

**REGIONAL POWER STRUCTURE AND INSTITUTIONAL ARRANGEMENTS IN SAARC:
AN ASSESSMENT OF MEMBERS' HOPES AND FEARS (1985–2015)**

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Abstract

The paper holds that institutional structures of intergovernmental organizations (IGOs) mirror the fears and hopes of their members as well as the power structure of the contemporary world. It examines the organizational setup and institutional development of the South Asian Association for Regional Cooperation (SAARC) since its inception in 1985. The paper also surveys as to how and to what extent power structure in South Asia and members' national interests, priorities, fears, concerns, hopes, and aspirations influence institutional structures of SAARC. The process shows an interminable competition between India and other members, each striving to advance its goals. India strives to consolidate its dominance in the region while other members try to evade it. India because of its huge size and vital position emerges triumphant in the contest. Institutional arrangements of SAARC manifest profoundly regional power structure that favours India to promote its interests far more than other regional states.

Key Words: South Asia, SAARC, regionalism, interests, power, institutions, India, China.

INTRODUCTION

Regional organizations do not operate in a vacuum. They function in the international political environment that influences and is affected by them. They are part of the contemporary international system of which nation-states are the basic units. The states have their national interests, priorities, fears, concerns, hopes, and aspirations on the basis of which they formulate their policies. States either form or seek membership in intergovernmental organizations (IGOs) to protect and advance their national interests. Membership of IGOs, however, also involves some limitations on their sovereignty. States mostly become members of IGOs under two conditions, i.e. when they believe that: their national interests could be better advanced through cooperative arrangements than unilaterally, and; it would not undermine their sovereignty and political identity. The institutional structures of IGOs reflect members' hopes and fears as well as the power structure of the contemporary world (Ahmad 2013-b, pp.62-3).

This study endeavours to explore as to how and to what extent the present organizational setup and institutional arrangements of South Asian Association for Regional Cooperation (SAARC) reflect the fears and hopes of member states and the regional power structure. The paper has five sections including the first one being the introduction. The second section overviews the origin and evolution of South Asian regionalism. The third section surveys the existing organizational setup and institutional arrangements of SAARC. Forth section appraises the developments that shaped the organizational structure of SAARC. It includes the assessment of the fears, concerns, hopes, and aspirations of SAARC members that shaped or influenced growth of its institutions. It also explores as to what extent the SAARC institutions reflect the regional power structure. The fifth section concludes the paper.

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ORIGIN AND EVOLUTION OF SOUTH ASIAN REGIONALISM

Several regional and extra-regional developments contributed to the creation of SAARC. Late President Ziaur Rehman of Bangladesh had initiated its idea. Inspired by the success of cooperation organizations in several parts of the world, initially, he talked about the idea with the leadership of India, Nepal, Pakistan, and Sri Lanka when he visited these countries between 1977 and 1980 (Leonard 2006, p.1442). It helped elucidated viewpoint of all South Asian countries (SACs) about proposed regional cooperation organization. In November 1980, the government of Bangladesh (GOB) distributed a working paper that contained objectives, principles, and possible areas of regional cooperation (ARC) besides the draft constitution of the proposed organization and, thus, presented nearly a “complete blueprint” of South Asian regionalism (Government of Bangladesh [GOB], 1980). The rest of SACs welcomed the move but the response of India and Pakistan was cautious. Keeping in view South Asian history, SACs decided to move gradually.

The process of institutionalizing South Asian regionalism moved through three different stages. The first stage (1981–1983) included four rounds of foreign secretaries’ level meetings that finalized the “basic framework” of regional cooperation and prepared the ground for the foreign ministers’ level meetings. It raised the process from official to political level. Foreign secretaries agreed to make decisions “on the basis of unanimity” and keep out “bilateral and contentious issues” in their deliberations. They finalized the aims, objectives, and principles of regional cooperation that were, afterward, incorporated in the SAARC charter. They selected the ARC and prepared an “Integrated Programme of Action.” The second stage (1983–85) entailed four rounds of the foreign ministers level meetings who commenced “South Asian Regional Cooperation” (SARC) when they signed the SARC declaration on August 02, 1983. They approved the institutional and financial arrangements prepared by foreign secretaries and finalized the preliminary work for the first-ever South Asian summit to be convened in Dhaka in the first week of December 1985. Thus, the process entered into the third stage that began with the official launching of the organization (SAARC Secretariat 1988, pp. 9-27, and 55-95).

Institutional Arrangements

The leaders of SACs met in Dhaka and formerly launched SAARC on December 08, 1985, after signing its charter that contains 10 articles. The members observe the 8th of December as the SAARC Charter Day. The charter contains aims, objectives, principles, general provisions, organizational structure, and financial arrangements, etc.

Aims and objectives of SAARC

SAARC charter expounds members' desire to advance “peace, stability, amity and progress in the region;” to address their mutual problems and; to accomplish “national and collective self-reliance” through collective efforts in assorted fields. Article-I describes the following objectives:

1. to advance the wellbeing of people and to raise their quality of life

2. to pace up economic development, cultural growth, and social progress in South Asia and to grant all persons the chance to live in pride and to “realize their full potentials”
3. to advance and fortify collective self-sufficiency of SACs
4. to promote mutual understanding, trust, and “appreciation of each others’ problems”
5. to advance “active collaboration” and mutual cooperation in cultural, social, economic, scientific and technical fields
6. to fortify collaboration with other countries of the developing world
7. to advance coordination with other transnational organizations having identical objectives
8. to help adopt similar stance at global forums on matters of general interests

SAARC principles

Article-II proclaims that: regional cooperation would be founded on the principles of “mutual respect for sovereign equality,” political independence, territorial integrity, “non-interference in each others’ internal affairs” and common benefits; regional cooperation would not “substitute” for multilateral and bilateral cooperation but “shall complement them,” and; it would not be “inconsistent” with multilateral and bilateral obligations.

General provisions

Article-X declares that “decisions at all levels” would be made on “the basis of unanimity” and “bilateral and contentious issues” would be “excluded from the deliberations” at all levels.

Organizational structure

SAARC has the following organizational structure:

a. SAARC Summits: According to the article-III, the highest authority of SAARC lies with members’ “heads of state or government” who must meet “once a year or more often as and when considered necessary by the Member States.”

b. Council of Minister: Article-IV provides for “Council of Ministers (COM),” comprising of members’ foreign ministers, as the second-highest body. It meets “twice a year” and its “extraordinary session” can be convened any time by concurrence among the members. Its functions include: to devise SAARC policies; to review the progress of regional cooperation in agreed areas; to decide new ARC; to set up the “additional mechanism” under SAARC as deemed necessary, and; to decide upon other matters of common interest to SAARC.

c. SAARC Standing Committee: Article-V provides for the SAARC Standing Committee (SSC) consisting of members’ foreign secretaries. SSC meets as frequently as considered necessary, presents periodic reports to COM and refers it the decisions on policy matters as and when necessary. SSC performs the following responsibilities: coordination and overall monitoring of SAARC programmes; approval of programmes and projects as well as the modalities to finance them; decisions on “inter-sectoral priorities;” to mobilize resources from the region and outside, and; to identify new ARC on the basis of “appropriate studies.”

d. SAARC Programming Committee: SAARC Programming Committee (SPC) includes members’ senior officials who assemble before meetings of SSC. Its responsibilities include

scrutinizing the secretariat budget, to decide the schedule of SAARC activities and programmes and any other function tasked by SSC from time to time.

e. Technical Committees: Article–VI provides for Technical Committees (TCs) comprising of the members’ representatives. TCs are responsible for the monitoring, coordination and implementation of the programmes in related areas. Each TC submits a periodic report to SSC and performs these functions: to discover the potential and the scope of cooperation in ARC; to formulate programmes and projects; to determine their financial plan and sharing of costs among members and; to coordinate and implement the programmes and projects. In order to perform its responsibilities, TCs can use the following modalities and mechanisms, if and when necessary: convene meetings of the heads of national technical organizations and the experts in the particular fields or make contact with regional prominent centres of excellence. Generally, the chairmanship of each TC rotates among SAARC members in an “alphabetical order every two years.” There exist six TCs which cover these areas: 1) Agriculture and Rural Development; 2) Environment; 3) Transport; 4) Science and Technology; 5) Women, Youth and Children, and; 6) Health and Population Activities.

f. Working Groups: SAARC also has four Working Groups (WGs) which work in these areas: 1) Information and Communication Technology (ICT); 2) Tourism, 3) Energy, and 4) Biotechnology. WGs prepare, oversee, evaluate, coordinate and monitor SAARC programs and activities and also suggest sources and means finance their implementation. They meet regularly to give their inputs on their respective areas and also carry out the instructions of higher bodies of SAARC (SAARC Secretariat, n.d.-f).

g. Action Committees: Article–VII provides that SSC can create “Action Committees” consisting of the concerned members’ representatives to put into practice the “projects involving more than two but not all” SAARC countries.

i. Others Bodies: The high-level officials or heads of national planning departments of SACs in their meetings (1983–1991) pondered over the prospects of economic cooperation. In 1991, SAARC constituted a high-level “**Committee on Economic Cooperation (CEC)**” to discover and execute programmes in ARC and trade liberalization in the region. Besides, **g. SAARC ministerial meetings** on various areas became a general practice for “focused consultation” and formulation of “action plan” for collaboration in their respective areas (SAARC Secretariat, 2004a; SAARC Secretariat, 1995: 120–3; SAARC Secretariat, 2004b: 7 and 16–20).

Amendment in SAARC charter and its organizational structure

The eighteenth SAARC summit has decided to convene SAARC Summit meetings “every two years or earlier, if necessary.” It also decided that the COM would meet “once a year,” the SSC “at least once a year” and the SPC “at least twice a year.” The summit also decided to make SPC as the SAARC Charter body (SAARC Secretariat, n.d.-a).

SAARC Summits

SAARC summits provide regional leaders with an important forum to meet on a regular basis. Summits are supposed to be held once a year on a rotational basis in all member states in

alphabetical order. In the inaugural session of every summit, the head of the state or government of the host country takes over the responsibilities as SAARC chairman and holds this position till the next summit (Hardgrave & Kochanek 2008, p.501). During this period, the foreign minister of the member hosting the summit serves as chairman of the COM. Besides other responsibilities, COM reviews in its inter-summit meeting the progress on decisions of the summit meetings and finalize the agenda, dates, and venue of the upcoming summit ("SAARC inter-summit," 2013). Each summit ends with a declaration that also mentions the venue of its next meeting.

SAARC has so far held 18 summits in its 30 years' (1985–2015) history. Out of them, two were held in Pakistan, and three each in Bangladesh, India, the Maldives, Nepal, and Sri Lanka. Bhutan could host only a single summit, i.e. sixteenth one in 2010. Bangladesh hosted the first, seventh and thirteenth summits in 1985, 1993 and 2005, respectively. India organized the second, eighth and fourteenth summits in 1986, 1995 and 2007, respectively. The third, eleventh and eighteenth summits were held in Nepal in 1987, 2002 and 2014, respectively. Pakistan hosted the fourth and twelfth summit in 1988 and 2004, respectively. The fifth, ninth and seventeenth summits were held in the Maldives in 1990, 1997, and 2011, respectively. Sri Lanka became the host of sixth, tenth and fifteenth summit in 1991, 1998 and 2008, respectively. All but two of these summits were held in the respective capital city of host countries. India and Maldives hosted second and seventeenth SAAAR summits in Bangalore and Addu City, respectively, which were not their capital cities. Details of SAARC summits are shown in table-1.

Table.1.

SAARC Summit	Venue (city)	Country	Dates
First	Dhaka	Bangladesh	December 7–8, 1985
Second	Bangalore	India	November 16–17, 1986
Third	Katmandu	Nepal	November 2–4, 1987
Fourth	Islamabad	Pakistan	December 29–31, 1988
Fifth	Male	Maldives	November 21–23, 1990
Sixth	Colombo	Sri Lanka	December 21, 1991
Seventh	Dhaka	Bangladesh	April 10–11, 1993
Eighth	New Delhi	India	May 2–4, 1995
Ninth	Male	Maldives	May 12–14, 1997
Tenth	Colombo	Sri Lanka	July 29–31, 1998
Eleventh	Katmandu	Nepal	January 4–6, 2002
Twelfth	Islamabad	Pakistan	January 4–6, 2004
Thirteenth	Dhaka	Bangladesh	November 12–13, 2005
Fourteenth	New Delhi	India	April 3–4, 2007
Fifteenth	Colombo	Sri Lanka	August 2–3, 2008
Sixteenth	Thimphu	Bhutan	April 28–29, 2010
Seventeenth	Addu	Maldives	November 10–11, 2011
Eighteenth	Katmandu	Nepal	November 26–27, 2014

The SAARC Secretariat

Article-VII provided that there would be a SAARC Secretariat. The first summit directed the COM to submit a report containing details of the structure, functions, financing, and location of the secretariat. At the eve of the second summit, members' foreign ministers signed "the Memorandum of Understanding (MOU)" to locate it in Katmandu, Nepal (SAARC Secretariat 1990, pp.49, 95 & 98). The secretariat started functioning on January 16, 1987. Later on, it signed "the Headquarters Agreement" with the Nepalese Government (SAARC Secretariat 1990, pp.151 & 153). The Secretariat keeps the record, coordinates and monitors execution of SAARC activities and programmes, prepares for its meetings. It also works as a "channel of communication" between SAARC and its members as well as other international organizations.

SAARC Secretary-General (SSG) heads the secretariat. Eight directors – one deputed by each member – and the general services staff that makes its civil service assist SSG. COM appoints SSG from members in alphabetical order. Abul Ahsan of Bangladesh was the first SSG who took charge on the date the Secretariat was inaugurated, i.e. January 16, 1987 (SAARC Secretariat 1990, p.153). He served the organization for two years and nine months, i.e. till Oct. 15, 1989. His three successors served for about two years' term each. Later on, the ninth summit modified the article-V(1) of the MOU and set the term of SSG as "non-renewable three years" (SAARC Secretariat 1998, p.367). Details of SSGs are given in table-2.

Table. 2. SAARC SECRETARIES GENERAL AND THEIR TENURE

S. No.	Name	Country	Tenure of Service	
			From	To
1.	Abul Ahsan	Bangladesh	16 Jan 1987	15 Oct 1989
2.	Kant Kishore Bhargava	India	17 Oct 1989	31 Dec 1991
3.	Ibrahim Hussain Zaki	Maldives	1 Jan 1992	31 Dec 1993
4.	Yadab Kant Silwal	Nepal	1 Jan 1994	31 Dec 1995
5.	Naeem Hasan	Pakistan	1 Jan 1996	31 Dec 1998
6.	Nihal Rodrigo	Sri Lanka	1 Jan 1999	10 Jan 2002
7.	Q.A.M.A. Rahim	Bangladesh	11 Jan 2002	28 Feb 2005
8.	L. Chenkyab Dorji	Bhutan	1 Mar 2005	29 Feb 2008
9.	Sheel Kant Sharma	India	1 Mar 2008	28 Feb 2011
10.	Fathimath Dhiyana Saeed	Maldives	1 Mar 2011	22 Jan 2012
11.	Ahmed Saleem	Maldives	12 Mar 2012	28 Feb 2014
12.	Arjun Bahadur Thapa	Nepal	1 March 2014	28 Feb 2017
13.	Amjad Hussain B. Sial	Pakistan	1 March 2017	To date

Financial Arrangements and Regional Funds

Article-IX describes the following financial arrangements of SAARC: a) each member would contribute to finance SAARC activities on a voluntary basis; b) each TC would recommend for the distribution of costs of implementation of the projects and programmes being proposed by it, and; c) in case enough funds cannot be raised from within the region to finance SAARC

activities, the organization can seek external funding from “appropriate sources” with approval of SSC.

The members allocate resources in their national budgets on an annual basis for SAARC programmes and activities which they pronounce in the meeting of SSC. They bestow money as per an agreed rule for the annual budget of the secretariat and regional centres and institutions. The host state has to bear 40 percent of the regional institutions’ “institutional expenditures” whilst the remaining cost is born by other member states in accordance with an agreed criterion. The host country affords the regional institutions’ “capital expenditure” whereas “programme expenditures” are paid by all members (SAARC Secretariat 1995, pp.122-3).

In 1991, the members created a “SAARC Fund for Regional Projects (SFRP)” managed by a “Regional Council of Development Financing Institutions” of SACs, in order to provide loans for identifying and developing regional projects (SAARC Secretariat 1996, pp.91-2). SACs also created a “SAARC Regional Fund (SRF)” to help execute the projects. The private sector’s donations and grants from foreign sources such as national governments, international agencies and IGOs are the main sources of the SRF (SAARC Secretariat 1995, p.138). In 1996, SAARC merged SFRP and SRF together to create a “three-window” “South Asian Development Fund (SADF)” with its headquarter situated in Dhaka (SAARC Secretariat 1998, p.373). In 2005, the members created a “SAARC Poverty Alleviation Fund (SPAF)” under SADF, which was reconstituted as “the SAARC Development Fund (SDF)” to serve as “the umbrella financial institution” for the entire SAARC programmes and projects. SDF includes three windows: economic, social and infrastructure. The fund is operational and SDF secretariat is set up in Thimphu, Bhutan (SAARC Development Fund Secretariat, n.d.).

Admission of New Members and Observers in SAARC

A few countries were interested to join SAARC as members or observers since its inception. The third summit had entrusted SSC to examine the matter (SAARC Secretariat 1990, p.154). In 1988, Islamabad summit approved SSC’s recommendations “that any country in the region subscribing to the objectives and principles of the SAARC Charter may be admitted as a member of the Association by a unanimous decision of the Heads of State or Government” (SAARC Secretariat 1990, pp.209 & 216). The seventh summit tasked “the SAARC Expert Group” to examine applications submitted by different states for grant of observer status (SAARC Secretariat 1996, p.131). Thirteenth SAARC summit admitted Afghanistan as the eighth member of the organization and China and Japan as observers. Afghanistan formally joined as a new member in the fourteenth summit while China, Japan, Korea, Myanmar, Iran, Mauritius, Australia, the United States and the European Union joined as observers (SAARC Secretariat, n.d.-e). The fifteenth summit held in 2008 imposed a “moratorium” on the admission of new members and observers. Meanwhile, Russia, Turkey, Indonesia and South Africa also wants to join SAARC as observers. The representatives of observers attend inaugural and closing sessions of summits but do not take part in discussion and decisions of SAARC (Dutta, 2011: 493; Kasturi, 2014).

Establishment of Regional Centres and Institutions

SAARC members acknowledged that regional centres (RCs) could contribute significantly in exploiting regional capabilities and resources and resolution of their general problems. However, the centres must, they stressed, pursue “action and result-oriented programmes” (SAARC Secretariat 1998, p.369). Earlier, while reviewing a report on the administrative arrangement and financing of RCs, SACs decided that they would be created on the basis of their effectiveness, feasibility and potential economic benefits for SACs (SAARC Secretariat 1990, p.150). Subsequently, SAARC established the following 11 RCs (Ahmad, 2013, p.180):

- 1) SAARC Agricultural Information Centre (SAIC) in Dhaka, Bangladesh in 1988, renamed as SAARC Agricultural Centre (SAC) in 2006.
- 2) SAARC Tuberculosis Centre (STC) in Katmandu, Nepal in 1992.
- 3) SAARC Documentation Centre (SDC) in New Delhi, India in 1994.
- 4) SAARC Meteorological Research Centre (SMRC) in Dhaka, Bangladesh in 1995.
- 5) Human Resource Development Centre (SHRDC) in Islamabad, Pakistan in 1988.
- 6) SAARC Information Centre (SIC) in Katmandu, Nepal in 2005.
- 7) SAARC Cultural Centre (SCC) in Kandy, Sri Lanka in 2005.
- 8) SAARC Energy Centre (SEC) in Islamabad, Pakistan in 2006.
- 9) SAARC Coastal Zone Management Centre (SCZMC) in Male, the Maldives in 2004.
- 10) SAARC Forestry Centre (SFC)” in Thimphu, Bhutan in 2007.
- 11) SAARC Disaster Management Centre (SDMC) in New Delhi, India in 2006.

Reorganization of Regional Centers

Eighteenth summit approved the decision of COM to shut three RCs and merge four others into one, and thus to reduce their number from eleven to five. It decided to dissolve SIC and SDC into the SAARC secretariat and permanently scrape HRDC. It also endorsed the decision to merge SFC, SDMC, SCZMC, and SMRC into a one RC to establish SAARC Environment and Disaster Management Centre (SEDMC). The venue of SEDMC remained undecided for a while as SACs including Pakistan, India, Bangladesh, Sri Lanka and the Maldives claimed to host it (Giri, 2014; Haidar, 2014; Jianfeng, 2014). Later on, it was decided that India would host it as SDMC (SAARC Secretariat, n.d.-c). SFC, SCZMC, SDMC, and SMRC closed their activities on December 31, 2015 (Chowdhury, 2015). The mandate along with the record of SIC and SDC have been transferred to the secretariat and their staff has been relieved of their duties (“Three Saarc regional centres,” 2016). Thus, SAARC has now only five regional centres: 1) SAC in Dhaka; 2) SEC in Islamabad; 3) SCC in Colombo; 4) STAC in Kathmandu, and; 5) SDMC in New Delhi (SAARC Secretariat, n.d.-c).

Establishment of the South Asian University

Fourteenth SAARC summit had approved the decision to establish a South Asian University (SAU) in India. In 2007, the members signed an Intergovernmental Agreement to this effect. After its foundation, SAU began its first academic session in August 2010. It offers post-graduate and doctoral degrees programmes in several disciplines including computer science, economics, law, sociology, international relations, mathematics, and biotechnology. SAU

enrolls students from all SAARC members which equally recognize its degrees (South Asian University, n.d.). Sixteenth summit instructed to complete modalities for establishment regional campuses of SAU in other SACs (SAARC Secretariat, n.d.-d).

SAARC AGREEMENTS AND CONVENTIONS

SAARC members concluded several agreements and conventions in order to promote and strengthen regional cooperation in various fields. SAARC Secretariat on its official website mentions the following agreements and conventions:

1. SAARC Charter (December 1985)
2. SAARC Social Charter (January 2004)
3. Charter of SAARC Development Fund (July 2008)
4. SAARC Charter of Democracy (February 2011)
5. Memorandum on the Establishment of the SAARC Secretariat (November 1986)
6. Agreement for Establishment of SAARC Arbitration Council (November 2005)
7. Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters (November 2005)
8. Agreement on Mutual Administrative Assistance in Customs Matters (November 2005)
9. Agreement on the SAARC Food Security Reserve (November 1987)
10. Agreement on Establishing the SAARC Food Bank (April 2007)
11. Agreement on South Asian Preferential Arrangement (SAPTA) (April 1993)
12. Agreement on South Asian Free Trade Area (SAFTA) (January 2004)
13. Agreement on the Establishment of South Asian Regional Standards Organisation (SARSO) (August 2008)
14. Agreement on Trade in Services (April 2010)
15. SAARC Framework Agreement for Energy Cooperation (Electricity) (November 2014)
16. Agreement for Establishment of South Asian University, New Delhi (April 2007)
17. Convention on Combating and Prevention of Trafficking in Women and Children for Prostitution (January 2002)
18. Convention on Regional Arrangements for the Promotion of Child Welfare in South Asia (January 2002)
19. Convention on Mutual Assistance on Criminal Matters (July 2008)
20. Convention on Narcotic Drugs & Psychotropic Substances (November 1990)
21. SAARC Regional Convention on Suppression of Terrorism (November 1987)
22. Additional Protocol to the SAARC Regional Convention on Suppression of Terrorism (January 2004)

SAARC INSTITUTIONAL ARRANGEMENTS AND MEMBERS' HOPES AND FEARS

SACs did not possess any exclusive regional cooperation organization (RCO) till the 1980s though they had keenly partaken in the creation of numerous macro-regional level IOs, and promoted cooperation with each other being their members at various forums such as: Asian Relations Conferences; the Non-Aligned Movement (NAM); Colombo Plan; Central Asian-

African Legal Consultative Committee (AALCC); Asian Productivity Organization (APO), and; the British Commonwealth (GOB, 1980; Inayat, 2007, pp.13-4; Schubert 1978, pp.442-52). The US had tried to persuade SACs to create some kind of RCO in the 1960s but in vain. Later on, some external “proposals and events,” such as triumphs of RCOs in other regions of the World, Indo-Pakistan war of 1971 and emergence of Bangladesh and Soviet occupation of Afghanistan in 1979 influenced the establishment of SAARC (Inayat 2007, pp.13-4). President Zia of Bangladesh has the credit to initiate its idea.

Regional Countries’ Response to the SAARC Proposal

The response of SACs to the SAARC proposal was dissimilar. India and Pakistan were apprehensive about the proposal while smaller regional countries (SRCs) welcomed it. India, Pakistan, and SRCs had sought three different sets of objectives through SAARC. SRCs were excited to the proposal as they wanted to pursue through SAARC various objectives, such as to get: a “cover against Indian domination;” recognition as independent and distinct “entities;” sovereign equality; opportunities of unrestricted interactions with the outside world; a higher rate of economic development, and; “equitable distribution” of gains of cooperation. Pakistan, after an initial cautious attitude, found joining the organization valuable not only to evade its possible isolation in South Asia but also to promote its national interests while allying with SRCs. For India, the proposal contained both challenges and opportunities due to which its response was “truly ambivalent” (Muni 1991, p.62; Narain & Upreti 1991, P.6; Rizvi, 1991; Ahmad 2016).

India at first took the proposal with distrust and reacted “cautiously.” Since the West was keen to the proposal, thus, especially in the context of Russian occupation of Afghanistan, India was apprehensive about it. India also feared that SRCs would “gang against it up” to collectively contain it at the regional level and isolate it globally (Thapliyal 1999, p.54). India had bilateral problems and political disputes with most of SRCs that it did not want to internationalize (Naqvi 1991, p.185). Because of its “unique geostrategic position” India had multiple advantages in treating SRCs bilaterally that New Delhi preferred over multilateralism in South Asian. As such, when India received the proposal, New Delhi believed that “The Lilliputians of the region want to tie down the Indian Gulliver” (Mohla 1998, pp.299-303; Naqvi 1991, p.183). In sum, the proposal contained a number of potential challenges for India which could possibly face “collective pressure” of SRCs to resolve its bilateral problems and political disputes with them.

The proposal also contained a number of political and economic opportunities for India. In the words of Muni, there existed some “possibilities of making the neighbours look inward” for their developmental and security needs (1991 p.62). India believed that SAARC could give it “a unique platform” to change South Asian place in World politics by means of “delinking” and strengthening its “autonomy” from foreign powers. It could also “politically and organizationally legitimize” Indian leadership in South Asia and thus, the region would ultimately become a “zone of direct Indian interests” (Bratersky & Lunyov 1990, p.929). India also knew that economic cooperation in South Asia presented “immensely attractive opportunities” to its industries, commerce, and banking sectors which were highly advanced and developed in several ways than those of other SACs (Naqvi 1991, p.185). Besides, it was

also believed that in the context of growing economic globalization and heightened competition, India's economy could not face single-handedly the powerful economic groupings such as those in Western Europe, and Southeast Asia, etc. Moreover, SAARC could provide India the opportunities to consolidate its place at "global level" by adopting a common stance on a range of political issues of common interests including the escalating arms race, the question of disarmament and nuclear non-proliferation etc. New Delhi was also keen to collaborate and cooperate with SRCs on global economic matters and trade issues as well as to adopt a common stance on issues related to the aid, development and "trade concessions" to the Third World at various global forums, such as ECDC, ESCAP, UNO, UNCTAD, and the North-South Dialogue, and the World Bank, and also to practice "common strategies" to attain "NIEO objectives" (Jha 2004, pp.115-6; Muni 1991, p.63; SAARC Secretariat 1988, p.18).

After making a cost and benefit analysis, India decided to take full advantage of the possible opportunities and to pre-empt the potential challenges through engineering the institutional arrangements of the proposed RCO. Ultimately, it agreed to the SAARC proposal but insisted successfully on the incorporation of two provisions in its charter that could guard it against possible pressure of SRCs. India, and as such all members, got a veto in SAARC charter which provides that: decisions at all levels shall be made on the principle of unanimity, and; bilateral disputes and contentious issues shall not be discussed in SAARC meetings (Inayat 2007, p.19; Singh 2007, p.28).

India's Response to the Proposal of Amending the Charter

SRCs which took the initiative to create SAARC had different security, political and economic objectives that they intended to pursue through a regional arrangement. They mainly wanted to protect their political independence, national identity, security, and territorial integrity and to also acquire sovereign equality with their larger neighbours, particularly India, through membership in SAARC. They also wanted to address their bilateral problems and political disputes under a regional framework. For this matter, they sought SAARC to provide a formal mechanism for discussion of such issues. Since, India is involved on one side in most, if not all, of these disputes and it opposes their internationalization, thus, New Delhi vigorously opposed such ideas. Later on, SRCs along with Pakistan proposed amending the charter providing for discussions of such issues under SAARC framework, but India "steadfastly" opposed such proposals. New Delhi believed that any amendment in the charter providing for discussion of bilateral problems and contentious political issues would result in "more harm than good" for the regionalism (Sridharan 2008, p.12-3).

Foreign Funding for Regional Development Projects

SRCs wanted to accept funding from external sources and donors for regional projects but it was a "sensitive" issue for India which was "resistant to foreign contributions" for various reasons (Muni 1991, p.64). SACs, particularly SRCs, were short of financial and economic resources needed badly for investment into their "socio-economic development." Thus, they wanted to initiate "development projects" with the financial and technical assistance of foreign donors including national governments and international organizations keeping in

view that the ASEAN members had effectively executed a number of such projects with the support of developed nations (Soldium 1991, pp.90-2). India opposed such proposal fearing that such donations would also bring external influence in South Asia that would undermine its security and national interests (Muni 1991, p.64).

SAARC Expansion and Members' Hopes and Concerns

Some of SAARC observers such as China, Myanmar, and Iran aspire to get full membership. Iran has indicated its desire though not officially applied for it. Myanmar officially applied to the SAARC secretariat for the membership in May 2008 ("Myanmar seeks," 2008; Rahman, 2009; Rajasingham, 2010). China wants to get its status elevated to become either a member or at least the dialogue partner in SAARC. It has lobbied for its membership but existing members have a diverse opinion on further expansion of SAARC. SRCs and Pakistan support the idea of admitting China as a member but India opposes it (Parashar, 2014). Earlier, India also resisted China's admission as an observer and it dropped its opposition only after SRCs agreed to grant Japan the same status in the organization. Now, India claims that it wants to deepen cooperation under SAARC instead of its expansion.

SAARC members have divergent interests based on their hopes and fears regarding further expansion of the organization, particularly on giving China full membership. SRCs want to include China in SAARC as a full member to contain Indian dominance or to counterbalance its influence in the organization. It will decrease India's "leverage" in SAARC and give SRCs another option to rely on for economic guidance in the organization (Kasturi, 2014). SRCs also seem eager to "cash in on the economic and strategic contest" between China and India in South Asia (Chansoria, 2014). But India, ready to engage with Beijing on a bilateral level, does not want to open "strategic space" for Chinese presence, either as a full member or with an elevated status such as dialogue partner, in SAARC. It opposes the move of SRCs while taking the plea that SAARC still needs to get internal unity and consolidation. India has numerous fears: 1) Chinese entry could "breach SAARC solidarity" if the former clashes with India's supposed strategic and economic interests; 2) China would exercise veto power in SAARC in which decisions are made unanimously and it would obstruct projects economically and strategically beneficial to India (Muni, 2014); 3) China would diminish Indian influence in SAARC by attracting the attention of SRCs towards itself through providing aid and investment incentives for infrastructure and economic development in South Asia. Thus, New Delhi construes Chinese move as a part of its efforts to "contain India" that involves economic, political and strategic objectives. An Indian commentator has summed it up in these words: "by making strategic inroads into India's neighbourhood, China is assiduously working to pin India down as a subaltern state" (Chansoria, 2014).

CONCLUSION

Institutional arrangements and organizational structure of SAARC mainly reflect larger member's interests and the "power structure" in South Asia. India is a dominant regional power which occasionally reflected its muscles towards others SACs. Because of its gigantic size, power and resources as well as a central position in the region, it was able to dictate its terms while devising institutional arrangements of SAARC. It has political problems and

bilateral disputes with its neighbours. SRCs had intended to use SAARC mainly to contain India in the region and to discuss their disputes and problems under a regional framework. India fearing that its neighbours could unite against it and they would internationalize bilateral disputes, insisted to not let discuss such issues at SAARC and also to make all decisions on the basis of unanimity to help avoid collective pressure of its neighbours. Thus India had successfully protected its interests and thwarted the potential challenges in SAARC. Motivated by the same objectives, India rejected the proposal of Pakistan and SRCs to amend SAARC charter or to accept foreign funding for regional development projects. India has always been averse rather opposed to any idea or the possibility of bringing foreign influence in the region. Now, other SACs want to include China as a full member in SAARC for different political and economic objectives including to counterbalance India in the organization. India sternly counters such moves fearing that it would erode its dominance in the organization and also affect its strategic, political and economic interests adversely. The existing institutional arrangements of SAARC favour India to exercise its veto on the proposed Chinese membership and to protect its perceived vital national interests.

SAARC process depicts an unrelenting battle between India and other SACs, both sides attempting to advance their objectives. India endeavours to consolidate its domination while other SACs struggle to circumvent or curtail it through different means. India being towering high in all respects and occupying central position appears triumphant in the contest. Institutional arrangements of SAARC manifest profoundly regional power structure and thus favour India to help promote its interests far more than other SACs.

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