

REVIVING SAARC TO DEAL WITH CHINA

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Closeup of a SAARC Flag. | Photo Credit: [Getty Images/iStockphoto](#)

As India-China border tensions continue to fester, a hegemonic China, as part of its global expansionism, is chipping away at India's interests in South Asia. This should be a major cause for concern for New Delhi. China's proximity to Pakistan is well known. Nepal is moving closer to China for ideational and material reasons. China is wooing Bangladesh by offering tariff exemption to 97% of Bangladeshi products, and has intensified its ties with Sri Lanka through massive investments. According to a Brookings India study, most South Asian nations are now largely dependent on China for imports despite geographical proximity to India.

Several foreign policy experts argue that India's strategic dealing with China has to begin with South Asia. In this regard, it is important to reinvigorate SAARC, which has been in the doldrums since 2014. In the last few years, due to increasing animosity with Pakistan, India's political interest in SAARC dipped significantly. India has been trying hard to isolate Pakistan internationally for its role in promoting terrorism in India. However, as Professor S.D. Muni argues, Pakistan is not facing any isolation internationally. India started investing in other regional instruments, such as BIMSTEC, as an alternative to SAARC. However, BIMSTEC cannot replace SAARC for reasons such as lack of a common identity and history among all BIMSTEC members. Moreover, BIMSTEC's focus is on the Bay of Bengal region, thus making it an inappropriate forum to engage all South Asian nations.

One way to infuse life in SAARC is to revive the process of South Asian economic integration. South Asia is one of the least integrated regions in the world with intra-regional trade teetering at barely 5% of total South Asian trade, compared to 25% of intra-regional trade in the ASEAN region. While South Asian countries have signed trade treaties, the lack of political will and trust deficit has prevented any meaningful movement. According to the World Bank, trade in South Asia stands at \$23 billion of an estimated value of \$67 billion. India should take the lead and work with its neighbours to slash the tariff and non-tariff barriers. There's a need to resuscitate the negotiations on a SAARC investment treaty, pending since 2007. According to the UN Conference on Trade and Development, intra-ASEAN investments constitute around 19% of the total investments in the region. The SAARC region can likewise benefit from higher intra-SAARC investment flows. Deeper regional economic integration will create greater interdependence with India acquiring the central role, which, in turn, would serve India's strategic interests too.

There are two major domestic challenges that India faces in revitalising SAARC. First, to reap political dividends at home, and for ideological reasons, there has been an unrelenting top-dressing of anti-Pakistan rhetoric and Islamophobia on the Indian soil. There's also a recurrent use of the 'Bangladeshi migrant' rhetoric. Such majoritarian politics influences foreign policy in undesirable ways. It dents India's soft power of being a liberal and secular democracy, which gives moral legitimacy to India's leadership in the region. This divisive domestic politics fuels an anti-India sentiment in India's neighbourhood. Second, the economic vision of the Modi government remains convoluted. It's unclear what the slogans of *atma nirbharta* (self-reliance) and 'vocal for local' mean. The government's economic advisers contend that this does not mean autarky. On the other hand, the Prime Minister and his Ministers are stating that India needs to cut down its dependence on imports, thus signalling a return to the obsolete economic philosophy of import substitution. If this marks sliding back to protectionism, one is unsure if India will be interested in deepening South Asian economic integration.

Prime Minister Narendra Modi did well by reaching out to SAARC leaders earlier this year, but such flash in the pan moments won't help without sustained engagement.

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Views are personal*

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