

REIMAGINING REGIONALISM: REVITALIZING SAARC FOR A PRAGMATIC SOUTH ASIAN INTEGRATION

ABSTRACT

The modern panacea for many economic and political ills is regional integration. Globally, regional organizations have served as essential role in promoting political stability, socio-cultural exchange, and economic cooperation between neighboring states. South Asian Association for Regional Cooperation (SAARC) was also established aiming at regional integration, collective self-reliance and economic connectivity. SAARC has achieved some success in a number of areas, such as regional conventions on areas like trafficking and terrorism, the South Asian University, and cultural exchange programs. These successes reveal its latent potential when political will aligns. However, for many years, its performance proved to be disappointing because of a lot of political riddles, its ineffectiveness, stagnation, and inability to implement key initiatives. SAARC critics bring up causes for ineffectiveness of SAARC as an argument to look for options beyond SAARC and find alternate avenues for regional cooperation. As a matter of fact, renewed efforts rethinking regional priorities and enabling SAARC to fulfill its promises are need of the hour, not the other way around. The revitalization of SAARC by rethinking regional priorities, enhancing institutional mechanisms, and promoting depoliticized cooperation, in this regard, could be a better option for South Asian integration. Additionally, with a pragmatic way forward, challenges can be turned into opportunities. The study makes the case that SAARC can still be a successful tool for South Asian integration if it adopts a practical and depoliticized approach. Therefore, this paper tries to reestablish the relevance of SAARC in contemporary regional environment by exploring objectives behind its origin, its previous achievements and capacity to bring all SAARC

members on the same page for regional growth. Moreover, it tries to proffer the fact that SAARC is still alive and regional states can adopt a collective course of action to make it effective.

Keywords: SAARC, Regionalism, South Asia, Integration.

1. INTRODUCTION

(SAARC) Secretariat in Kathmandu (Nepal), reiterated Pakistan's commitment to revitalize the organization for improvement of South Asian region. While discussing the significance of the association he affirmed that Pakistan and Sri Lanka need to 'work together' to revive the SAARC forum as a vibrant platform for regional cooperation. Historically, SAARC came into being on December 8, 1985 with the initiative of the then President of Bangladesh Zia ur Rehman. The establishment of SAARC was mainly aimed at finalization of a regional cooperation for not only solving the conflicting issues between regional states through diplomatic means but also to identify the areas of cooperation to augment South Asian economic growth. In pursuance of these objectives, the core aim of SAARC includes enhancing South Asian self-reliance, diminishing trust deficit among regional states, assisting one another in socio-economic and technological fields and promoting as well as streamlining an agenda of common regional interest on international forums. Resultantly, "SAARC identified various areas of cooperation in different fields such as agriculture and rural development; science and technology; meteorology; transport; telecommunications; biotechnology; environment and forestry; tourism; energy; women, youth and children; health and population; education, arts, culture and sports; and intellectual property rights etc." By the same token, a number of initiatives, agreements and conventions were also concluded by SAARC. Though SAARC's initial achievements are praiseworthy, it has not been able to come up to the expectations of South Asian people. Its failures are more pronounced than its achievements. The critics of SAARC blame that the organization could not succeed due to the fact that SAARC countries remained embroiled in mutual conflicts. Some of them like India and Pakistan, because of their territorial disputes, preferred geopolitics over socio-economic development.

Notwithstanding that, much time has been wasted and SAARC has not been able to work effectively for the welfare of South Asian people, there is a possibility that in the new era of geo-economics,

55 revitalization of SAARC will still be beneficial for the people of the regional states. The
56 accomplishments of other such organizations like Association of South East Asian Nations (ASEAN),
57 European Union (EU) and Economic Cooperation Organization (ECO) etc., can be broadly taken as
58 models for SAARC to follow. Moreover, China's inclusion into SAARC can also augment regional
59 economic integration and intra-regional/inter- regional connectivity. So, in order to meet the above-
60 stated goals, this study in detail aims to investigate the challenges to SAARC and suggests plausible
61 measures to revitalize the organization for achieving regional peace through economic integration.

53 2. THEORETICAL PERSPECTIVE

54 Regionalism, according to the optimists, improves the prospects of a multilateral system. It has gained
55 its importance by becoming a dominant feature in international politics. Though the tilt towards
56 regionalism started after the end of World War II, it rose to the dominant themes of world politics only
57 in the post-Cold War era. Regionalism, in its essence, is aimed at tackling the problems of economic or
58 security cooperation ingrained in the competitive tendencies of globalization. As a response, states'
59 driven regional or sub-regional cooperation as well as integration policies effectively challenged
60 international competition by facilitating economic growth of several regions. The regional organizations
61 like "ASEAN, EU, and North American Free Trade Area (NAFTA) are few examples of such
62 integration. For this purpose, the degree of economic integration ranges from preferential trade
63 arrangements (PTA) to free trade area (FTA), customs union (CU), common market (CM) and
64 economic union (EU)."¹

65 Led by the consensus of regional states, the process of regionalism may be defined as "a limited number
66 of states linked by a geographical relationship and by a degree of mutual interdependence", and could
67 be distinguished as per "the level and scope of exchange, formal organizations, and political
68 interdependence."⁴ These exchanges usually result in signing of agreement that can be "explicit and
69 implicit principles, norms, rules and decision-making procedures around which actors' expectations
70 converge in a given area of international relations."² After starting the procedure, the foreign policy and

¹Moazzen Hussain, Iyanlur Islam and Reza Kibra, South Asian Economic Development: Transformation, Opportunities and Challenges (London, New York: Rutledge, 1999), P.145.

²Deutsch, Karl W. The Analysis of International Relations, Englewood Cliffs, N.J.: Prentice-Hall, 1968, P. 212.

political events of regional states kindle the process of regional integration as a result of which renewed cooperation in many fields like cultural, economic, political and security get initiated. Besides, the civil society of the region not only keeps an eye on the working of the organization but also facilitates communication and convergence process. “Cohesion of an integrated system can be measured by its capacity to withstand stress and strain, support disequilibria, and resist disruptions. Thus, strain-survival capacity of an integrated system is directly proportional to its cohesion.”³ Integration of a region can be operationalized through many ways wherein “Supra-nationalism” and “inter-governmentalism” are the most used ones by the international community. In this vein, “**Functionalism**”, with its supranational structure has been the lynchpin of the formation of EU. Though the proposition of the making of EU started with “Inter- governmentalism but federalists’ idea won, and the European Coal and Steel Community (ECSC) was established”.

This supranational structure was one of the main reasons for the successful operability of ECSC as it separated politics from economic decisions. In a similar manner, neo- functionalism established a framework to comprehend the phenomenon of European integration with respect to supranational bodies. This model is based on several pillars. First, cooperation in one sector by two or a group of nations facilitates cooperation in other sectors as well. Second, economic integration usually results in increasing the interaction between regional actors. As a result, sub-state actors start cooperating politically with regional political leaders. Third, the supranational body automatically pursues tactics to deepen regional integration by expanding the ambit of cooperation and promoting benefits of further integration. Overall, the most important neo-functionalism’s concept is ‘spillover’ wherein integration in one sector generates incentives for integration in other areas too. For instance, “European cooperation in coal and steel was not fully achieved without integrating transport sector.”⁴

Since its inception, on the contrary, SAARC is being run through intergovernmental method of governance that has achieved nothing other than minor gains through SAARC Preferential Trading Arrangement (SAPTA), showing SAARC failures in achieving economic integration, let alone political coherence. That is why, EU model of integration- functionalism will not be a bad idea for SAARC to operate better for its member countries.

³J.S. Nye, ed., *Inter Regionalism: Readings* (Boston: Little Brown, 1969), P. 8.

⁴ Ben Rosamond, *Theories of European Integration* (New York: Palgrave, 2000), P. 60.

In sum, it can be inferred that regional integration results in the harmonization of regional trade policies which lead to economic integration as well as increased regional economic growth rate. In other words, it turns regional heterogeneity into homogeneity, which usually leads to prosperity of the people of that particular region. Likewise, South Asian regionalism or homogeneity was the brainchild of Bangladesh in the shape of SAARC.

3. ORIGIN AND OBJECTIVES OF SAARC

The rationale for the establishment of SAARC was to improve regional cooperation. Prior to SAARC's establishment, the matter of regional cooperation was raised in different conferences including April 1947 "Asian Relations Conference in New Delhi, May 1950 Baguio Conference in Philippines and April 1954 Colombo Powers Conference." Comprising mainly on four phases of evolution- "Conception (1977-80), the Meeting of Foreign Secretaries (1981-83), the Meeting of Foreign Secretaries (1983-85), and the Summits (1985-2016)" -the foremost proposal for the establishment of a framework for regional cooperation was put forward by the then President of Bangladesh, Zia ur Rahman, on May 2, 1980. The process started with the meeting between President Zia ur Rahman and newly elected Indian Prime Minister Morarji Desai on the agenda of regional cooperation. It is pertinent to discuss the efficacy of regional cooperation for Bangladesh at that time. For this, numerous developments which led to President Zia ur Rahman's resolve for the making of a Framework for regional cooperation (especially during the period of 1975-1979) are as following:⁵

1. Second oil crisis of 1979 generated balance of payment crisis in South Asia countries;
2. Failure of North-South dialogues and increasing protectionism by the developed countries;
3. Identification of area of cooperation in a report by the Committee on Studies for Cooperation in Development in South Asia (CSCD);
4. United States and British assurance of economic assistance on water sharing projects; and
5. Soviet invasion in Afghanistan.

⁵Muni Anuradha and S.D. Muni, Regional Cooperation in South Asia (New Delhi: National Publishing House, 1984), P. 29-31.

In this scenario, the establishment of a regional organization, such as SAARC, became a platform to discuss issues of common interest. The response from regional states remained mixed. As a result of Indian concerns, the Bangladesh draft paper excluded security matters and allowed only non-political areas for cooperation.⁶ Finally, as a result of several meetings at foreign secretary and ministerial level, the first SAARC summit meeting of South Asian leaders was convened at Dhaka from December 7-8, 1985. “Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka were its founding members.”⁷ Later on, “Australia, China, the European Union, Iran, Japan, South Korea, Mauritius, Myanmar and the United States (US) joined SAARC as observers between 2005 and 2008.” Similarly, Afghanistan joined SAARC as a member at the “2007 New Delhi Summit”,⁸ while Myanmar applied for membership in 2008 ahead of the Colombo Summit. Russia and Turkey have also applied for observer status membership.

The core objective behind the establishment of SAARC is to augment socio-economic and cultural development of South Asian states through economic cooperation. The basis of this cooperation among SAARC countries is based on mutual respect towards one another’s sovereignty, integrity and independence. In sum, non-interference in other member states’ internal affairs is the yardstick. That is why, bilateral contentious issues are not allowed in the debates of SAARC. According to the SAARC charter⁹, the objectives of this association are as following:¹⁰

1. To enhance and reinforce South Asian self-reliance;
2. To diminish trust deficit among member states;
3. To assist cooperation in economic, social, cultural, technical and other fields;
4. To promote an agenda of common interest in international forums; and

⁶“Report of the Evolution Mission on the CSCD Programme”, Committee for Studies on Cooperation in Development in South Asia, available at <https://idl-bnc-idrc.dspace.direct.org/bitstream/handle/10625/11192/96562.pdf?sequence=1&isAllowed=y>

⁷“South Asian Association for regional Cooperation”, Asian Organization, Encyclopedia Britannica, available at <https://www.britannica.com/topic/South-Asian-Association-for-Regional-Co-operation>.

⁸Afghanistan inducted as 8th member: 14th SAARC Summit begins”, Dawn, April 4, 2007, available at <https://www.dawn.com/news/240651>.

⁹South Asian Association for Regional Cooperation, Compilation of SAARC Charter/Conventions/Agreements (1985-2016), available at <http://saarc-sec.org/publications/detail/compilation-of-saarc-charterconventionsagreements-1985-2016>

¹⁰SAARC Secretariat, SAARC: A Profile, (Kathmandu: SAARC Secretariat, 2004), P. 10–11.

5. To streamline the cooperation with other regional and international organizations.¹¹

As a result, “SAARC identified various areas of cooperation in different fields such as agriculture and rural development; science and technology; meteorology; transport; telecommunications; biotechnology; environment and forestry; tourism; energy; women, youth and children; health and population; education, arts, culture and sports; and intellectual property rights etc.” South Asian University (SAU) was established in India in 2010. Similarly, a food reserve and a food bank were also operationalized in 1987 and 2007 respectively to strengthen food security in South Asia. Besides enhancing the people-to-people contacts through a plethora of initiatives¹², it also adopted a Social Charter pertaining to the prosperity of women, children, disabled and youth during Islamabad Summit in 2004.¹³ Furthermore, on the political front, during 2001-02 stand-off between India and Pakistan, Pakistan successfully utilized the forum of SAARC to diffuse the tensions as the then President Pervez Musharraf approached the then Indian Prime Minister Atal Behari Vajpayee at Kathmandu on the conclusion of the inaugural session of the Eleventh SAARC Summit.¹⁴

On the trade and economic integration front, SAARC made noteworthy progress in the past. For instance, agreements aiming at the promotion and facilitation of trade and mutual economic development, such as “South Asian Preferential Trade Agreement 1993 (SAPTA) and South Asian Free Trade Area 2004 (SAFTA) have been concluded.”¹⁵ In furtherance to this, scores of other economic initiatives, such as “SAARC Arbitration Council 2005; Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters 2005.

4. REVITALIZING SAARC WOULD BE BENEFICIAL

¹¹Verinder Grover, ed., Encyclopedia of SAARC (South Asian Association of Regional Cooperation) Nations (New Delhi: 1997), P. 23.

¹²SAARC Secretariat, “Area of Cooperation: People-to-People Contacts” (Kathmandu: SAARC Secretariat), available at http://saarc-sec.org/areaofcooperation/cat-detail.php?cat_id=52

¹³SAARC Secretariat, “SAARC Social Charter” (Kathmandu: SAARC Secretariat), available at http://saarc-sec.org/areaofcooperation/detail.php?activity_id=7,

¹⁴Javednaqvi, “Musharraf offers sustained talks: Handshake with Vajpayee charms SAARC”, DAWN, January 6, 2002, available at <https://www.dawn.com/news/13684>.

¹⁵SeekkuwaWasamHiranthi, “From SAPTA to SAFTA: Gravity Analysis of South Asian Free Trade”, European Trade Study Group (ETSG), available at <http://www.etsg.org/ETSG2004/Papers/hiranthi.pdf>

175 It is usually being asserted by India that “SAARC is constantly sinking into irrelevance.” SAARC critics
176 bring up aforementioned causes of the failures of SAARC as an argument to look for options beyond
177 SAARC and find substitutes for regional cooperation. Interestingly, these arguments or criticism are also
178 correct. This does not mean that SAARC should be abandoned but there is a need of renewed efforts to
179 rethink regional priorities and enabling SAARC to fulfill its promises, not the other way around.

180 So, the main question to be asked here is: why is it pertinent for South Asian states to connect
181 themselves through a regional organization, such as SAARC? The simple answer is: Regional
182 Cooperation. It is only through connectivity by which South Asian states could augment their economic
183 growth rate in the face of an expanding population. Maintaining economic growth rate only is not
184 enough to meet the standards of human security. The countries now need to continuously increase their
185 socio-economic development through increasing economic growth rate because of increasing non-
186 traditional security threats in the region, such as climate change.¹⁶ Similarly, to harness the fast-
187 developing manufacturing sector in South Asia, regional states need to connect themselves with one
188 another through gas pipeline projects as they are considered to be playing a vital role in importing
189 energy from Central and West Asia. Moreover, Turkmenistan- Afghanistan-Pakistan-India (TAPI) and
190 Iran-Pakistan (IP)¹⁷ are also salient for energy supply. Though these extra regional initiatives are
191 promising, yet hoping for a breakthrough in near future is improbable because India has already pulled
192 out of IP and the future of TAPI gas pipeline is connected with durable peace and stability in
193 Afghanistan.

194 Second, connectivity for South Asian states is also a prerequisite to attract greater investment from the
195 outside world. If the region is economically integrated, the projects like ‘Make in India,’ the “China-
196 Pakistan Economic Corridor (CPEC),”¹⁸ the Bay of Bengal Initiative and a corridor networking
197 Chabahar with Central Asia and similar networks to be initiated in Myanmar with Chinese and Indian
198 investment would multiply not only the incoming investment but also its benefits owing to decreased
199 trust deficit and subsequent hurdles. Similarly, the Heart of Asia process, by establishing peace and

¹⁶Mahbub ul Haq Human Development Centre, Human Development in South Asia 2005: Human Security in South Asia (Oxford University Press, 2006), P. 1.

¹⁷Saman Zulfqar, “Pakistan’s Energy Security: Viability of Regional Options”, IPRI Journal of Current Affairs, Vol 2. No 2, 2018, available at <http://www.ipripak.org/wp-content/uploads/2018/01/art3szj22.pdf>, accessed on January 12, 2018.

¹⁸“China Pakistan Economic Corridor”, CPEC - Government of Pakistan, available at <http://cpec.gov.pk>, accessed on December 22, 2017.

200 stability in Afghanistan, would bring investment as well and will smoothen the operationalization of
201 existing economic, transit trade and energy projects.

203 **5. REACTIVATING REGIONAL COOPERATION UNDER SAARC WOULD BE BENEFICIAL**

204 It can be inferred from the above discussion that regional connectivity is the lynchpin of peace, stability,
205 development and prosperity in South Asia. In the contemporary international environment, the
206 significance of South Asia is not only gauged by the fact that it has one fifth population of the world. It
207 also covers an area of 5.22 million square kilometers and is abundant in natural resources. Another fact
208 is that it is home to two nuclear weapon giants: India and Pakistan. The region has become an attractive
209 global market because of its economic growth and vast potential. Its political and strategic importance is
210 increasing with every passing day. As mentioned earlier, South Asia currently, is facing multi-
211 dimensional challenges, both traditional and non-traditional security threats. Notwithstanding these
212 challenges, there still exists huge economic potential.

213 **5.1 EFFICACY OF SAARC: FUTURE PROSPECTS**

214 SAARC is still effective but there is a lot of work which needs to be done for making it more relevant.
215 The organization is very much alive. The alarming fact is that one canceled meeting is taken as an
216 indication that SAARC has become completely ineffective and should be abandoned. The relationship
217 between India and Bangladesh or India and Sri Lanka ten years ago was not exactly as cooperative as
218 today. Progress is made by leadership which is truly powerful, mature and wise in every aspect. The fact
219 that one particular relationship is not yet matured should not lead the states to a conclusion that this
220 entire constellation of countries cannot relate. The nature of the conflict in Europe was much pessimistic
221 but today it is the best example of regional integration. It did not happen overnight; there were many
222 cancelled meetings and failed steps that brought Europe to where it is today. No doubt it has come
223 through a ploth. Though, the “19th SAARC Summit to be held in Pakistan was postponed
224 after India refused to participate”¹⁹, but it should not be a worrisome matter if only one of all SAARC
225 Summits was postponed. There should not be any illogical reason for this kind of apprehension. The
226 hope is that next the SAARC Summit could take place in the near future. It should be kept in mind that

¹⁹“SAARC summit in Pakistan postponed after member states pull out”, Dawn, September 28, 2016, available at <https://www.dawn.com/news/1286684>, accessed on June 23, 2017.

SAARC is not meant only for economic cooperation but also for cultural and people to people contact, and for all the resource sharing in the region.

6. PALPABLE ECONOMIC VENTURES UNDER SAARC

Currently, South Asia has a small business venture; however there could be high number of business opportunities. There are 1.8 billion people living in South Asia. The GDP Growth is 7 percent. About 25 percent of the world's middle class is living in this particular region. This could be taken as a huge opportunity. Though the total level of intra-regional trade today is 5 percent of the total trade but it could be increased. The states have to start small and think really big but without any hurry. Every regional stakeholder needs to begin taking small steps. The Motor Vehicle Agreement between Bangladesh, Bhutan and India is such an example. Starting with bilateral or with two or more countries is a good idea. Moreover, cross border movement will open up a supply chain opportunity. Pakistan should suggest small, bilateral, trilateral, quadrilaterals relations. In other words, it has to do whatever is possible. Eventually, this mosaic and jigsaw will begin to fill with trade. As the economic linkages strengthen, the inherent potential for conflict will reduce. Connectivity and free movement of people in Europe has been a huge advantage for trade. There is no direct connection between Delhi and Islamabad, but the trade between two countries happens via Dubai. So, direct connectivity, visas, arrival and facilitating movement of people are precursors to good trade.

The normalization of relations between India and Pakistan will take time. There is enough evidence from big countries that without resolving the issues, a country can still start trading. The anticipated SAARC Summit in 2016 in Pakistan could have been a beginning of the transformational movement. There is still an element of common toes where SAARC is today? The brave and resilient leadership is a necessity to do this. South Asia has a brave leadership with women also in politics. The smaller countries need to particularly push India to be the big country with a big heart, and to do this it has to invest in multilateral forums.

SAARC Summit on Annual Basis

The annual meetings of SAARC are a means to promote social connections between key global power players and national leaders. Unless India cooperates willingly by participating in the process and does not bring in its bilateral political issues with Pakistan into consideration of improving trade connectivity, SAARC simply cannot move forward. Pakistan also needs to propose that “SAARC summit must be held no matter what may come for effective working of SAARC.”²⁰

A Greater SAARC

A greater SAARC concept was propagated by Senator Mushahid Hussein Syed, during his New York visit in 2016. This greater South Asia includes China, Iran and the neighboring Central Asian Republics (CARs). CPEC is considered the most important economic route which can link South Asia with Central Asia. Similarly, the Gwadar port would be the nearest warm

59 “Achievements of the Ministry of Climate Change,” Government of Pakistan, Ministry of Climate change, available at [http://www.mocc.gov.pk/moclc/userfiles1/file/Final% 20Report%20MOCC%20-2% 20years-%2005_10_2015%20\(1\).pdf](http://www.mocc.gov.pk/moclc/userfiles1/file/Final%20Report%20MOCC%20-2%20years-%2005_10_2015%20(1).pdf), accessed on April 10, 2018.

JSSA, Vol. IV, No. 1 Gulshan Rafiq

water port, not only for China but also for the landlocked CARs. Pakistan has already invited its neighbor India to join the initiative. Landlocked Afghanistan is most likely to get the most benefits from a greater South Asian alliance. “Afghanistan’s presence in SAARC justifies Pakistan’s argument that

²⁰ Manzoor Ahmad, “SAARC Summits 1985-2016: The Cancellation Phenomenon”, IPRI Journal XVII, No. 1 (Winter 2017), P. 52.

Central Asian nations can be included in a greater South Asia.”²¹ This would essentially help Pakistan in tackling India’s hegemony over the organization, giving it more chances of effective operationalization. It will also provide Pakistan with a greater maneuvering space in case India tries to isolate Pakistan regionally.

Smart Borders

Like the EU, the whole idea of SAARC is a common market. The economy of a scale even in a smaller country like Bhutan can benefit from BIMSTEC. To get all the encompassing issues, like connectivity, people to people contact and free trade in the region, it should fall in a place so that the whole region can benefit.

There is a need for smart borders or seamless connectivity in the whole region. It includes not only roads and bridges but maritime, railway, telecom, and the rest of it. The trade can go to 100 billion if SAARC countries just ensure seamless connectivity in the region because doing business with neighboring states is cheaper than doing it with countries in North America. The transportation cost and the barriers at the custom point are really not enabling.²²

²¹ Anwar Iqbal, “Pakistan seeks bigger Saarc to counter India’s influence”, Dawn, October 12, 2016, available at <https://www.dawn.com/news/1289685>, accessed on July 2, 2017.

²² Sanjay Kathuria, “5 things to boost South Asian regional trade to \$100 billion in 5 years”, The World Bank, September 28, 2015, available at <http://blogs.worldbank.org/endpovertyinsouthasia/5-things-boost-south-asian-regional-trade-100-billion-5-years>, accessed on April 15, 2018.

POWER SHARING - THE SAARC GRID

Power can be a tradable product in the South Asian region easily. Same strategy can be formulated to manage water through common basin management. Similarly, there are great prospects for intra-state electricity trade among the SAARC countries. The SAARC working group on energy also reflects this objective. Another initiative could be the creation of a power pool or the 'SAARC grid' to enable the region to utilize its sources of electricity optimally by balancing the demand and supply. It would not only make electricity cheaper but also reliable. Additionally, it would create interdependence among SAARC countries to a win-win solution

SHARING WATER

Himalayas are the water towers of Asia. They have the hydro-power potential to supply electricity to the entire region. Power trade with Central Asia offers vast opportunities. Countries, such as Tajikistan and Kyrgyz Republic have excessive hydro resources of wells. They are more than public domestic need. Pakistan and India can offer them major import markets. Regional cooperation can also help tap natural complementarities. For instance, when Bhutan and Nepal's rivers are full of water in the summer, there is a vast hydro power generation potential. Bangladesh, India and Pakistan have the greater demand for electricity to cope with the summer heat. Less than 20% of South Asia's hydropower potential is developed while energy sharing also remains minimum. By developing this hydro potential, building cross border transmission lines and eventually emerging into a regional energy market, electricity can reach thousands of energy businesses and billions of people still living in the dark.

The great rivers of South Asia like Indus, Ganges and Brahmaputra are more than just energy potential. They support life and supply resources; however, conflicting demands on these waters cause tensions, distrust and little or no cooperation between countries while the risks from natural disasters and climate change continue to grow. During past two decades, natural disasters affected over 800 million people and billions of dollars were lost. With cross border cooperation on water and river basins, flood forecasting and early warning systems, lives and resources can be saved.

SHARING GOODS AND SERVICES

Trade among the countries of South Asia could increase economic growth enormously. The trade potential in South Asia is 100%; yet, its intra- regional trade is the lowest in the world making less than 5 % of the total world trade. The land locked countries and sub-regions are affected the most since they depend on the neighboring states to access the sea and global markets. Goods are often moved through secure routes sometimes up to eight times the distance to destination. Border crossings are so heavily congested taking take days to cross. As a result, it costs more to trade within South Asia than with the countries outside the region. For example, despite the geographic neighbors, the trade cost between India and Pakistan is 20 % more than India to Brazil which is over 9000 miles away. South Asia already has the resources to meet its development challenges; the water, energy and trade potential are waiting to be developed. What is needed is cooperation.

Consequently, following steps are the cornerstone to revitalize regional cooperation under SAARC:

1. Political will for regional connectivity will decrease the level of conflict, insecurity and underdevelopment in South Asia.
2. Resumption of composite dialogues should be assured to normalize relations between India and Pakistan as apparently cordial Indo-Pak ties can reincarnate SAARC.
3. The use of hard power to eradicate terrorism and to establish law and order could not bring socio-economic development to the people of affected areas in South Asia. Therefore, use of political and economic approaches in conjunction with the boots on the ground is necessary.
4. Owing to proximity among South Asian states, cross-border cooperation is inevitable if reduction of conflicts, tackling the menace of terrorism and smooth trade is the intention of South Asian leaders.
5. Nepal and Bhutan can play a decisive role in regional integration through SAARC. Both nations are abundant in hydropower but there is a need to look for regional economic cooperation for prosperity. Through joint economic initiatives, both targets can be achieved.
6. China's full membership in SAARC could bring stability in SAARC working. It can definitely reduce Indian political and economic clout on it. Over and above that, China is already investing in Pakistan, Sri Lanka, Maldives and Nepal in the shape of CPEC and other such economic ventures. So,

construction of CPEC and BCIM corridors will strengthen inter-regional connectivity among South Asian countries as well as their intra-regional association.

7. Most importantly, peace in Afghanistan is not possible without regional cooperation. Pakistan would be having a central role in it. Nevertheless, SAARC members could help in sustaining the peace initiatives, such as Heart of Asia process as well as operationalizing trade and energy corridors for Afghanistan in particular and South Asia in general.

8. The South Asian countries could follow best practices by other regional organizations like ASEAN and EU etc. Learning from their practices and mistakes would build stronger regional ties to fulfill regional objectives.

9. The burden of slow growth of SAARC lies with member nations' lack of willingness to align domestic agendas with SAARC agendas.

10. Normalization of political relations between SAARC member states, especially between India and Pakistan, should be encouraged for better SAARC interaction.

11. SAARC does not have any robust conflict-resolution mechanism like that of ASEAN Regional Forum (ARF) where the South Asian states could discuss and move forward from their political disputes. The annual summits and periodic ministerial meetings do not usually result in desired outcomes. Therefore, political will for the establishment of a mechanism to resolve such disputes is also need of the hour.

12. There is also an urgent need to promote tourism among the SAARC member states. It can stimulate confidence amongst people as well as enhance people-to-people contact of the region for greater economic cooperation.

13. Establishing joint infrastructure funds are also important. They can work as a joint investment company to facilitate connectivity and cross border investments in the region, which could result in the establishment of a SAARC bank to facilitate the process.

14. One of the very crucial issues that SAARC as a regional forum has not formally discussed yet is human rights. No committee has ever been created within SAARC to discuss and promote this basic issue. India itself is abusing human rights in Indian Occupied Kashmir by coercing laws like "Jammu

and Kashmir Public Safety Act 1978; Terrorist and Disruptive Activities (Prevention) Act (TADA) 1987; Armed Forces Special Power Act 1990 and Prevention of Terrorism Act (POTA).” Moreover, being cognizant of this reality thoroughly, India, already having major portion of Kashmir, feels that it can maintain status quo over Kashmir easily. This has led India to pursue delaying tactics over negotiations. Moreover, India thinks that over time Kashmiri movements will die down slowly and gradually. Therefore, SAARC as an organization should take positive measures to ensure an environment that enables all people in the region to enjoy their rights.

15. India does not show its willingness to cooperate under the ambit of SAARC but developing a common vision for regional growth is necessary for the future of SAARC. All SAARC member states should be on one page to keep SAARC alive.

16. SAARC can also benefit from a framework with the objectives of a secure regional environment by joint planning of civilian and military operations and comprehensive approach to crisis management like that of the EU’s Crisis Management and Planning Directorate (CMPD).

CONCLUSION

In the rapidly changing global environment, regional integration in South Asia has assumed a new strategic significance. Not surprisingly, it has altered the potential political-economic and strategic gains from SAARC for all the country partners. As the largest economy of the region, it is imperative and an opportune time for India to inculcate an environment of trust among SAARC partners, which would encourage greater commitment to regional integration among all the countries. India stands to gain substantially from greater economic integration in the region, in terms of both economic non-economic payoffs. Indeed, India emergence in the world economic order in the twenty-first century is not possible until and unless she ensures a stable and secure regional economy., and her forthcoming chairmanship of SAARC in 2007 holds the door of opportunity for her to demonstrate her own commitment to regional cooperation and integration. Despite many loopholes, SAARC has not been entirely inactive. What needs to be ensured, however, is that SAARC evolution or development should not get embroiled with the power play in the region. In this vein, a lot remains to be done. Nevertheless, with pragmatic and practicable way forward loopholes can be turned into opportunities. The foremost challenge that would

prevail is building of trust among South Asian states, especially India and Pakistan. As far as Pakistan is concerned, it is optimistic regarding SAARC's future and is always ready to facilitate regional integration for economic growth and alleviating poverty in the region. In order to achieve this objective, contentious issues need to be addressed but not at the cost of SAARC proceedings. Therefore, sincerity and mutual accommodation through result-oriented dialogues is of paramount importance currently. SAARC will undoubtedly benefit from China's full membership by inserting new spirit and vigor in the organization. The writing on the wall is that regional states cannot move forward without pragmatism and flexibility. This is the only way out.

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