



SAARC: COMPLICATIONS FOR REGIONAL INTEGRATION

Tejinder Kaur*

Abstract

The progress of economic integration in South Asia gained momentum in 1995 with the implementation of the South Asian Preferential Trade Agreement under the broader agenda of South Asian regional cooperation. Regional integration has the potential to stimulate economic growth in member states, regardless of size and level of development. This capability can be exploited only through deep cooperation. On the other hand, there are many challenges that limit the sector to exploit its potential. As most SAARC countries have underdeveloped economic integration, it is very essential for the development of the region. The present study is also an attempt to understand the complication of regional integration with the assistance of SAARC.

Key Words: Saarc, Regional, Integration, Dispute.

***Assistant Professor of Commerce, Govt. Sant Baba Sewa Singh Memorial College, Guru Ka Khuh, Munne (Ropar) Punjab.**

Introduction

The SAARC organization was established in 1985 for enhance regional cooperation. The general opinion is that so far more failures have come from successes. The objective of SAARC was integration in the region, better connectivity and increasing mutual trade. It has not achieved much success. SAARC strives to promote the well-being of the people of South Asia, strengthen collective self-reliance, active cooperation and mutual aid in various fields and collaborate with international and regional organizations. The eight-member SAARC is the only



significant regional organization in which India and Pakistan are both member nations. It is generally seen as a 'failure' in terms of promoting regional cooperation, the biggest reason being the never ending acrimony between India and Pakistan.

Except India, the member states are still not able to carry forward the program of economic integration and cooperation. But India is not sufficiently competent to do so which impedes its regional development. Pakistan's opposition to regional integration and its dependence on multilateral fora to increase bilateral disputes are the biggest obstacles to the proper functioning of SAARC. Due to mutual trust deficit of South countries, China is getting the opportunity to intervene in South Asia. Nepal, Pakistan, Bangladesh, Sri Lanka have very good bilateral relations with China. China is destabilizing South Asia by leveraging its financial strength, which is undoubtedly disadvantaged by SAARC. Continuously increasing China's dispute with India, it is necessary for India to strengthen SAARC.

COMPLICATIONS IN REGIONAL INTEGRATION OF SAARC

While SAARC has recognized itself as a regional stage, it has failed to attain its objectives. A number of regional agreements have been signed and institutional mechanisms have been established under SAARC, but they have not been implemented sufficiently. The South Asia Free Trade Agreement is often decorated as a main result of the SAARC, but remains to be implemented as well. Despite SAFTA coming into force in early 2006, intra-regional trade continues at 5%.

The organization has not been more flourishing in achieving the objectives for which SAARC was born. At present, the entire globe is commencement to recognize the usefulness of



regional cooperation, so SAARC also needs to make indefatigable efforts in this way. Nowadays, the bilateral differences between India and Pakistan are completely accountable for the disturbances in South Asian region. Other SAARC countries are also playing with the spirit of regional cooperation with military forces. If SAARC member countries overlook mutual differences and go behind a cooperative policy, South Asia can present a new challenge to the world. There is a lot of economic development opportunities in this region which can be dynamic based on mutual technical and economic cooperation. India is rising as the major economic power of the region. Other SAARC countries should assist completely with India, leading to an era of self-sufficiency in South Asia.

Conclusion

Strengthening regional economic integration will increase interdependence among SAARC countries, in which India may have a central role. As a result, India's strategic interests may also be secured. India has been accused many times that its wants to use its well-built position to preserve its preeminence over the countries of the region. This is a vital opportunity to present a constructive image among the countries of the region by demonstrating its leadership potential as a responsible neighbour for India in the current uncertain environment. In this context, sub-regional groups have not played any important responsibility in the ongoing crisis between India and Pakistan. Yet, Pakistan's statement raises a question as to how the regional countries view the developments following the Pulwama terror attack. Furthermore, the SAARC foresee itself as a contributor of regional public goods to encourage tranquility and security in the South Asia



Endnotes:

Sideri, S. (1997). Globalisation and regional integration. *The European Journal of Development Research*, 9(1), 38-82.

Ewing-Chow, M., & Islam, M. R. (2007). South Asian Free Trade Agreement and the possibility of regional integration within the SAARC: a historical, legal and economic analysis. *Asian Journal of Comparative Law*, 2, 1-21.

Khan, J. A. (2014). SAARC:(Still) in Search of Regional Integration?.

Kumar, V. (2016). The South Asian Association for Regional Co-operation: Part One–The Problems of SAARC.

Sally, R. (2006). *FTAs and the prospects for regional integration in Asia* (No. 01/2006). ECIPE Working paper.

Nuruzzaman, M. (1999). SAARC and subregional co-operation: Domestic politics and foreign policies in South Asia. *Contemporary South Asia*, 8(3), 311-322.

Tripathi, R. (2006). Reorienting the Regional discourse on South Asia: Vision for a People's SAARC. *South Asian Survey*, 13(2), 323-331.

Dixit, J. N. (1997). Problems and prospects of regional cooperation and security in south Asia: An Indian view.

Pattanaik, S. S. (2010). SAARC at twenty-five: an incredible idea still in its infancy. *Strategic Analysis*, 34(5), 671-677.

Moinuddin, M. (2013). Fulfilling the promises of South Asian integration: A gravity estimation.

Ali, E., & Talukder, D. K. (2009). Preferential trade among the SAARC countries: Prospects and challenges of regional integration in South Asia. *Joag*, 4(1), 47-59.



Kher, P. (2012). Political economy of regional integration in South Asia. *UNCTAD Background Paper No. RVC5*, Geneva: UNCTAD.

Behera, N. C. (2012). SAARC and beyond: civil society and regional integration in South Asia. In *Regional Integration and Economic Development in South Asia*. Edward Elgar Publishing.

Dubey, M. (2007). SAARC and South Asian economic integration. *Economic and Political Weekly*, 1238-1240.

Ahmed, S., & Ghani, E. (2007). Growth and regional integration. *SOUTH ASIA growth and regional integration*.

Hassan, M. K. (2001). Is SAARC a viable economic block? Evidence from gravity model. *Journal of Asian Economics*, 12(2), 263-290.

Akhter, N., & Ghani, E. (2010). Regional integration in South Asia: An analysis of trade flows using the gravity model. *The Pakistan Development Review*, 105-118.