

10th SAARC SUMMIT

COLOMBO, SRI LANKA - JULY, 1998



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ADDRESS

by

**President Chandrika Bandaranaike Kumaratunga
of Sri Lanka**

at

THE INAUGURAL SESSIONS

29th July, 1998

Bandaranaike Memorial International Conference Hall



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TENTH SAARC SUMMIT - COLOMBO

ADDRESS BY

**PRESIDENT
CHANDRIKA BANDARANAIKE KUMARATUNGA
OF SRI LANKA**

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Reverend Sirs,

Excellencies, Distinguished Delegates,

Ladies & Gentlemen

I take this opportunity to express my gratitude to Your Excellencies for the tribute you have paid to the people of Sri Lanka by so readily agreeing to hold the 10th SAARC Summit in Colombo in this, the Golden Jubilee Year of Sri Lanka's Independence. Your decision to commemorate this occasion in fellowship with the people of Sri Lanka serves to underline an essential sense of family that binds the nations of South Asia, notwithstanding the paradox of the immense diversity that is also a characteristic of this region.

I extend a very warm welcome to Your Excellencies, the members of your delegations and to all media persons who have travelled from afar, on behalf of my government and the people of Sri Lanka. Our fervent wish is that you will have a comfortable and happy stay with us.

South Asia reflects a rich and varied plurality of cultural, linguistic, philosophical and spiritual traditions. We are all, nevertheless, heir to a common civilisational continuum of great antiquity in which the people of South Asia are deeply immersed. This heritage is rooted in spiritual values representative of the principal religions of the world. South Asia has given birth to and nurtured three of the world's noblest religious philosophies. We have given forth to the world, a large number of its greatest philosophers, political leaders, writers, poets and artists. We lay claim to one of the world's oldest and most magnificent civilisations and cultural heritage. Yet, we are also home to one fifth of all humanity, a large number of which lives and dies in abject poverty and ignorance.

This is the reason that led us to propose an economic theme for this Colombo Summit.

For us, in South Asia, the development imperative is paramount. It is urgent, in view of the rapidly changing, volatile international environment in which South Asia is placed. Social and economic frustrations lead to political unrest. While each nation must, in keeping with the wishes of its own people, pursue its own national agenda, collective regional approaches can make the common quest for economic development that much easier.

In various parts of the world regionalism has proved an effective response, to the desire of regional States to promote their collective and individual well-being through their own collective efforts. Thirteen years have passed since our leaders first met in Dhaka. We would be less than honest, if we did not concede that South Asia's rich potential in human and material resources has yet to be maximised, through regional cooperation.

Regional Stability :

Sustained regional economic cooperation does, however, require a framework of peace and stability in South Asia. Geography holds peoples together, but proximity and lingering suspicions inherited from the past can also sometimes impair relations. Time, however, is surely erasing even the most bitter memories and prejudices. Our people, our leaders, our scholars, entrepreneurs, media-persons, creative artists and, above all, our young people, I believe, have in them the genius to overcome the residual mistrust that sometimes obscures and retards the expression of a contemporary, post-independence South Asian identity.

SAARC is surely an enabling framework within which we can collectively work to achieve viable, productive working relationships among South Asian nations that would transcend the political vicissitudes that fracture our essential unity, holding back the full economic and social development of South Asia.

We should strive to achieve both economic cooperation and peace and stability simultaneously and not postpone the search for one, while seeking to realise the other. Such an ambience could only be secured, and thereafter sustained, through the promotion of close relations among the member States of SAARC. Last year, in Male, we agreed that the aims of promoting peace, stability and amity and accelerated socio - economic cooperation in South Asia may best be achieved by fostering good neighbourly relations, relieving tensions and building confidence. We agreed further that a process of informal political consultations would prove useful in this regard.

Sri Lanka has every confidence that the occasion of this Summit, which brings the seven leaders of South Asia to Colombo, in common commitment to the SAARC Charter, will prove useful to facilitate frank, bilateral dialogues. Colombo could provide a healthy atmosphere, in which member States can, in full freedom, address questions of common concern.

When dialogue falters, differing perceptions could well fester, affecting not only relations between the countries concerned, but also darkening the overall climate for regional cooperation in which every member of the Association has a vital stake. An ambience of confidence which would embrace all seven States as members of one family, is imperative for progress in the agreed areas of cooperation.

It cannot be denied that such an ambience could be affected by recent developments in South Asia. It is a measure of the maturity of SAARC that, notwithstanding this possibility, its member States have, in their individual national contexts, striven to assuage the situation.

None of us in SAARC has rushed to judgement. The circumstances that have led to the steps taken by India and Pakistan have been bilaterally explained to each of us in SAARC. Each State in South Asia has taken its own measure of the nuclear tests. Their concerns have already been expressed on record and need no repetition here. Although these concerns are not on the Agenda of the Summit, they cannot be ignored.

I believe all of us agree that such concerns cannot be divorced, or considered in isolation, from the global security environment, in particular the nuclear environment, and the tardy progress in nuclear disarmament on a global scale. Sri Lanka became a signatory to the Nuclear Non - Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT) despite some shortcomings, in the belief that those two treaties would lead to total nuclear disarmament. A decade ago at the fourth SAARC Summit in Islamabad, our Leaders declared their intention to continue their efforts to contribute to the objective of halting the nuclear arms race and eliminating nuclear weapons. Similarly, at the eighth Summit in New Delhi (1995) our Declaration stated that the utmost priority was to be given to nuclear disarmament. We urged the Conference on Disarmament to negotiate an International Convention prohibiting the use or threat of use of nuclear weapons under any circumstances and to undertake negotiations for the complete elimination of all nuclear weapons. It is a matter for regret that the declared nuclear powers have so far failed to move significantly towards total nuclear disarmament. These are global issues that cannot but affect the South Asian situation deeply.

Economic Cooperation :

With an equal of frankness, during this Summit, we need to assess the extent to which we have succeeded in giving practical content to the Agreement on the SAARC Preferential Trading Arrangement (SAPTA) which came into effect at the end of 1995, as the premier vehicle of regional economic cooperation. We have also set ourselves goals beyond SAPTA, including a South Asian Free Trade Area (SAFTA). The success of tariff negotiations depends very much on how equitable this cooperative process can be made. A free trade area would surely recede further into the future unless real progress can be achieved in the next round of SAPTA negotiations. It is vital that tariff concessions be extended to products which are indeed those which are actively traded. It is vital that discriminatory practices, structural impediments and non- tariff barriers are removed, including on those items on which some tariff cuts have been made. It is equally vital that domestic content requirements under rules of origin be substantially reduced to promote equitable economic exchanges and productive joint ventures. Trade is by no means charity. However, asymmetry in trade exchanges should not be accentuated by the perpetration of intransigent attitudes.

We should be aware that restrictions on the trade do not anymore help to protect our domestic economies from external competition. Restrictions on trade seem to only succeed in promoting illicit trade with all its attendant consequences, in the context of the new world order, where national boundaries are fast braking down in the face of challenges posed by the global spread of multi-national capital, together with the advances made in communications and information technology, and the proliferation of aviation and travel facilities.

History demonstrates that trade between Nations has proved to be a powerful engine of economic growth and prosperity. It has promoted destruction, and subjugation, but also peace when trade is carried out between legally equal partners, in an atmosphere of friendship.

For the people of Sri Lanka, whose economy has already been extensively liberalised, it is important that the SAPTA process is not seen as a one way flow where concessions made have not been reciprocated by a corresponding response.

As negotiations on tariffs advance, Sri Lanka calls for negotiations on an appropriate legal instrument or treaty for a South Asian Free Trade Area with a view to its signature and ratification by the year 2001.

To complement the equitable movement of commodities within the region, it is also vital that trade in services, such as tourism, be facilitated through SAARC. We need to discuss how best the recommendations of the meeting of SAARC Commerce Ministers held in Islamabad be put into effect. The Group of Eminent Persons, nominated by the Male Summit to project a vision for SAARC beyond the year 2000, has made far reaching proposals for restructuring South Asian economies and harmonising macro-economic policies to exploit the comparative advantages of the region.

While we pursue these measures of regional cooperation, we are all intensely conscious of the wider global context within which our regional efforts need to be framed. Whatever the national efforts made by individual South Asian States, whatever the collective endeavours made regionally within SAARC, the over-arching international environment exerts a strong, even over-bearing influence on us all. Economic liberalisation, the unhindered movement of currency, technological developments and its surge-effect on communications and information as well as other manifestations of globalisation provide both opportunities and obstacles to South Asian development.

The radical changes in our political and economic environment have affected virtually every aspect of the lives of our peoples. The entire world has become our neighbourhood. Rapid responses are required to comprehend, let alone contend with, the full gamut of political, economic, social, technological and cultural developments that press and encroach

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on South Asia. Economies seemingly stronger than those of South Asia have faltered, and the debate continues on the causes and consequences. We in South Asia, obviously, cannot yet mesh our economies, nor can our disparate economies conform to a comprehensive common mould. Yet it is clear that each of us stands to benefit through well considered, well coordinated common approaches to ongoing changes.

The development options open to us, are being increasingly trapped in issues such as labour relations, human rights and governance. These are often forced linkages prompted by political and other motives.

Globalisation opens up vast new vistas of hitherto unimaginable human action for the betterment of human kind. In order that the full benefits of liberalisation of the world economic order be obtained by all Nations, we must aim both at taking advantage of the vast opportunities that it offers, and at avoiding its dangers and shortcomings. The very concept of a global economic order cannot function for long and effectively unless all the players on the world stage, in other words all Nations, have access to equal opportunities to reach that stage. If the level of the playing field is maintained at a height, beyond the reach of developing countries, all we may experience of the wonders of the "global village" will be the sound of meaningless hosannas sung in praise of it. On the other hand, those who are marginalized in the process, would continue to give birth to more and more movements of protest, whose destructive violence will resound not only within national boundaries, but surely spread in concentric ripples within our region and beyond, to the most unexpected areas of the globe.

Splendid isolation is no answer to globalisation. The cautious, tentative attitude to external linkages which characterised SAARC in its early years is neither necessary nor viable. SAARC has Memoranda of Understanding with the European Union, the Canadian International Development Agency (CIDA) and the United Nations Development Programme (UNDP). We look forward to greater interaction with our neighbours in ASEAN in the Central Asian countries and other elsewhere. SAARC has also explored functional economic cooperation with individual States outside South Asia. The Summit will look at the possibility of formalising those overtures in our common interest.

The dictates of regional solidarity do not preclude individual member States of SAARC from forging mutually beneficial relations with other regional groupings. Many of us in SAARC see great value in our membership of the Indian Ocean Rim Association for Cooperation (IORAC) and with the Bangladesh – India – Myanmar – Sri Lanka – Thailand Economic Cooperation (BIMSTEC). These Links increase the options available to South Asia. SAARC has also been able to adopt coordinated positions at multilateral negotiations such as at the World Trade Organisation. It will be a logical extension of this development to seek common cause with other developing countries.

If we are to stave off some disadvantageous fall-outs of the globalisation process, we must improve our financial systems, so that they can effectively participate in global finance. While we need capital transfers to supplement low savings and to foster investment and technology transfer, we have to guard against the volatility of global finance, arising from massive capital movements. We need to manage our economies strictly, in order to withstand speculative financial movements. We need closer international surveillance of short-term capital flows. Recent experience in South-East Asia raises the issue of the efficacy of global financial institutions, which were created to meet a different set of challenges in the aftermath of the Second World War.

Next year, my country assumes the Chairmanship of the Group of 24. It will be my honour and privilege to work with all developing countries to make proposals for a more orderly and stable international financial system. As a new member of the Group of 15, I propose to convey the same message.

As South Asians, we must stand together in the quest for solutions to the difficult international financial atmosphere. We must not be complacent, in the belief that financial contagion has by-passed us, because our economic fundamentals and management may be sound.

Succeeding SAARC Summits have addressed issues such as poverty alleviation, gender discrimination, the plight of youth and children, and education. It is true that in respect of all these issues, national policies and programmes have been the decisive factor. Progress has been uneven from country to country and only modest success has been recorded. Regional approaches have been mooted, but as the Group of Eminent Persons has observed, there has been in these areas "a perceptible dis-juncture between SAARC decisions and their implementation". The lack of sufficient political commitment, occasional political vicissitudes and shortcomings in SAARC institutions have negated major Summit decisions. We need therefore to look closely, with a critical eye, not only at our current shortcomings but also at the extent and nature of feasible coordination on economic and social issues. Fundamental questions need to be faced head on.

Does SAARC have the capacity to move from declaration to implementation ?

Do our Governments have the political resolve to submit national policies to regional norms ?

Sri Lanka is convinced that on certain basic questions relating, for example, to gender issues and to the status of children, SAARC could make a contribution that would redound to the benefit of the entire region. Action to finalise a Regional Convention on Combating

the Crime of Trafficking in Women and Children for Prostitution, and a proposed convention on Regional Arrangements for the Promotion of Child Welfare in South Asia, would be more than symbolic gestures towards those worthy causes. They could benefit millions in the region. They would set goals towards, which we can, indeed must, move rapidly.

The situation of women in South Asia requires special consideration, if for no other reason than that they account for half the region's population, and constitute perhaps the most disadvantaged group in South Asia, lacking equal opportunities for economic, social and intellectual development. Radical measures are called for, to deal with the cumulative burden of discriminatory societal perceptions and conditions that have thwarted the full potential of women. We need to condemn, very strongly, violence against women and acts of prejudice that have humiliated women, over the years. The empowerment of women through affirmative action including, where necessary, legislative measures is a long overdue act of reparation.

At the 9th Summit in Male, our leaders requested the Group of Eminent Persons to prepare "A Vision for South Asia beyond the year 2000". They have worked with much commitment to formulate a comprehensive document of great interest.

Excellencies, distinguished delegates,

In a sense, the future is already with us. It is here in our children-children trapped in poverty, who may have no opportunities to break free; children without protection from terrorists, who seduce or coerce them into war service; children traumatised by political and social violence, without the opportunity to enjoy the simple freedom and joys of childhood; children without the empowerment of education and skills to convert hopes into reality. The future of our children, and indeed of South Asia, depends on what each nation in the region can achieve in education, in raising nutrition levels, in providing care for mothers and in creating an environment of peace in which our children could grow up healthy and secure, with faith in that future we all dream about. Many of the social indicators that economists and statisticians quote are closely inter-related, almost inseparable. Harmonising national objectives with regional norms is not easy. What can provide a nexus would be a depoliticised common vision we could all share, whatever Government is in power in each of our countries. We should have no illusions that all of us will succeed to the same extent. But an Economic and Social Charter encompassing a total vision for South Asia will help us to assess frankly what we have achieved, where we have failed and what we yet need to work at.

Such a thing, would be possible, must be made possible and then translated into action. Our peoples will not accept to be left behind for another half century. We must look beyond momentary political tensions, towards the immense possibilities of prosperity and advancement, we together could achieve for our nations.

We also need to expend our efforts to formulate cultural agendas for SAARC and to fashion approaches to culture that will not only encompass the preservation of our ancient cultural heritage but also address complex issues involved in the shaping of contemporary culture. Our rich collective heritage should inspire us, but not inhibit our understanding of the culture that is growing around us, the culture that the children of our region will inherit.

Excellencies, Ladies and Gentlemen,

May I venture to say that a limitation evident in SAARC's early years was perhaps its excessively statist approach. Programmes and projects tended to be confined essentially to government organs and institutions and to bureaucratic approaches. Happily, SAARC has moved forward considerably to encourage a greater involvement of non-State actors in its programmes and to serve as a catalyst, particularly for promoting intra-regional contacts among professionals. Public support is essential to sustain inter-governmental cooperation. Public involvement opens a fresh, broad-based front to breakdown suspicions and to build confidence among States.

- The SAARC Chamber of Commerce and Industry, in particular, has played a major role in engaging the private sectors of the region in fruitful exchanges. It has helped promote South Asian exports to other regions.
- SAARC Law has stressed common elements in the application of the rule of law throughout the region.
- Professional groups like the SAARC Federation of University Women have worked hard to reduce gender disparities.
- Other professionals like the town planners, doctors and architects of South Asia have already established viable linkages which not only perform valuable community services throughout the region, but also help build bridges of confidence across South Asia.

Some of these groups now plan exchanges at a professional, non-political level with other regional groups. The cultural dimension of popular inter-action among South Asians through the exchange of academics, artists, musicians, media persons and others emphasizes the common heritage of South Asia. Here there is clear message for our leaders.

Education, as well as science and technology, are core areas in which we need to intensify our cooperation. Today, distance education is being accepted more and more as a means to overcome the increasing pressures on the educational system due to population growth and

urbanization. Let us resolve to establish a forum of the Vice-Chancellors of the Open Universities in our region mandated to spearhead widening access to knowledge for our people. We in South Asia have shared a scientific base which is fully capable of harnessing the phenomenal advances in information technology to educate our peoples.

We have at several Summits emphasised the need to institutionalise our co-operation in science and technology. This field holds tremendous possibilities for the rapid improvement of the quality of life in our region. Besides, South Asia possesses a rich bio-diversity, the co-operative exploration of which could be most productive and sustainable. I hope that by the time of our next Summit, we would have been able to formulate practical and concrete proposals for co-operation in the fields of science and technology and specially in biotechnology.

The wider engagement of SAARC with the community of nations, SAARC's new global undertakings, its new programmes of regional action and expansion of existing ones require changes in the structure, role and functions of our Secretariat and the Secretary-General. The Group of Eminent Persons has made important, far reaching recommendations in this respect which we need to examine.

Excellencies, friends, we have a heavy agenda before us. Time precludes me from touching on a number of other issues which require our attention. I look forward to benefitting from the wisdom of Your Excellencies, as you take the floor this morning, and to the frank exchanges that will occur between us in the next two days.

Let me, in conclusion, express Sri Lanka's deep gratitude to His Excellency President Gayoom of Maldives who has led SAARC over the last 14 months with the ample skill, wisdom and foresight for which he is well known in South Asia. The last Summit held in Male under His Excellency's leadership was a landmark Summit at which many far reaching initiatives were launched.

Excellency, your innate wisdom and wide experience of world affairs, reinforced by your deep knowledge of the SAARC process has helped you to steer our Association towards significant progress.

I take this opportunity to express our heartfelt gratitude to Secretary-General Naem Hassan, who has served SAARC with dedication, efficiency and imagination.

I thank you.



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