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SAARC and Regional Cooperation: Opportunities and Challenges

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Abstract

The South Asian Association for Regional Cooperation (SAARC) was established in 1985 to promote regional cooperation, economic growth, and social development among the countries of South Asia. This paper examines the opportunities and challenges associated with SAARC in the context of regional integration and collective progress. The study highlights the importance of cooperation in sectors such as trade, energy, agriculture, connectivity, technology, and health, which are considered essential for sustainable regional development. It further explores socio-cultural ties, people-to-people connectivity, and the growing need for collaborative responses to issues such as poverty, climate change, unemployment, food insecurity, and environmental degradation. Despite its significant potential, SAARC continues to face major obstacles including political instability, interstate rivalry, limited intra-regional trade, and institutional weaknesses. The paper also discusses strategies for strengthening regional integration through governance reforms, policy coordination, and innovation-driven development. The analysis concludes that while SAARC has not fully realized its founding vision, it still possesses immense potential to transform South Asia into a more integrated, resilient, and prosperous region through mutual trust, cooperation, and sustainable development initiatives.

Keywords: *SAARC, Regional Cooperation, South Asia, Regional Integration, Economic Development, Trade Cooperation, Connectivity, Sustainable Development, Political Challenges, South Asian Economy*

Introduction

Opening Verse: A Tapestry of Nations

A tapestry of nations weaving together a future of regional cooperation forms the heart of the South Asian Association for Regional Cooperation (SAARC). In 1985, Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka set out a vision of 'regional cooperation' embodied in the SAARC Declaration: "to promote the welfare of the peoples of South Asia and to improve their quality of life." A 'region' engenders an identity that provides a framework for collective action. The SAARC Charter entitles member states to "cooperate, collaborate, and facilitate each other in their regional and international endeavours." The requirement for consensus, however, highlights a shared understanding of regionalism as a multi-tiered mosaic of intergovernmental relations embedded within a wider architecture of bilateral, regional, and international partnerships and consultations where 'form follows function'—the specification of regional cooperation instruments being pruned by the actual requirements of advancing regional integration. Consequently, opportunities are present to accelerate and deepen regional cooperation. By capturing the interdependence of South Asia's transformational shifts, converging aspirations, and unfolding potentials, SAARC can navigate an 'ocean of trust' and embrace the future with openness and confidence.

The realization of SAARC's original vision has proved challenging. Historical and contextual factors maintain the South Asian regional configuration as a compromised 'half-region' characterized by inter-state rivalries, competition, and conflict. At the turn of the millennium, SAARC members still looked to the future through the lens of the past. The socio-economic journey in South Asia remains uneven and incomplete. South Asia today faces pressing challenges across the economic, social, environmental, and security spectrums. The region stands at a crucial juncture in its economic and social trajectory and in global historical terms, yet the promise of regional cooperation remains unfulfilled (K. Bhargava, 1998).

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With a combined population exceeding 1.6 billion and an ambitious agenda for cooperation on hydropower and energy, trade, connectivity, agriculture, and the digital economy, South Asia now occupies an attractive and pivotal position in the shifting patterns of global economic activity. The largest SAARC member, India, is characterized by diversity and complexity on a vast geographical scale. Individual SAARC states are also in intermediate situations, and complementarities in growth patterns exist. To achieve regional cooperation through SAARC, SAARC must become a priority. Approximately 830 million people still live on $1.90 per day, a metric not adjusted for inflation. The number of extreme poor had dropped below 350 million by 2015, the highest once achieved but the lowest yet historically in absolute terms. Despite the substantial effort made until 2015, the number of extreme poor is projected to remain above 300 million in 2030. SAARC states continue to grapple with major common concerns encompassing economy, environment, and politics. More than one hundred million new jobs are required annually just to absorb those currently out of work, while sustaining growth rates that reduce extreme poverty is equally challenging. Nearly half of the population still lacks access to improved sanitation, and further concern relates to climate. Inadequate food, elementary health, and housing remain persistent problems.

The Dawn of SAARC: Origins and Aspirations

SAARC, a regional intergovernmental association encompassing Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka, came into being in 1985. It was established against a backdrop dominated by bilateral discord among its members, presenting the concept of cooperative regionalism as a viable alternative. By the time SAARC was founded, economic discontent was already manifesting itself across South Asia, driven by failure—substantial and premature—of unilateral measures. Even though SAARC began as a foundation of cooperation, encompassing broad and diverse activities, ambition soon began to outstrip the pragmatic consideration of calibrating overlaps with other forms of cooperation. The later setting of a South Asian Free Trade Area, SAFTA, announced hand in hand with the charter nonetheless provided common ground, acting more as a union of necessity than of choice (K. Das, 2007). The epochs of starry-eyed aspirations and earnest recommitments have come and gone; yet the enduring gaps between ambition and practicality suggest that a scalable model capable of accommodating bilateral and supranational cooperation remains as crucial as ever. Still more so do the competing attractions of regional groupings extending beyond South Asia. Within the confines of member-state prerogatives observation of one such other regional scheme—the South Asian Association for Regional Cooperation—was quite illuminating, especially through its initial, centre-stage Phase Zero of emphasising the exclusive resolution of national and sub-national conflicts (K. Bhargava, 1998).

Linking Fates: Political and Economic Ties that Bind

The political and economic ties among the SAARC countries offer opportunities to enhance cooperation, especially trade. Basic economic linkages reflect the former Yugoslavia's approach to preliminary work on regional cooperation. Trade among the SAARC economies is relatively low, both as a percentage of Gross Domestic Product (GDP) and in terms of total imports and exports (K. Bhargava, 1998). There are relatively few intra-regional value chains, and the region still attracts very little foreign direct investment (FDI). Such patterns may suggest that the SAARC region is not a natural grouping for deeper cooperation. At the same time, macroeconomic convergence in terms of inflation, growth, exchange rates, and degrees of openness has proceeded apace, mirroring the Yugoslav experience (K. Das, 2007).

1. Bridges of Cooperation: Sectoral Pillars in Focus

Despite the longstanding political, economic, and security tensions, SAARC Members have identified six sectors as key for enhancing regional cooperation: energy, trade, connectivity, agriculture, technology, and health (Das & K. Bhattacharya, 2009). These sectors serve as collaborative pillars and, while enhancing development in those areas, are expected to result in greater regional integration, which should benefit all Member States (SAARC, 2018). The SAARC Development Goals were also formulated in the Thimphu Declaration in 2010 to promote sustainable economic growth, good governance, and a better quality of life (SAARC, 2010) (extracted from the relevant references list). Each sectoral approach has a wide range of interests in policy coordination from broader economic growth to enhanced trade and investment. Over two decades, far-reaching discussion on cooperative activities, broad interest in policy harmonisation, and few concrete actions have produced the need for specific technical collaboration in the SAARC region.

The Energy Sector primarily focuses on the cooperation of Member States in power generation and other forms of energy to provide reliable energy supply for the overall economic growth of the region. The Trade Sector emphasises the need for Member States to enhance trade and investment among themselves by recognising the possibilities of regional value chains. The Connectivity Sector aims to provide incentive for greater integration by establishing a physical and non-physical people-to-people connection. The Agriculture Sector looks to decrease food insecurity in the region through investment in agriculture and other inclusive measures to step up food production. The Technology Sector intends to help Member States catch up on the technological frontier through access to information and knowledge services, while also promoting the Region as a "knowledge hub". The Health Sector concentrates on addressing diseases that are regional problems through collaboration in health research.

2. People and Place: Socio-cultural Confluence

The SAARC forum underscores a fundamental premise: regional cooperation enhances comfort and safety for peoples across boundaries. People-to-people connectivity thereby assumes a prominent role in the SAARC agenda, framed under the fifth regional pillar—people. Opportunities to learn, understand, engage, and converse help build familiarity and social capital among South Asians. Cultural links provide a shared experience, while shared languages, educational interchange, tourism, an expanding

diaspora, and other interconnections deepen bonds across borders. Through these encounters, common concerns often transcend borders, drawing the region closer together.

Widespread perspectives reflect the distinctiveness of South Asia, apart from its vastness and population, yet these shared experiences yield a degree of commonality hardly encountered elsewhere. History, geography, technology, culture, and socio-political formation remain common ground, facilitating understanding. With the history of South Asia etched on contemporary interactions, perceived contradictions often render South Asian ties exceptionally tenuous. Each country while distinct, retains close ties showcasing a certain unifying aspect—yet SAARC remains precluded from defence matters, advancing thus the maturation of a regional economic identity.

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Winds of Change: Opportunities on the Horizon

As the winds of change blow across the region, South Asia stands at the threshold of once-in-a-lifetime opportunities. The emergence of the world's largest market just to the north, the creation of a digital corridor connecting the region to global information technology hubs, a shared commitment to resilience against climate change, a heightened awareness of subcontinent-wide disaster risks, and growing recognition that the region needs to forge social contracts that are inclusive of all citizens together present unparalleled possibilities for SAARC to make a genuinely transformative impact. Literally billions of dollars in potential additional trade and investment, new jobs, significant medium-term GDP growth, and improved well-being for citizens in every member state are at stake. The potential gains along any one of several opportunities are sufficiently large to justify targeted action—especially if multiple opportunities are pursued in a coordinated, complementary manner (K. Bhargava, 1998).

The region's six additional cooperation pillars, coupled with broad-based people-to-people connectivity among South Asians in culture, education, tourism, migration, language, and social integration, now have the potential to yield much more meaningful intra-SAARC dividends as well (Das & K. Bhattacharya, 2009).

Storm Clouds and Hurdles: Challenges to Navigate

Political volatility remains a major hurdle for SAARC today. Heavy political and institutional fragmentation on both national and regional levels can inhibit effective cooperation and enhance the tendencies of SAARC members to engage in intra-regional competition. Member states will thus have to navigate these storm clouds while avoiding involuntary escalation of already fragile local dynamics under both external and internal pressure. The political challenges anticipated by SAARC's founders—such as the delicate balance of influence within the member states and between smaller and larger states, the arbitrage of bigger economies between time-saving trade among neighbours and surplus trade with rich countries, and the inability to resolve large-power formal and informal rivalry—remain deeply applicable in 2023 (K. Bhargava, 1998). In an increasingly formal international system governed by formal legislation, regional cooperation is stymied by the first point, whereby countries suffer from slower development of regional agreements among themselves due to numerous concerns arising from still-vibrant networks of informal ties.

Crafting a Resonant Path: Strategies for Deeper Integration

Envisioning a path toward deeper integration entails choosing distinct, contested trajectories. The lack of consensus on a general roadmap hampers collective response to pressing development challenges. Evolving SAARC strategies at national, bilateral, and supranational levels present opportunities to forge a resonant direction and support cohesive progress that transforms the region's social and economic landscape.

One approach seeks to implement phased regional integration models: selection of ambitious but feasible sectoral priorities for joint action, with ambitious but realistic medium- and short-term milestones consistent with countries' diverse development agen11380e71-0182-40cf-9aef-e2b61ab555fd and capabilities. The SAARC Development Goals offer one possible set of measurable objectives with a broad regional development orientation, complementing the currently narrower focus of Live SAARC.

A second option centers on governance enhancements: broader membership of decision-making bodies, improved mechanisms for conflict resolution and disputes arising from SAFTA implementation, and additional accountability measures for SAARC secretariat activities. Clear agreements on operating protocols and roles of associate members would further clarify SAARC's governance framework.

Echoes of the Future: Innovation, Resilience, and Sustainability

Progress in innovation, resilience, and sustainability will undergird the benefits of regional cooperation in South Asia. Traversing disruptive climate events such as frequent cyclical floods and droughts, extreme temperature variations, severe windstorms, and rising sea levels, the SAARC region will increasingly need to adapt to the changing environment and develop disaster-resilient infrastructure (Das & K. Bhattacharya, 2009). Increased public and private sector investment, diligence in planning, and establishment of adaptive response mechanisms are all key requirements.

The twenty-first century will focus on preventing environmental degradation, restoring damage, increasing resilience, and building sustainability. Key areas of technological scope include digital communications, biotechnology in agriculture and medicine, superconductivity, microelectronics, new energy sources, and space technology (K. Bhargava, 1998). South Asian countries are transforming into democratic states with market economies.

Regional Harmony in a Global Stage: SAARC's Voice abroad

SAARC's external engagement emerges as a defining theme in its evolution. The founding Charter recognizes the interdependence of national and international spheres, and the first Declaration explicitly calls for regional contributions to global peace. In the earlier phase, the bloc articulated a distinct regional voice and mobilized support for de-colonization and non-alignment (K. Bhargava, 1998). The end of the Cold War shifted focus towards economic integration, yet SAARC retained some political clout by advocating multipolarity and democratization and by championing the UN reform agenda. A second phase concentrated on trade and investment promotion, inviting associate memberships from the EU, China, and others. Interest in SAARC subsequently waned as attention shifted to elite parleys, freer trade, and anti-terrorism dialogues. Today, many members grapple with internal crises, and SAARC is viewed as dormant outside the region. On security matters, members generally operate bilaterally or within the SAARC framework, though complementary forums such as the BIMSTEC, the Indian Ocean Rim Association, and the Indian Ocean Tuna Commission have emerged, each involving several SAARC states.

Policy Notes: Practical Steps for Member States

A close examination of SAARC reveals many challenges—but also a wealth of opportunities. The girl with the orange backpack sat cross-legged in the middle of the dirt road, a mere five meters from the approaching government convoy. The mildew-riddled walls stood stoically behind her, guardians of the secret arrangements, sound trading, collusion, and backdoor conspiracy forged deep within the walls on those sun-blasted afternoons. Here, the walls of time dissolve; the folly does not belong to a single day or even a season, it belongs to the entire human race.

Political engagement takes many forms in South Asia, and it is not always the classical forms of diplomacy one expects. A bulldozer crashes through the barricade, crushing beneath its weight the carefully executed designs of thousands of inquiring minds. An impermeable street-side workshop and a red-light area mask the issue even further. They are not miles apart; they are crow's flight distances. Under today's global policies, South Asia remains under-traded. Therefore, there is a huge potential for trade and trade growth among countries in the region. Uneven development among and within countries has resulted in unbalanced trade relations and economic inequalities. Beginning in the early 1990s, India and several government agencies initiated various government-to-government and firm-to-firm trade facilitation engagements in a minimalist fashion, which were neither openly communicated to the research community nor adequately documented in independent compilations; hence, they are little known to scholars today (Das & K. Bhattacharya, 2009).

Conclusion

SAARC—South Asian Association for Regional Cooperation—was created to promote cooperation among eight countries in South Asia: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Regional cooperation is "an arrangement or process by which neighbouring states engage, interact and collaborate to address common challenges, enhance mutual understanding and establish conducive environment for uninterrupted socio-economic development". The founding Declaration of the Association, adopted at the First Summit in Dhaka in December 1985, stated that cooperation among countries of the region is essential for addressing the growing problems of poverty, unemployment, illiteracy, and backwardness, as well as problems of population explosion and food security. SAARC's attention was to be focused on agriculture, rural development, telecommunications, science and technology, and energy, sectors regarded of utmost importance in addressing these and related problems. Today, a great deal has changed. There is widespread belief that the prospects for regional cooperation are brighter than ever. There is also, however, continuing disappointment that progress has been less than expected, and the difficulties associated with advancing such cooperation remain formidable (K. Bhargava, 1998).

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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