



ASEAN@50 Years: Lessons for SAARC



Sameer Sharan Kartikeya

Senior Fellow, CLAWS

Contact at: sskartikeya345@gmail.com

On 8, 2017 the Association of Southeast Asian Nations (ASEAN) completed 50 years a remarkable journey that was initiated in a sleepy town Bang Saen, 90 kilometre from Bangkok by the then leaders of Thailand, Singapore, Indonesia, Malaysia, and the Philippines way back in 1967, in the midst of Cold War tensions, and with plethora of regional disputes, particularly the ‘Konfrontasi’ unleashed by Indonesia in 1963 against Singapore and Malaysia. Konfrontasi or Confrontation was a conflict started by Indonesia under the leadership of the former President Sukarno between 1963 and 1966, who opposed the formation of the Federation of Malaysia consisting of Singapore, Malaya, Sarawak, and North Borneo (Sabah). The Indonesians conducted armed incursions and acts of subversion and sabotage, to destabilise the Federation. The relations started normalising after the change of regime in Indonesia after a failed coup

attempt. In spite of initial skepticism about its relevance, ASEAN has been able to reinvent and evolve itself and silent its critics to become one of the successful regional forums of the world.

The South Asian Association for Regional Cooperation (SAARC) on the other hand was formed in 1985 in Dhaka with objectives such as to promote the welfare of the people of South Asia and to improve their quality of life and accelerate economic growth, social progress, and cultural development. While ASEAN continues to weave a success story, SAARC’s performance remains dismal in regional cooperation.

The Association of Southeast Asian Nations after 50 Years: Lessons for the South Asian Association for Regional Cooperation covers two aspects, namely, the economic cooperation and counter narrative in fight against terrorism of both the regions with an aim to understand best practices of ASEAN and study the

The Centre for Land Warfare Studies (CLAWS), New Delhi, is an autonomous think tank dealing with national security and conceptual aspects of land warfare, including conventional and sub-conventional conflict and terrorism. CLAWS conducts research that is futuristic and outlook and policy-oriented in approach.

Website: www.claws.in

Contact us: landwarfare@gmail.com

prospects of implementing and emulating some of them to make SAARC a credible regional forum.

The leaders bonded over golf and some light hearted events which they would later delightfully describe as ‘sports-shirt diplomacy’, to charter one of the most important regional forums with a very basic aim of keeping peace in the region through respect for each other’s sovereignty and adherence to the principle of non-intervention. The ASEAN forum has come a long way since then. Expanding its membership from five to ten nations today, it has had its fair share of trials and tribulations. Today, ASEAN is the most successful forum on account of two important aspects. First, it’s the most diverse regional forums with diverse ethnicity, cultural heritage, religion, dialect, and languages. Second, each member of the ASEAN forum is at a different stage of economic growth and yet the member nations have been able to harmonise economic trade off.

The South Asian Association for Regional Cooperation, on the other hand, was formed in 1985 in Dhaka. The objectives as outlined in the SAARC Charter are as follows:

[T]o promote the welfare of the peoples of South Asia and to improve their quality of life; 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; to promote and strengthen collective self-reliance among the countries of South Asia; to contribute to mutual trust, understanding and appreciation of one another’s problems; to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields; to strengthen cooperation with other developing countries; to strengthen cooperation among themselves in international forums on matters of common interests; and to cooperate with international and regional organizations with similar aims and purposes.¹

The South Asian subcontinent remains least integrated part of the world. The lack of progress in regional integration under the aegis SAARC is widely lamented. The dominance of strategic pessimism in the subcontinent may suggest that the situation is unlikely to change in any significant manner for some time to come.

The South Asian Association for Regional Cooperation has 23.40 per cent of the world population, covers 2.96 per cent of the area, and 15 per cent of the world’s arable land. The SAARC region is moving at a great pace towards all round economic development leading to improved healthcare and better education system. This has led to a creation of a large pool of skilled manpower. The upwardly moving economy is also enhancing the consumer market with a huge potential. The agrarian backdrop lends itself to vast scope for agricultural products and exports. The Region has vast potential to develop energy from renewable sources like water, sun, and air. It is also home to huge mineral assets and makes a great tourist, cultural, and spiritual destination. In spite of all these assets, the total gross domestic product (GDP) and Purchasing Power Parity (PPP) is only 6.6 per cent of the world and account for around 2 per cent of the world goods trade, and around 3 per cent of world foreign direct investment (FDI).

The Association of Southeast Asian Nations, on the other hand, has combined population of 630 million, has a combined GDP of US\$ 2.6 trillion, and is the third fastest growing major Asian economy after China and India. ASEAN today is a potent economic force in the global arena as the sixth-largest economy in the world. It is predicted to become the world’s fourth-largest economy by 2050 wherein the consumer households could almost double to 125 million households by 2025. It is also the fourth-largest exporting region in the world and accounts for 7 per cent of global exports. ASEAN today is close to 26 per cent of export share within

the region and 22 per cent of the total import which is healthy considering different layers of economy in the region.

Compared to ASEAN, SAARC continues to project dismal record in the regional trade. Though SAARC's share of global trade has increased from 4 per cent in 1980 to 9 per cent in 2016, its pegged low considering 24 per cent of the world's population share. Intra-regional trade is merely 6 per cent of the total trade volume.

So what has ASEAN done right and why SAARC is found wanting in terms of intra-regional cooperation, trade, fight against terrorism, etc? The SAARC identified the need to bind the regional cooperation through economic ties and enshrined the forum with SAARC Preferential Trading Agreement (SAPTA) in the year 1993. The declared objectives of the SAPTA were to promote and sustain mutual trade and develop economic cooperation among developing countries (members of Group of 77). The objective of these rules was to determine the origin of products eligible for preferential concessions under SAPTA. Products, which qualified its origin in a particular member nation, were eligible for preferential tariff treatment upon imports into participant member nation. The aim was to sustain mutual trade and economic cooperation within the SAARC region through the exchange of concessions. Recognising the role of regional economic integration, SAARC was declared a Free Trading Area (FTA), and thus SAFTA was formed in 2006. The aim was to reduce customs duties of all traded goods to zero in the next 10 years. The purpose of SAFTA was to promote common contract among the member-nations and provide them with equitable benefits across different layers of economic growth. It is 2017 and total trade within the Region has not crossed even 6 per cent. First, the SAARC-envisioned progressive trade liberalisation programme has not been sufficient to ensure the full implementation of the SAFTA, due to the existence of Non-Tariff Barriers (NTBs), while

the SAARCs main focus has remained tariff reduction alone. Second, low levels of regional connectivity, as well as the lack of border infrastructure to facilitate the smooth flow of goods and people, have hampered the creation of a regional supply chain. Third, the failure of the SAFTA can also be explained by its narrow scope, in that it covers only intra-regional trade in goods while excluding other important aspects of regional economic cooperation such as trade in services, and investment and financial cooperation between South Asian states.²

The Association of Southeast Asian Nations has evolved swiftly and quickly to generate a healthy regional economics. Though it is far below in comparison to the European Union (EU), it remains the most potent trading community in Asia. The implementation of ASEAN Economic Community (AEC) blueprint accounts for a growth in intra-ASEAN trade over the years. An effort to eliminate tariff protection, an ASEAN Free Trade Area (AFTA), has been achieved in some member states, specifically, ASEAN six countries including Brunei, Malaysia, Indonesia, the Philippines, Singapore, and Thailand. Under AFTA, these six member states cut tariffs on nearly 8,000 items. On the other hand, four of the less developed ASEAN countries (CLMV) Cambodia, Laos, Myanmar, and Vietnam will have a further period to phase in the tariff elimination. The elimination of tariffs leads to reductions of product price thus building stronger commerce base. AEC integration plan, which aims to allow the free movement of goods, services, skilled labour, and capital, is likely to provide further impetus to the regional economy. The first AEC blueprint, signed in November 2007, has served as a comprehensive master plan to chart the Region's journey towards the formal establishment of the AEC on 31 December 2015. Under this Blueprint, the AEC is built on four inter-related and mutually-reinforcing characteristics: (1) a single market and production base, (2) a highly competitive economic region, (3) a region of equitable economic development, and (4) a

region fully integrated into the global economy. The vision for ASEAN Economic Community 2025 talks about a highly integrated and cohesive economy, a competitive, innovative, and dynamic ASEAN with enhanced connectivity and sectoral cooperation shaping up a resilient, inclusive and people oriented, people centered, as well as a truly global ASEAN.

The communication amongst SAARC countries specially in the border areas is extremely poor. The mutual distrust amongst the nations has oscillated from being low to high but never been normal. Bangladesh has a problem with Pakistan over the issue of terrorism as well as its judicial follow up of war crimes of 1971. A large section of Bangladesh polity is not comfortable with better relations with India. Afghanistan and India have major concerns over Pakistan's consistent support to terrorist outfits trying to destabilise either of the two nations. India-Nepal relations also have been inconsistent over trade, security, and Madheshi issue. The conflict arena in SAARC ensures peace and stability in the Region remains a distant dream. The geographical construct of the region lends itself to three clear communication zones. First, the land traversing Afghanistan, Pakistan, India, and Bangladesh; second, the Indian Ocean Region (IOR) centric India, Sri Lanka, and Maldives; and the third East Asia centric Bangladesh, Bhutan, India, and Nepal. The last grouping of Bangladesh, Bhutan, India, and Nepal (BBIN) was made into sub-regional grouping just 2 years back as BBIN Motor Vehicle Agreement (MVA). It was recognised way back in 1996 as the South Asian Growth Quadrangle (SAGQ), which lent itself as a test case for closer interdependence on security, economy, tourism, water resource management, and power distribution. However, the Bhutanese government withdrew the Bill to ratify the pact in April 2017 to withdraw from the BBIN. The reason was lack of outreach by the Bhutanese government to the affected parties and reported cases of truckers and passengers facing undue hardships like

paying illegal money, levies over and above contracted, coerced donations, aggravated by interferences of illegal and quasi-legal authorities as well as the involvement of middle men across BBIN. The internalisation of diplomatic relations and lack of rule of law as in the instance case is all pervasive and remains one of the biggest impediments in regional cooperation. SAARC needs to follow ASEAN way wherein its centrality is the backbone of mutual cooperation and many a time over rides domestic compulsion.

The other important area of cooperation common to ASEAN as well as SAARC is the cooperation and coordination to fight terrorism. The non-traditional security threats are similar in both the regions. The terrorism stems from violent ideologies and behaviour. Af-Pak region remains hot bed of terrorist movements. Bangladesh is seeing a rise in Islamic fundamentalism and pressure points in West Asia is likely to trigger East worldly movement of Islamic State, affecting both SAARC as well as ASEAN. In fact the recruitment by IS from South-East Asia to fight in Syria and Iraq about 2 years ago, its formation of Katibah Nusantara there, a series of attacks in the southern Philippines, Indonesia and Malaysia, and the seizure of the predominantly Muslim city of Marawi in the Philippines are indicative of already expanding IS influence in the ASEAN region. There are competing and conflicting security needs and interests of member nations in ASEAN, yet they have methodically created structures and organisations to fight terrorism in a coordinated manner. Scholars in ASEAN have identified four types of extremist narrative; first 'Religious and ideological narrative' which is all pervasive; the second one is the 'Political narrative' envisaging use of political tools to effect change of regime; third is the 'Social Heroic narrative' through glorification of terrorism/violent acts; and the fourth is the 'Economic narrative'. The ASEAN community is also concerned with radicalisation and recruitment through propaganda, social media, etc., specially

keeping in mind a sizable 37 per cent of the population being youth and 22 per cent staying in the urban area. ASEAN through consensus is trying to overcome forum's inertia through consensus and open a direct communication link to counter extremism. ASEAN like SAARC is inseparable from the security construct and only a collective effort can bring down the threat levels. As early as 2001, ASEAN adopted the Declaration on Joint Action to Counter Terrorism commitment to fight terrorism as a region. The broad contours of Joint Declaration of 2001 were further reinforced in 2002 in the Terrorism Component of the Work Programme to Implement the ASEAN Plan of Action to Combat Transnational Crime. The Work Programme was based on six strategic thrusts: (1) information exchange; (2) cooperation in legal matters; (3) cooperation in law enforcement matters; (4) institutional capacity building; (5) training; and (6) extra-regional cooperation. The ASEAN Chiefs of Police (ASEANAPOL) is yet another forum established for fighting terrorism along with tackling other criminal activities. It is committed to developing capacity-building initiatives to ensure that each ASEANAPOL member has the capacity to effectively monitor, share information, and combat all forms of terrorist activities, most importantly, following a terrorist attack. Assistance requested can be in the form of, but not limited to identifying, pursuing and apprehending suspects, examination of the witness(es), searching and seizing evidence, evacuating and treating of victims, forensic assistance, and crime investigation. The ARF Inter-Sessional Meeting on Counter Terrorism and Transnational Crime (ISM CT-TC) is focused on the movement of people, goods, and document security. ASEAN is cooperating with USA, China, India, South Korea, and EU in tackling extra-regional terrorism. The ADMM PLUS has further reinforced the counter narrative to common threats with enunciated objectives of capacity-building to address shared security challenges, while cognisant of the differing capacities

of various ASEAN countries; to promote mutual trust and confidence between defence establishments through greater dialogue and transparency; and to enhance regional peace and stability through cooperation in defence and security, in view of the transnational security challenges in the Region and to contribute to the realisation of an ASEAN Security Community which, as stipulated in the Bali Concord II, embodies ASEAN's aspiration to achieve peace, stability, democracy, and prosperity in the Region where ASEAN member countries live at peace with one another and with the world at large. Clearly, ASEAN is continuously evolving itself and upgrading its regional structural arrangements to meet the challenges posed by terrorism.

Compared to ASEAN, SAARC's performance in countering the scourge of terrorism has been absolutely dismal, in spite of creating adequate structures like SAARC Regional Convention on Suppression of Terrorism (1987), Terrorist Offences Monitoring Desk (1995), Additional Protocol to the SAARC Regional Convention on Suppression of Terrorism (2002), and Convention on Mutual Legal Assistance in Criminal Matters (2008). Many attribute Pakistan's unabated support to terror outfits and using terror as an instrument of its state policy as one of the biggest stumbling blocks in executing a positive counter terrorism narrative in the South Asian region. Considering the fact that each of the member nation of SAARC defines terrorism as the biggest retarding factor in the collective growth of the Region, the concepts and philosophy to fight terrorism have to be converted into the executable and doable mechanism. It is important to take Pakistan on board to be able to exert collective wisdom in chartering a peaceful and stable region, for a secured region is an investable economic prospect which in turn synchronizes regional economic surge with the global economic pay offs.

The Association of Southeast Asian Nations and SAARC are two regional forums with a similar background but different results. SAARC needs to re-evaluate itself and redraw its mechanism. One of the prime reasons of the success of ASEAN is its ability to continuously evolve, adapt, and provide mechanisms for various declarations under different charters with time bound milestones, something SAARC can follow. Second, if bilateral issues are

an impediment in the progress of SAARC, new mechanism needs to be injected to discuss bilateral issues in the SAARC forum with an aim to find a common ground for the Region's growth. Finally, given India's humongous share of SAARC in terms of size, population (approximately 70 per cent) and economy, all members of SAARC have to accept the natural leadership of India and India has to give in more to make SAARC work.

References

Available at <http://www.ipcs.org/project/countering-terrorism-building-a-common-approach-in-saarc-25.html>, accessed on

Available at <https://admm.asean.org/index.php/about-admm/about-admm-plus.html>, accessed on

Available at <http://www.saarc-sec.org/>, accessed on

Available at <https://www.csis.org/analysis/india-pakistan-tensions-expanded-tool>, accessed on

Nagesh Kumar, *India-ASEAN Economic Relations Meeting the Challenges of Globalization* Rahul Sen and Mukul Asher, ISEAS & RIS Publication, 2006.

The Author attended an international seminar on ASEAN@50, in August 2017 organised by Strategic Study Centre at Bang Saen, Thailand. The views expressed here are personal



The Author with the Director, Strategic Study Centre, National Defence Studies Institute of the Royal Thai Armed Forces Headquarters at Bang Saen, Thailand

The contents of this Issue Brief are based on the analysis of material accessed from open sources and are the personal views of the author. It may not be quoted as representing the views or policy of the Government of India or Integrated Headquarters of MoD (Army).



CENTRE FOR LAND WARFARE STUDIES (CLAWS)

RPSO Complex, Parade Road, Delhi Cantt, New Delhi 110010

Tel.: +91-11-25691308, Fax: +91-11-25692347, Email: landwarfare@gmail.com

Website: www.claws.in