Regional Cooperation (SAARC) came into existence that Pakistan unavoidably became a member of a strictly regional organization, created for the sole purpose of regional cooperation primarily in the economic field. More recently, in the year 2005, Pakistan succeeded in getting an Observer status in the Shanghai

Cooperation Organisation (SCO), an organization established at the initiative of China, with the active support of Russia and Central Asian states.

This brief survey of Pakistan's involvement in various regional organisations would indicate that Pakistan's approach to regionalism has been determined by the following factors:

- A desire to offset India's military superiority by joining powerful military groups such as SEATO and CENTO even if they originate from outside the region, and have purposes which have nothing to do with cooperation within the region to which Pakistan belongs.
- A desire to invoke its Islamic affinity and thereby seek the sympathy and support of Islamic countries against the perceived threat from a Hindu majority India. It was this impulse, which drove Pakistan to join the OIC and play an active role in it, with the aim of mobilising it to pass resolutions against India. To a certain extent, Pakistan's membership of the RCD, which later became ECO, was also largely conditioned by Islamic affinity, because the limitations of the RCD to yield economic benefits to its members were obvious from the very beginning.
- The compulsion of joining a regional organisation in the region to which it belonged, namely SAARC, but the inability to lend substance to it in the core area of economic cooperation because of the primacy of political factors which overwhelmed Pakistan's thinking from the very inception of SAARC.
- The desire not to be left out of a share of the energy resources and pipeline routes and to have a foothold in the strategic battlefield of the neighbouring and mainly Muslim Central Asian region, which has led Pakistan to seek an Observer status (and eventually perhaps full membership) in the Shanghai Cooperation Organisation (SCO). The close strategic ties with China played a crucial role in determining its policy.

Pakistan and SEATO/CENTO

That a fear of India was an important factor in Pakistan's overtures to the West is underscored by Ayub Khan's claim, "India's avowed policy was to isolate us and we had to seek friends somewhere. We had not joined the pacts to encourage aggression in any direction, our sole concern was our

society.”⁹ The United States (U.S.) military aid to Pakistan was linked to Pakistan’s membership of SEATO and later CENTO. In addition, the association with CENTO helped Pakistan maintain close relations with Iran and Turkey. While Pakistan did receive arms and economic help from the U.S., membership of these pacts however did not satisfy the interests of Pakistan fully. The primary concern of the U.S. at that point was containment of Communism, and it did not want involvement itself in any Indo-Pak conflict. The gradual tilt in American policy towards India in the late 1950s and early 1960s caused dismay in Pakistan and this turned to disillusionment as India received arms from the U.S. during the Sino-India War of 1962. Pakistan responded by signing a border treaty with China in occupied Jammu and Kashmir in 1963. Pakistan’s disappointment peaked when its efforts to invoke the help of SEATO in the 1965 war with India came to nil, and the suspension of arms supplies from U.S. to Pakistan as well as India. American support to Pakistan during the 1971 war with India was also considered negligible. Z. A. Bhutto withdrew from the SEATO in 1972 after the bifurcation of Pakistan. Pakistan continued its membership of CENTO till 1979, even though General Zia-ul Haq, had stated in September 1978 that the CENTO had “no significance whatsoever, no teeth, no backing.”¹⁰

Pakistan and RCD/ECO

Efforts to bring about economic cooperation among the allies in the CENTO, i.e., Pakistan, Iran and Turkey resulted in the establishment of the RCD in 1964 and was viewed as a significant development in the promotion of regionalism. The common aspirations of the leaders of the three countries at the time were evident in the joint statement at Istanbul on 22 July 1964. They expressed their desire that “the strong cultural and historical ties, which bind the people of their countries and have already provided them with a solid basis for collaboration, should be strengthened further and developed for the benefit of the common peoples of the entire region.”¹¹ Ayub Khan stated that Muslim survival depended on closer cooperation and that the purpose of the organization was not only to bring Iran, Turkey, and Pakistan closer, but also to provide the basis for better relations among all Muslim countries from Morocco to Indonesia. He also stressed the economic character of the RCD, calling it an alliance for progress. Despite a relatively elaborate bureaucratic machinery and sizeable personnel involvement from all three countries, the RCD’s record of

economic accomplishments was less than impressive. Over the next 15 years, the Secretariat of the grouping proposed 81 economic projects, of which the members approved 49 but only 17 could be completed¹². This led many analysts to raise doubts about whether there was any genuine interest in cooperation among the three countries with very divergent perceptions on their security interests and economic compulsions. The hopes and aspirations of the leadership in these countries failed to be met, and in April 1976, Z.A. Bhutto admitted that, "...an objective appraisal of RCD would reveal that it has abysmally fallen short of expectations."¹³

The ECO emerged as a successor to the RCD in 1985. The ECO was formed to promote multi-dimensional regional cooperation with a view to creating conditions for sustained socio-economic growth in the member states. Its aims and objectives were the same as those of its forerunner, the RCD. The breakup of the Soviet Union and the subsequent emergence of independent states in Central Asia and the Caucasus provided an opportunity for the ECO to expand its membership and sphere of activities, which it did by admitting new members in 1992. Hamid Gul, former Director-General of the Inter-Services Intelligence (ISI), Pakistan, while writing about the ECO acknowledged the fact that "the populations of the ECO states are predominantly Muslims", and "the implication of common faith is that these states have overlapping history, common traditions, ethos, and sources of inspiration".¹⁴ The importance of the often reiterated objectives of the ECO- to mobilize the natural and human resources of the region- is realized in the context of the Central Asian states, which comprise a resource rich area with a strategic location. Although there have been several achievements of the ECO since its revitalization in 1992, the pace at which the ECO can hope to achieve its stated objectives are much slower than the targets set for the purpose. There are constraints on effective cooperation among the ECO members states due to the pressures of divergent external powers with interest in the Central Asian region. The growth of the ECO has also been obstructed by intra-regional, ethnic, religious, territorial and resource related disputes and contradictions.

Pakistan and OIC

Religious affinity has been cited as the prime factor for Pakistan's involvement in an extra-regional arrangement like the OIC. Even before OIC was established in 1969, Pakistan's active involvement in several fora devoted to and created along religious lines were witnessed so as to advance

its strategic and ideological interests. Since Pakistan was created on the basis of religion, it sought comfort in such arrangements. Pakistan's quest for leadership of Islamic countries prompted it to invoke deep historical roots between the Muslims of Pakistan and the Muslims residing elsewhere. In the guise of promoting Islamic solidarity, Pakistan used this forum to advance its diplomatic objectives, principally against India. It is to be noted that Pakistan deliberately did not raise the Kashmir issue for the initial two decades since the creation of the OIC. However, coinciding with its involvement in sponsoring terrorism in Jammu and Kashmir, Pakistan started playing a proactive role in OIC, when for the first time at the 19th Islamic Conference of Foreign Ministers (ICFM) Summit held in Cairo in August 1990, a resolution was passed on the issue of Kashmir, which has ever since become a regular feature of OIC conferences. OIC, in addition, has politically supported Pakistan on a number of occasions, for example, by blocking India's participation in the Rabat Summit in 1969, expressing concern over the civil war in East Pakistan, calling for the preservation of sovereignty and territorial integrity of Pakistan in 1971, expressing concern over India's peaceful nuclear tests, and adopting numerous resolutions condemning human rights violation in Kashmir. In fact, the OIC is the only forum that still demands a plebiscite in Kashmir.¹⁵ At the same time, the OIC is not considered to be a "dynamic political body" or effective diplomatically, and in the context of the international attention on terrorism, the OIC has been trying to carve out a new role and rejuvenate itself.¹⁶

Pakistan and SCO

The SCO has its genesis in the 'Shanghai Five' process, which was initiated by China in the mid-1990s after the disintegration of the Soviet Union. The initial purpose was to engage the successor states bordering China in resolving boundary disputes and bring stability to the border regions. It followed an understanding with Russia on border demarcation. With the emergence of independent states in Central Asia, China sought Russian assistance to create a regional framework for confidence building, resolving boundary disputes and reducing troops in the border regions.¹⁷

When the Shanghai Five decided to upgrade itself to form SCO in 2001, Pakistan was the first country to apply for an observer status. The Central Asian members of the organisation however blocked Pakistan's entry, as its Afghan policy was seen as a major stumbling block for cooperation. Although China supported Pakistan's candidature, Russia was

keen on inviting India. Two major developments – the 9/11 terrorist attacks and India-Pakistan Composite Dialogue - paved the way for Pakistan's entry into the SCO as an observer along with India. Post-9/11, Pakistan was forced to readjust its Afghanistan policy and subsequently became a "frontline state" in the war against terror. Pakistan's subsequent entry into the SCO in 2005 as an observer provided it a new platform for discussion on security matters with its regional neighbours.¹⁸ Although it is early to speculate what Pakistan will gain out of the SCO framework, especially in the security sphere, it is important to note that Foreign Ministers of both India and Pakistan on the sidelines of SCO Summit in Astana, in July 2005 discussed bilateral relations including the resolution of Kashmir.¹⁹ If India's then Foreign Minister Natwar Singh's remarks after the Astana Summit²⁰ are any indication, and the Chinese apprehensions about future engagement of Pakistan in any US-led regional security mechanism in the region, in addition to the already apparent discomfort among members of SCO²¹ remain valid, such a regional mechanism is likely to face many hurdles in the future and Pakistan is likely to face significant challenges in this region.

Pakistan and SAARC

Adhering to what may be called functional approach to regionalism – that underplays national and political obstacles to regional cooperation – SAARC was founded in 1985 in Dhaka. The proclaimed aim was to alleviate poverty in the region and promote social welfare by integrating economic and social development programmes through cooperation among the member countries. General Zia-ul Haq, talking about his hopes from the establishment of SAARC stated in 1985 that, the Dhaka Declaration "symbolises our joint resolve for the preservation and promotion of tranquility and progress in the region. It is the first step towards the fulfillment of our aim of economic and social development in a harmonious climate."²² After 20 years of its existence, little has been achieved and an uncertain future beckons.

From the very beginning Pakistan was in a dilemma whether to join or dissociate itself from SAARC. Two primary reasons can be cited for this dilemma. First, it felt that its bigger neighbour India would inevitably dominate the organization and its influence and ambitions would find a clear expression in it. Second, it feared that a deeper involvement in South Asian regional affairs might lead to a loss of Pakistan's credibility of being

a leader of Islamic countries tied to the West Asian region that it had carefully nurtured over a period of time preceding the formation of SAARC. Fear of isolation coupled with the attractiveness of the Bangladeshi proposals in the formative years of SAARC²³ finally paved the way for Pakistan to join the grouping. Right from the beginning, Pakistan's intentions were clear – to pit itself against India. According to an observer from Pakistan, the regional advantage of Pakistan participating in the SAARC was that the arrangement could, if need arose, “come to deflect the weight of India” vis-à-vis its smaller South Asian partners.²⁴ Pakistan however wanted a modest beginning with only a few areas of cooperation, as it felt a more ambitious start might amount to putting ‘too much sail on a small hull’.²⁵ An incremental approach is what Pakistan wanted during the initial years of SAARC's evolution.

When SAARC was formed there existed apprehension on the part of the smaller states that it would become a forum that India would dominate. But it was also an initiative launched by the smaller states such as Bangladesh to collectively deal with India. Even in the initial years there was a general feeling that the success of SAARC would depend on the “ability of Pakistan (and) India to have a normal relationship with each other.”²⁶ The Press in Pakistan also alluded to the fact that while the SAARC Charter does not allow for the inclusion of “bilateral and contentious issues” in the deliberations of the organisation, “it is but inevitable that bilateral and regional conflicts will cast their shadow over the proceedings...”²⁷ Concerns such as these continued to be voiced from time to time. President Ghulam Ishaq Khan during a banquet he hosted for the delegates to the SAARC Summit in Islamabad, in 1989, spoke of the “formidable challenges” faced by the region including “misgivings and misperceptions” but also spoke of the “historic opportunities”.²⁸ An editorial in *Muslim*, a respected daily newspaper in Pakistan, stated in 1995 that “India's mindset and its dreams of hegemonic superpower status have clogged its thinking in regard to regional cooperation.”²⁹

Blaming India for the lack of SAARC's success has been a recurrent theme for Pakistan. However, Pakistan's contribution, as has been documented, on major issues has been one of steady opposition and disinterest. During the 1990s, there was a desire to bring contentious bilateral issues within the ambit of SAARC. President Farooq Leghari just before his visit to New Delhi for the SAARC Summit in May 1995, in an interview to BBC said that the performance of the organisation was affected

due to the fact that bilateral disputes were excluded from the charter of the organisation³⁰. While he did not make a direct reference to the Kashmir issue, speaking at the inaugural session of the Eighth SAARC Summit in New Delhi on 2 May, 1995, President Leghari went on to say that “The movements for self-determination, freedom, democracy and respect for human rights have spread across the globe and can no longer be denied. The SAARC manifesto constrains a member from raising a bilateral dispute. Peace and security are the pre-requisites of economic development in any region.”³¹ Likewise in an interview to a panel of journalists of *The News*, he said, “Kashmir is the source of all tension between India and Pakistan. If this is to be resolved, I can say with confidence that all tensions will go away and the objectives of SAARC will be achieved.”³²

Divergent strands in the approach adopted by Pakistan towards regional cooperation have been consistently evident during the last few Summits. For instance, just before the Kathmandu Summit in 2002, President Musharraf in an interview to the Nepali News Agency *Rashtriya Samachar Samiti* stated, “SAARC must set up a mechanism to allow for talks among individual members.”³³ The Pakistani Foreign Office spokesman, Aziz Khan, while briefing newsmen, said that while the SAARC agenda does not include the issue of regional tensions, “...if desire is expressed from the other side, Pakistan will be ready to discuss the issue.”³⁴

On the issue of terrorism, there has been little success at arriving on an agreed definition as to what constitutes terrorism. In his speech at the Kathmandu Summit in 2002, President Musharraf underscored the need to distinguish between legitimate resistance by “freedom fighters” and terrorism. In January 2004, at the 29th session of the Standing Committee the Foreign Secretaries of the SAARC countries came to an agreement on the text of the Additional Protocol to the Convention on Suppression of Terrorism as well as the Social Charter.³⁵ Yet when the Foreign Secretary of Pakistan Riaz Khokhar was asked about bridging the definitional gap on terrorism he said, “We are not in the business of building bridges if there is a gap. All are welcome to keep their own interpretations on the subject.” He further stressed, “While we are mindful of our obligations of combating terrorism in all its forms and manifestations, we will not compromise on our vital national interests.”³⁶

The Indian proposals for economic union and single currency for the South Asian states were termed to be “premature” by Pakistan. Foreign

Office spokesman Masood Khan stated that the creation of the “right political climate” was necessary before such goals could be taken up.³⁷ While the then Prime Minister Zafarullah Khan Jamali did not openly link economic progress to resolution of the Kashmir issue he did say that: “It is the stark reality of political differences and disputes that has held back prospects of real economic co-operation in South Asia.”³⁸ President Musharraf addressing SAARC leaders, at a banquet he hosted for them, referred to the need to expand the charter of SAARC stating, “...we feel there is need to expand our charter to constitute a mechanism to even discuss bilateral issues at the regional level.”³⁹

Pakistan has been adopting a more positive and cooperative approach on issues in the non-political field. In 1985, five areas of common interest to the SAARC countries were identified. These included, agriculture, rural development, telecommunications, meteorology, and health and population. Working groups on each were subsequently created. In 1986, Pakistan was appointed as the first coordinator on the Technical Committee for the Prohibition of Drug Abuse and Drug Trafficking.

Pakistan’s posture on social issues such as problems of poverty, illiteracy, hunger and disease has also been positive, as enunciated in General Zia-ul-Haq’s speech at the first SAARC Summit at Dhaka in 1985. When the fourth SAARC Summit took place in Islamabad, in 1988, a programme called SAARC 2000 was adopted, fixing targets for the year 2000 for the entire region in basic requirements like food, shelter, education, primary healthcare, population planning and environmental protection.⁴⁰ Similarly, Pakistan welcomed the decision to designate 1990 as the “SAARC Year of the Girl Child”, and proposed on its own, that the year 1993, be declared as “the SAARC Year of the Disabled Persons”. However, in each of these areas actual progress on the ground has been extremely limited.

It would be interesting to note that Pakistan’s attitude on issues of international peace and stability was not different from that of other SAARC countries, at least on the face of it. For instance, Pakistan in 1985, pointed out that a common commitment to the United Nations Charter and the non-aligned movement provided a sound basis for the consolidation of good neighbourly relations.⁴¹ Similarly, Pakistan in 1987, suggested that steps to banish nuclear weapons should be spelt out by the SAARC forum and that a collective pledge renouncing the threat or use of force against one another should be taken by the members. Pakistan at the same meeting

suggested the need for a regional agreement, which would entail a comprehensive ban on nuclear explosion tests.⁴²

Progress Towards SAFTA

The 1987 Summit in Kathmandu decided to expand the sphere of activities of SAARC to include economic cooperation in a wider sense. In 1993, the South Asian Preferential Trade Arrangement (SAPTA) was signed. By the 1995 Summit, held in New Delhi, all the SAARC member countries had ratified SAPTA agreement. In 1997, at the SAARC Summit in Male, the decision was taken to advance from SAPTA to create a South Asia Free Trade Area (SAFTA). At the Colombo Summit in 1998, members of SAARC undertook to strive for the creation of a free trade area by 2010 (2008 for India, Pakistan and Sri Lanka), a South Asia Customs Union by 2015, and a South Asia Economic Union by 2020.

The Agreement on SAFTA was finally signed at the 12th SAARC Summit in Islamabad, amid fears and optimism. Optimism centred on actions related to the removal of tariff and non-tariff barriers and structural impediments to free trade. Regional trade among SAARC countries has so far been dismal. Intra-regional trade among SAARC countries stands at a poor four percent of the world trade, while that among ASEAN countries stands at 26 percent and European Union at 60 percent.⁴³ One major reason for this dismal trade performance among SAARC countries is that there exist wide economic disparities among the states in the region, and there is significant amount of officially unrecorded transactions, and third country re-routing.

Pakistan's trade deficit with SAARC member states rose by 77 percent to \$87.1 million in 2003-2004. Such increase in deficits is attributable to a considerable increase in imports from India, Sri Lanka and Bangladesh. While Pakistan's total exports to SAARC member countries increased by 47 percent to \$393.4 million during the same year (2003-04), its imports registered an increase of 100.5 percent to touch \$480.5 million. A break-up of Pakistan's trade during the period reveals that while trade with India and Sri Lanka were heavily in favour of the latter, trade with Bangladesh, Nepal and Maldives showed some improvements in favour of Pakistan.⁴⁴

The 13th SAARC Summit in Dhaka was expected to endorse the coming into force of the South Asian Free Trade Area with effect from 1 January

2006. But Pakistan linked progress on SAFTA to the Kashmir issue, suggesting that till there was progress on that front, Pakistan would stay away from free trade with India. However, on 16 February 2006, Pakistan ratified the SAFTA Agreement and following negotiations with India, it announced on 28 March, that it would extend the SAFTA facilities to be operationalised from 1 July 2006, to India as well. At the same time there is a visible lack of clarity in this respect indicated by a statement made of the Pakistan Commerce Minister to a Pakistan daily paper that trade between the two countries would continue to be guided by bilateral pacts. The implication is that Indian imports to Pakistan would still be limited to the 777 items that were put in the “positive list” by Pakistan in the bilateral agreements. Pakistan’s Commerce Secretary however, said that the multilateral SAFTA agreement would be valid for the whole of South Asia, and it was not possible to exempt any country in the region from its purview.⁴⁵

The recently concluded 13th SAARC Summit in Dhaka in November 2005 has taken a step further to include Afghanistan as a full member and observer status has been given to China and Japan. Pakistan supported the candidature of both Afghanistan and China for entry into the SAARC. The inclusion of China into the organisation, is seen by most member states as an effort to counterbalance India’s influence in the organization. However, on Afghanistan’s candidature, both India and Pakistan agreed to support it. China’s inclusion as an Observer in SAARC is a significant new development, but it may not necessarily bring any undue advantage to Pakistan, because of the rapid and substantial improvement that has been taking place in relations between India and China.

Conclusion

Pakistan’s approach to regionalism is heavily conditioned by its own identity problem. Pakistan is both a South Asian state and a Muslim state. As a South Asian state it cannot get away from the compulsions of geography where it has to co-exist with its neighbours, the biggest of which is India, which is not only seen as a perennial “enemy” but is also many times more powerful. As a Muslim state created on the basis of religion, it cannot resist the temptation to seek the moral and diplomatic support of fifty odd other Muslim states and to try to play a leadership role in the Muslim world. It would not have been difficult for Pakistan to harmonise

the two identities if it had given importance to the economic advantages that could flow from regional cooperation rather than the psychological disadvantages that it perceived in the neighbourhood of India. Pakistan was drawn to the embraces of a religious-affinity organization like the OIC more often, and did not invest enough in a functionally more relevant organization like SAARC. As the trade figures given above have shown, Pakistan's refusal to cooperate in trade liberalization within SAARC has resulted in Pakistan's trade deficit in the SAARC region rising over the years.

From the experience of SAARC in the last twenty years, one can draw the following broad conclusions with regard to its success or failure. First, compulsions and imperatives of geographical contiguity have been overtaken by conflicts and contradictions between states of the region. Second, the exclusion of bilateral issues from SAARC's deliberations and the principle of unanimity in decision-making have ensured the survival of the organization, even if it has slowed down decision-making in some respects. Third, although progress in the core area of economic cooperation has been slow, the scope for cooperation in non-economic areas of counter-terrorism, drug trafficking, human rights, water resources, agriculture, education, etc., exist. Fourth, even in the field of economic cooperation, there is hope that following the ratification of the SAFTA agreement by Pakistan in March 2006, Islamabad will gradually shed its inhibitions and decide not to be deprived of the potential for maximizing its economic and trade gains within the region.

There is no doubt that suspicions and tensions between India and Pakistan have stood in the way of effective performance by SAARC in the last twenty years. But the last two years have seen significant improvement in atmospherics between the two countries. Wide-ranging agreements on Confidence-building measures (CBMs) have yielded results in the form of growing people-to-people contacts, the re-opening of rail and road links, including in Jammu and Kashmir. Innovative proposals to resolve the Kashmir issue are now a part of the regular discourse. This improved environment is no less responsible for Pakistan's positive approach to the SAFTA agreement, and raises the hope that SAARC processes will probably move forward.

Moreover, Pakistan's ties with religion-oriented organisations such as the OIC stands tempered by developments since 9/11, while its other

regional initiatives have largely failed. There is no doubt that Pakistan's own record with regard to promoting terrorism has not undergone any significant improvement. But the Muslim world as a whole is going through a process of introspection and is realizing the dangers of allowing its youth to invoke religion for organising and launching violent protests against un-welcome policies or regimes. In such an environment Pakistan would have to be careful in trying to use the Muslim world as a diplomatic bulwark against India, whose woes about Pakistan sponsored terrorism are well known to the world.

It is conceivable therefore, that a chastened Pakistan in the coming years could pay more attention to SAARC in the functional area of economic cooperation and thereby justify the hopes of optimists with regard to regional cooperation in South Asia—the region to which culturally and politically it belongs.

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