

INDIA'S DOMINANCE IN THE SAARC REGION: A COMPREHENSIVE ANALYSIS OF ECONOMIC, POLITICAL AND SOCIAL PERFORMANCE

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ABSTRACT

This research paper delves into India's performance within the South Asian Association for Regional Cooperation (SAARC) and examines its multifaceted contributions, challenges, and influence in the region. SAARC, comprising eight South Asian nations, has been a significant platform for regional cooperation since its inception. India, as the largest and most populous member, plays a pivotal role in shaping the organization's dynamics.

The paper begins by providing an overview of SAARC's objectives and the historical context of its formation. It then analyzes India's economic performance, highlighting its role as a regional economic powerhouse, trade partner, and provider of development assistance. The political dimension explores India's leadership role, diplomatic engagements, and conflict resolution efforts within SAARC. Additionally, the paper assesses India's contributions to social and cultural aspects, emphasizing its role in education, healthcare, and people-to-people exchanges.

Furthermore, the research paper acknowledges the challenges India faces in maintaining a prominent position within SAARC, such as managing relations with neighboring countries, addressing regional disparities, and navigating geopolitical complexities. It also considers the impact of external actors on India's standing in the region.

In conclusion, this paper offers a comprehensive evaluation of India's performance within SAARC, shedding light on both its achievements and the challenges it encounters. It underscores the significance of India's continued engagement and leadership in SAARC for the region's socio-economic development and regional cooperation.

Keywords: India, Regional cooperation, SAARC, Socio-economic development, South Asian region

INTRODUCTION

The South Asian Association for Regional Cooperation (SAARC) stands as a testament to the aspiration of South Asian nations to foster regional cooperation and development. Since its establishment in 1985, SAARC has provided a platform for eight diverse countries in the region to come together, addressing common challenges and exploring opportunities for mutual growth. Among these nations, India, as the largest and most populous member, assumes a central role in shaping the organization's trajectory and the broader dynamics of South Asia.

This research paper embarks on a comprehensive exploration of India's performance within the SAARC framework. Our analysis traverses the multifaceted dimensions of India's engagement with SAARC, ranging from its economic prowess and political leadership to its contributions in social and cultural domains. It also scrutinizes the hurdles and complexities that India encounters in maintaining its regional dominance and fostering meaningful collaboration within SAARC.

SAARC, founded on the principles of sovereign equality and non-interference in internal affairs, was envisioned as a vehicle for regional progress, aimed at improving the living standards

of the people in South Asia. Over the years, SAARC has made strides in several areas, from trade liberalization to social development initiatives. In this context, India's role becomes pivotal, as it not only contributes significantly to the SAARC's resources and capabilities but also exercises a substantial influence in shaping the organization's policies and priorities.

India's economic performance within the SAARC region has far-reaching implications. It functions as an economic powerhouse, not only providing a vast market for its neighbors but also extending its hand in development assistance, capacity-building, and infrastructure projects. This economic dimension, alongside the political leadership India offers within SAARC, forms the backbone of the organization's efforts to create a more integrated South Asia.

Nevertheless, the path to regional integration is laden with challenges. India grapples with the delicate task of managing complex relationships with its immediate neighbors, addressing regional disparities, and navigating the intricate web of geopolitical interests that crisscross the South Asian landscape. Moreover, the presence of external actors adds an additional layer of complexity to the region's dynamics.

This research paper seeks to shed light on India's performance within SAARC, drawing attention to its accomplishments,

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contributions, and the intricacies of its regional engagement. It underscores the criticality of India's continued leadership and commitment to SAARC, emphasizing the potential for collective progress and prosperity in a region endowed with diversity and potential. In doing so, we hope to contribute to a more comprehensive understanding of India's role in shaping the South Asian narrative through its participation in SAARC.

REVIEW OF LITERATURE

The South Asian Association for Regional Cooperation (SAARC) has remained a significant regional organization since its establishment in 1985. Over the years, it has garnered attention from scholars, policymakers, and analysts alike. A comprehensive literature review reveals the multifaceted aspects of India's performance within SAARC and the broader implications for regional cooperation and development.

Historical Context and Evolution of SAARC: To understand India's role within SAARC, it is essential to delve into the historical context of the organization. Scholars such as S. D. Muni have explored the origins of SAARC, highlighting the geopolitical and economic factors that led to its creation. The early years of SAARC were marked by cautious optimism and skepticism, which evolved into a platform for dialogue and cooperation over time.

India's Economic Dominance: India's economic performance within SAARC has been a subject of extensive research. Scholars like Amitendu Palit have examined India's economic engagement with neighboring countries, emphasizing its significance as a regional economic powerhouse. This includes trade relations, investment, and the impact of India's economic policies on the SAARC region.

Political Leadership and Diplomacy: India's leadership role within SAARC is a recurring theme in the literature. Analysts such as Sreeradha Datta have explored India's diplomatic efforts and its involvement in conflict resolution within the region. India's ability to navigate regional politics and foster cooperation among diverse member states has been a subject of both praise and scrutiny.

Social and Cultural Contributions: India's contributions in the social and cultural realms of SAARC have been examined by scholars like Nishchal N. Pandey. These contributions encompass education, healthcare, and cultural exchange programs, which play a crucial role in fostering people-to-people ties and social development within the region.

Challenges and Complexities: The literature also highlights the challenges India faces in maintaining its dominant position within SAARC. Issues such as border disputes, historical tensions, and regional disparities have been explored by analysts like Smruti S. Pattanaik. Additionally, the influence of external actors, particularly China, in the region is a subject of concern and study.

SAARC's Impact on Regional Integration: Scholars such as B. S. Chimni have assessed SAARC's overall impact on regional integration in South Asia. This includes an examination of the organization's achievements, shortcomings, and its potential role in addressing pressing regional issues, such as poverty alleviation and environmental concerns.

The Way Forward: Recent literature often discusses the future prospects of SAARC and India's role in shaping its destiny. Given the changing global and regional dynamics, scholars like C. Raja Mohan have proposed innovative strategies for India to maximize its influence and enhance regional cooperation within SAARC.

In conclusion, the literature on India's performance within SAARC reflects a complex interplay of economic, political, social, and diplomatic dimensions. It underscores the significance of India's leadership and contributions to the organization while acknowledging the hurdles it must overcome. The evolving dynamics of SAARC in a rapidly changing world will continue to be a subject of scholarly interest, offering insights into the prospects for regional cooperation and development in South Asia.

OBJECTIVES OF THE STUDY

The objectives of a research paper on India's performance among SAARC countries can be multifaceted and encompass various dimensions of analysis. Here are some key objectives that the paper may aim to achieve:

1. To study India's export performance with SAARC countries.
2. To examine India's Import performance of Agricultural products from SAARC countries.
3. To make a comparative study of agricultural products export among various SAARC countries.

These objectives collectively aim to provide a comprehensive understanding of India's engagement within SAARC, shedding light on its achievements, challenges, and the broader implications for regional cooperation and development in South Asia.

SCOPE OF THE STUDY

The present study focuses on the export and import performance of SAARC countries. Moreover, it is only agricultural products trades that are considered for the study. Therefore when a comparative study or a comprehensive study about the topic is made considering every country to which India is making a trade, there would be a better possibility of making inclusive insight on India's trade relationship with every nation and boost India's competitiveness in export and reduce import for economic development. India can export many items, from software products and services to handicrafts and clothing. Another tempting category is Indian herbs and spices. There are export and import of potential in multiple categories.

This is the root of success. The data collected will be a valuable reference to the study's current and future course for time-variant analysis, particularly to the agricultural product export industry. Still, the period of time is confounded to 10 years, i.e., from 2009-10 to 2018-19.

Foreign Trade plays a unique role, as it is considered the core component for the process of the country's growth and employment generation. Therefore, it becomes a matter of paramount importance to study the various options for improving the Foreign Trade relationship with various countries and developing countries in particular.

The outcome of this research would facilitate conceiving a strategy and formulate a policy for a stabilized foreign trade and economic development of the nation.

METHODOLOGY OF THE STUDY

The study is analytical and empirical in nature. All the data are collected from secondary sources. The secondary sources are collected from books, published and unpublished reports, journal articles, and various websites.

The Compound Annual Growth Rate (CAGR) is the annual growth of your investments over a specific period of time. In other words, it is a measure of how much you have earned on your investments every year during a given interval. This is one of the most accurate methods of calculating the rise or fall of your investment returns over time. The Compound Annual Growth Rate (CAGR) formula is as follows:

$$\text{CAGR} = (\text{Ending balance}/\text{beginning balance})^{1/n} - 1$$

Here, the ending balance is the value of the investment at the end of the investment period beginning balance is the value of the investment at the beginning of the investment period N is the number of years you have invested.

LIMITATIONS OF THE STUDY

The data used for this study is only for the period of 10 years.

The study is made on country-wise trade among SAARC countries.

DATA ANALYSIS AND RESULTS

This chapter presents India's Export Performance with SAARC countries. Set up in 1985, SAARC or South Asian Association for Regional Cooperation is a gathering of eight nations including India, Pakistan, Sri Lanka, Afghanistan, Maldives, Bhutan, Bangladesh, and Nepal. They all are neighbor nations that share a lot of likenesses regarding religion and culture.

On account of this, Indian has embraced a liberal exchange strategy with these nations.

India's fares to other SAARC nations were higher than imports; in this way, the equalization of exchange was excellent for India, apart from Afghanistan. Among SAARC countries, Bangladesh has the highest share in India's agricultural export, almost 52 percent, compared to Bhutan 0.5 percent in the SAARC region.

Apart from SAARC, India is also a member of BIMSTEC (Bangladesh, India, Myanmar, Sri Lanka, and Thailand Economic Co-operation), International Monetary Fund (IMF), the World Bank, and the Asian Development Bank (ADB). India is even a founding member of GATT and the World Trade Organisation (WTO).

South Asian Free Trade Area (SAFTA)

The Agreement on South Asian Free Trade Area (SAFTA) was signed at Islamabad during the Twelfth SAARC Summit on 6 January 2004. The Agreement on South Asian Free Trade Area (SAFTA) was signed by all the member states of the South Asian Association for Regional Cooperation (SAARC), namely, India, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka. India, Pakistan and Sri Lanka are categorized as Non-Least Developed Contracting States (NLDCS) and Bangladesh, Bhutan, Maldives and Nepal are categorized as Least Developed Contracting States. Article 7 of the SAFTA Agreement accommodates a staged levy advancement program (TLP) under which, in two years, NLDCS would cut down duties to 20%, while LDCS will bring them down to 30%. Non-LDCS will, at that point, cut down taxes from 20% to 0-5% in 5 years (Sri Lanka 6 years), while LDCS will do as such in 8years. NLDCs will lessen their duties for L.D.C. items to 0-5% in 3 years. This TLP covers all duty lines, except for those kept in the touchy rundown (negative rundown) by the part states.

Preferential Trade Agreement (PTA)

Preferential Trade Agreement (PTA) is an exceptional sort of understanding that offers access to just certain products. Preferential Trade Agreement is finished by lessening levies, yet it doesn't annul them totally. PTA is set up through an exchange agreement, and it is the most vulnerable type of monetary reconciliation. Among the SAARC nations, India appreciates PTA with Afghanistan. Different nations with PTA with India are Chile and MERCOSUR (an exchanging coalition in Latin America including Brazil, Argentina, Uruguay, and Paraguay).

(In Lakhs INR)

Year	Afghanistan		Bangladesh		Bhutan		Maldives		Nepal		Pakistan		Sri Lanka	
	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
2010-11	192084.44	66,202.40	1475247.5	2,03,138.64	80,151.85	91,735.68	45,554.05	14,543.27	9,87,080.89	2,33,895.01	9,25,477.16	1,51,395.49	15,95,089.35	2,27,873.44
2011-12	242911.61	64,285.52	18,38,669.09	2,79,636.10	80,151.85	97,357.11	59,778.57	8,742.37	13,13,024.45	2,63,933.16	7,44,826.91	1,90,030.19	20,95,145.80	3,03,660.43
2012-13	256913.51	86,097.21	27,98,257.77	3,46,792.73	1,26,739.17	89,244.65	66,609.97	3,422.17	16,80,555.92	2,95,806.57	11,23,262.97	2,94,370.34	21,68,769.33	3,40,419.73
2013-14	287887.63	1,28,759.29	37,41,126.05	2,90,332.86	2,15,494.52	91,932.97	64,298.93	2,391.02	21,77,023.41	3,20,429.69	13,83,234.04	2,60,656.88	27,64,366.96	4,06,445.16
2014-15	258129.99	1,61,292.04	39,44,038.17	3,79,440.83	2,05,102.76	91,527.93	93,314.67	2,648.42	27,85,909.77	3,91,549.76	11,35,211.32	3,04,066.81	41,03,801.13	4,64,275.90
2015-16	343603.32	2,02,947.88	39,52,725.87	4,76,707.24	3,06,807.74	1,82,684.98	1,32,519.94	2,814.06	25,55,150.62	3,06,935.08	14,28,653.29	2,88,450.27	34,65,990.44	4,85,357.89
2016-17	339681.55	1,96,747.09	45,74,043.70	4,70,773.13	3,41,354.14	2,06,299.31	1,39,866.07	6,149.62	36,57,979.19	2,98,506.50	12,22,235.18	3,04,877.05	26,23,276.92	4,03,973.05
2017-18	457689.46	2,79,662.29	55,53,699.44	4,41,997.78	3,52,001.90	2,43,580.96	1,55,689.22	3,655.13	42,62,367.81	2,82,456.55	12,39,710.81	3,15,030.13	28,86,971.31	4,97,649.65
2018-19	499237.48	3,07,843.46	64,39,152.25	7,33,869.49	4,59,132.95	2,59,008.62	1,60,809.47	14,720.80	54,30,053.60	3,55,843.04	14,42,651.41	3,47,648.12	32,99,621.00	10,37,423.26
2019 - 20	7,08,458.49	3,76,560.85	58,17,660.89	8,97,514.07	5,23,528.64	2,87,076.86	1,45,155.52	4,247.81	50,71,276.32	5,04,496.71	5,71,773.47	9,764.83	26,93,454.09	6,00,234.67
2020 - 21	610620.02	3,75,347.66	71,50,929.35	8,05,347.95	5,19,322.07	3,21,422.74	4,98,288.92	18,063.14	50,46,548.59	4,97,537.21	2,41,471.01	1,768.51	25,85,729.09	4,75,214.29
2021 - 22	412904.21	3,80,601.68	1,20,53,472.57	14,74,950.21	6,60,458.94	4,05,416.62	3,83,517.44	51,652.36	71,93,921.63	10,20,811.55	3,83,118.68	1,891.07	43,33,369.93	7,52,969.65
2022 - 23	349497.81	3,65,263.37	97,68,634.80	16,24,526.23	8,59,077.88	4,30,989.42	1,32,519.94	4,04,220.84	64,25,247.99	6,74,097.60	5,01,974.47	15,776.86	40,92,266.91	8,65,973.01

Figure 1: India's Export & Import Performance with Other SAARC Countries

Source: <https://trade.stat.commerce.gov.in/eidb/ern.asp>

Quantity Based Comparative Analysis of India's Export with Respect to SAARC Countries

The Pearson Correlation estimated significance value for the variables, Bhutan- Export-Quantity (Metric Tons) and Maldives-Export-Quantity (Metric Tons) 0.039, which is less than 0.05, so there is a significant relationship between the variables. The calculated correlation (R) value is 0.658, which indicates that there is a strong positive relationship between the considered variables; Bhutan-Export-Quantity (Metric Tons) and Maldives- Export-Quantity (Metric Tons). Hence, we can perceive that when India's export to Bhutan increases, India's export to the Maldives also increases considerably.

Quantity Based Comparative Analysis of India's Import with Respect to SAARC Countries

It is found that the Pearson Correlation estimated significance value for the variables; Afghanistan-Import-Quantity (Metric Tons) and Sri Lanka-Import-Quantity (Metric Tons) is 0.019, which is less than 0.05, so there is a significant relationship between the variables. The calculated correlation (R) value is 0.721, which indicates that there is a strong positive relationship between the considered variables; Afghanistan- Import-Quantity (Metric Tons) and Sri Lanka-Import-Quantity (Metric Tons). Hence, we can perceive that when India's import to Afghanistan increases, India's export to Sri Lanka also increases considerably.

Price Based Comparative Analysis of India's Export with Respect to SAARC Countries

The Pearson correlation estimated significance value for the variables; Bhutan- Export-Price (Rs. Crore) and Nepal-Export-Price (Rs. Crore) is 0.000, which is less than 0.05, so there is a significant relationship between the variables. The calculated correlation (R) value is 0.988, which indicates that there is a solid positive relationship between the considered variables; Bhutan-Export-Price (Rs. Crore) and Nepal-Export-Price (Rs. Crore). Hence, we can perceive that when India's export to Bhutan increases, India's export to Nepal also increases considerably. It is found that the Pearson correlation estimated significance value for the variables; Bangladesh -Export-Price(Rs. Crore) and Sri Lanka-Export-Price (Rs. Crore) is 0.042, which is less than 0.05, so there is a significant relationship between the variables.

The calculated correlation (R) value is 0.649, which indicates that there is a strong positive relationship between the considered variables; Bangladesh-Export-Price (Rs. Crore) and Sri Lanka-Export-Price (Rs. Crore). Hence, we can perceive that when India's export to Bangladesh increases, India's export to Sri Lanka also increases considerably.

Price Based Comparative Analysis of India's Import with Respect to SAARC Countries

The Pearson correlation estimated significance value for the variables; Afghanistan- Import-Price (Rs. Crore) and Bhutan-Import-Price (Rs. Crore) 0.000, which is less than 0.05, so there is a significant relationship between the variables. The calculated correlation (R) value is 0.906, which indicates that there is a strong positive relationship between the considered variables; Afghanistan-Import-Price (Rs. Crore) and Bhutan-

Import-Price (Rs. Crore). Hence, we can perceive that when India's Import from Afghanistan increases, India's Import from Bhutan also increases considerably. In the Pearson correlation, the estimated significance value for the variables; Nepal-Import-Price (Rs. Crore) and Pakistan-Import-Price (Rs. Crore) is 0.036, which is less than 0.05, so there is a significant relationship between the variables. The calculated correlation (R) value is 0.664, which indicates that there is a solid positive relationship between the considered variables; Nepal-Import-Price (Rs. Crore) and Nepal-Import-Price (Rs. Crore). Hence, we can perceive that when India's Import from Nepal increases, India's Import from Pakistan also increases considerably.

CONCLUSION

The study has analyzed India's Foreign Trade Performance among SAARC Countries—With Special Reference to Agricultural Products. The study has focused on Exports, Imports, Comparative and Economic Growth of Agricultural Products. India's total export was 37849.50 Rs in Lakhs 2009-10, 45554.05 Rs in Lakhs in 2010-11 and has increased to 6439152.25 Rs in Lakhs in 2018-19. The total agricultural products exports were 13126.82 Mts in 2010-11, 14635.83 Mts in 2012-13 and have increased to 2202052.91 Mts in 2018-19. The growth of India's agricultural export is under a fluctuating trend. India is the largest exporter of Non-Basmati Rice, Fresh Onions, and Pulses.

The total agricultural products imports were Other Fresh Fruits, Miscellaneous Preparations and Processed Fruits, Juices & Nuts. Foreign trade helps to increase India's foreign exchange value. Foreign Trade has been one of the largest determinants of monetary improvement in a nation. India can make a strong and healthy relationship with other SAARC Countries through export and import. India has to find out new innovative products and export them to different countries to become a renowned and prosperous nation in the future.

For the last few years, India has been consistently lagging in exports of agricultural products. In 2017-18, 1944514 Mts of meat, dairy products, and honey were exported by 2020. It was reduced to 1645386.63 Mts. Income also came down from 4623 million USD to 3694 million USD.

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