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**South Asian Association for Regional  
Cooperation (SAARC): A Comprehensive  
Multidimensional Analysis**

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## South Asian Association for Regional Cooperation (SAARC): A Comprehensive Multidimensional Analysis

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### **Abstract**

This paper provides a comprehensive analysis of the South Asian Association for Regional Cooperation (SAARC), a regional organization established to promote economic growth, social progress, and cultural integration among South Asia's eight member states. Since its inception in 1985, SAARC has grappled with challenges arising from persistent political tensions, economic disparities, and institutional inefficiencies. This paper provides a multidimensional analysis for this paper by exploring the historical evolution, stages of regional integration, and complex geopolitical dynamics. Besides, both realist and liberal theoretical frameworks are used to provide basis of analysis to evaluate SAARC's achievements and shortcomings. Moreover, the paper examines the influence of major external actors and global trends on regional cooperation and proposes actionable recommendations to enhance SAARC's potential as a catalyst for integrated development and stability in South Asia.

**Keywords:** SAARC, regional integration, South Asia, geopolitical dynamics, realism, liberalism, external influences

## **INTRODUCTION**

The South Asian Association for Regional Cooperation (SAARC) was formally established on December 8, 1985, with the primary objective of fostering mutual economic, cultural, and social development among its eight member states, namely Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka (Sultana and Asrat, 2014). Emerging against a backdrop of historical animosities and geopolitical rivalries, SAARC was envisioned as a mechanism capable of bridging national divides and uniting a region that is rich in cultural heritage and natural resources. While initially imbued with the promise of transformative regional integration, SAARC's journey has been impeded by enduring political disputes, structural economic imbalances, and the lack of a robust institutional framework.

As countries in South Asia began to recognize the latent potential for collaboration, SAARC was increasingly seen as a platform to address common challenges such as poverty, inequality, and environmental degradation. However, historical disputes, most notably the tense bilateral relations between India and Pakistan, have repeatedly undermined collective progress. Against this complex backdrop, the present paper seeks to provide an in-depth analysis of SAARC by integrating its historical evolution, stages of integration, and the interplay of domestic and regional pressures. The study further contextualizes SAARC within the broader global geopolitical landscape, considering the influences of external actors and prevailing economic trends, before drawing on both realist and liberal perspectives to suggest ways to unlock the organization's transformative potential.

## **A COMPREHENSIVE ANALYSIS OF SAARC'S HISTORICAL EVOLUTION, INTEGRATION PROCESSES, AND GEOPOLITICAL DYNAMICS**

### **EVOLUTION OF REGIONAL COOPERATION**

SAARC emerged at a time when regional cooperation was increasingly viewed as an antidote to the challenges of underdevelopment and fragmentation. The founding idea was simple yet

ambitious: transform a collection of diverse nations into a cohesive economic and political unit that could collectively address issues such as poverty, climate change, and lack of connectivity. The organization's charter underscored broad areas for potential collaboration—including economic development, scientific advancement, and cultural exchange, which were intended to herald a new era of regional solidarity (Saez, 2012).

From its inception, SAARC aimed to overcome boundaries defined not only by physical geography but also by entrenched political ideologies and historical grievances. Early efforts were directed toward building mutual trust and establishing institutional mechanisms capable of facilitating regional dialogue. The SAARC Secretariat and periodic SAARC summits symbolized these efforts, even as bilateral tensions, particularly between India and Pakistan, often overshadowed broader regional ambitions. In this context, SAARC's historical evolution can be seen as a gradual, albeit uneven, journey toward greater interdependence in the face of formidable obstacles.

## **THE STAGES OF REGIONAL INTEGRATION**

A critical dimension of SAARC's evolution is its approach to regional integration. Over the decades, the process has unfolded in distinct but overlapping stages, reflecting progressive yet intermittent advances amid persistent challenges. Rather than adopting a one-size-fits-all model, the integration process has been incremental, with temporary frameworks designed to facilitate trade and cooperation evolving into more ambitious schemes, albeit remaining largely underutilized.

The initial stage of integration centered on the establishment of the South Asian Preferential Trading Arrangement (SAPTA) in 1993. SAPTA was designed to promote regional trade through tariff reductions among member states, thereby incentivizing economic interaction and interdependence (Mehta & Kumar, 2005). Despite its promise, SAPTA encountered numerous challenges. The lack of mutual trust and the deep-seated historical rivalry between countries—most notably between India and Pakistan—resulted in limited

enthusiasm for robust economic integration. Non-tariff barriers, bureaucratic inefficiencies, and distinct regulatory practices further constrained the intended economic benefits.

Building on the modest success of SAPTA, the region witnessed the signing of the South Asian Free Trade Area (SAFTA) agreement in 2004, which came into effect in 2006. SAFTA was envisioned as a more comprehensive framework to eliminate trade barriers and foster increased economic cooperation across a larger spectrum of activities. In theory, SAFTA's implementation would pave the way for a more dynamic regional market. In practice, however, political tensions and imbalances in economic power have meant that benefits have accrued in an uneven manner. Larger economies, particularly India, have been better positioned to exploit the provisions of SAFTA, while smaller states such as Bhutan and Maldives have faced difficulties in achieving equitable trade benefits (Delinic & Pandey, 2012).

Beyond these trade agreements, SAARC's ambitions have also extended to deeper forms of economic integration. The concept of a Customs Union, which would involve harmonizing external tariffs and establishing a unified trade policy among member states, has been frequently discussed, yet remains unrealized. A Customs Union would require a high degree of policy coordination and mutual concessions that have proven too difficult to negotiate amidst divergent national interests. Similarly, the idea of a Common Market—with the free movement of goods, services, capital, and labor across borders—remains an aspirational objective hindered by infrastructural limitations and significant economic disparities. The lofty goal of an Economic Union, involving comprehensive harmonization of economic policies and the integration of financial systems, is even further away given the persistent element of political instability in several member states. At its most advanced stage, proponents have even envisioned a Political Union, where national sovereignties would be partially subsumed under a supranational authority; however, the prospect of such a union is extremely unlikely in a region characterized by long-standing historical conflicts and diverse governance models (Moinuddin, 2013).

## **GEOPOLITICAL DYNAMICS WITHIN SAARC**

The effectiveness of SAARC cannot be fully understood without analyzing the complex domestic, regional, and international political environments that shape its operations. At the domestic level, many member states contend with internal political instability, weak governance structures, and unresolved security concerns. Afghanistan, for instance, continues to experience significant internal strife and instability, while Sri Lanka has had to navigate the turbulent aftermath of a long civil conflict. Such domestic challenges divert governmental attention away from ambitious regional integration efforts. Furthermore, national priorities often prevail over broader regional goals, as governments allocate resources to address immediate internal needs rather than long-term cooperation initiatives (Ahmed, 2016).

At a regional level, the interplay between member states is heavily influenced by historical rivalries and competing national interests. The relationship between India and Pakistan is a case in point: decades of conflict, especially in relation to the Kashmir dispute, have consistently undermined trust and cooperation. This bilateral rivalry often spills over into SAARC's multilateral framework, making it difficult to forge unified positions or implement binding agreements effectively. In contrast, smaller states such as Bangladesh, Bhutan, and Nepal often adopt a more balanced approach, attempting to benefit from both their proximity to regional economic giants and their need for development assistance. Yet, even these nations face challenges stemming from their reliance on larger neighbors for transit routes, energy supplies, and overall market access. The overall political fragmentation in the region further complicates efforts to build a cohesive policy agenda that can address shared concerns like poverty, environmental vulnerability, and security threats (Ahmed, 2016).

In addition to internal and regional complexities, SAARC's effectiveness has increasingly been shaped by external forces. The geopolitical dynamics of South Asia have been profoundly influenced by the strategic interests of major global powers, whose involvement further complicates the landscape of regional cooperation.

## **THE INFLUENCE OF EXTERNAL ACTORS, GLOBAL TRENDS, AND POLICY IMPERATIVES IN SHAPING SAARC'S PROSPECTS**

The external environment for South Asian regional integration is characterized by shifting global power dynamics and economic interdependencies that impact SAARC's trajectory. Two dominant global actors, the United States and China, have played particularly prominent roles. The geopolitical rivalry between these powers, which has manifested in various facets of international relations across Asia, also leaves its imprint on SAARC. Traditionally, the United States has cultivated closer ties with India, promoting democratic governance, market liberalization, and strategic security partnerships in the region. In contrast, China's expanding influence—achieved through initiatives such as the Belt and Road Initiative (BRI) and the China-Pakistan Economic Corridor (CPEC), has bolstered its relationships with Pakistan and Sri Lanka, among others (Dutta, 2011).

The multipolar environment characterized by US-China competition has rendered regional cooperation even more challenging. Many SAARC members find themselves caught in a delicate balancing act as they navigate bilateral relationships with these competing powers. On one hand, the economic and infrastructural investments facilitated by China offer substantial opportunities for development, yet they also raise concerns about increased debt dependency and potential loss of strategic autonomy. On the other hand, closer ties with the United States on security and economic issues may not always align with a nation's long-term regional or domestic priorities. These external pressures have frequently resulted in fragmented and ad hoc policymaking, thereby undermining SAARC's capacity for coordinated regional action.

Global economic trends further complicate the picture for SAARC. The forces of globalization have integrated South Asian economies into a global marketplace with rapidly shifting trade patterns, investment flows, and technological changes. While these trends offer the promise of increased economic dynamism and opportunities for cross-border collaboration, they also exacerbate regional vulnerabilities. For example, reliance on external markets exposes



SAARC members to global economic shocks, as underscored by the challenges encountered during the COVID-19 pandemic. In addition, the persistent challenge of infrastructural inadequacy—ranging from insufficient transportation networks to limited digital connectivity—remains a key impediment to the full realization of intra-regional trade potential. Financial institutions such as the World Bank, the International Monetary Fund (IMF), and the Asian Development Bank are actively involved in promoting infrastructural and policy reforms in the region. However, the financial assistance and technical advice provided by these institutions often come with economic conditionalities that can conflict with the sovereign priorities of individual member states (World Bank, 2018).

Furthermore, environmental challenges, including climate change and natural disasters, have emerged as critical concerns that transcend national boundaries. South Asia is particularly vulnerable to climate-induced events such as floods, cyclones, and droughts. Recognizing these threats, SAARC has initiated programs aimed at disaster management and climate resilience. Despite these efforts, however, the absence of a cohesive, long-term environmental policy framework—one that could more effectively harness regional resources and expertise—remains a significant shortcoming. The need for greater coordination in environmental governance is not only a matter of ecological preservation but also a critical determinant of economic and social stability across the region.

In brief, the interplay of external geopolitical rivalry, global economic trends, and environmental imperatives underscores the complexity of SAARC's integration efforts. While the region stands at the cusp of potentially transformative change, actualizing this promise requires a recalibration of both internal policymaking and external engagement strategies.

#### **THEORETICAL PERSPECTIVES ON SAARC: REALISM AND LIBERALISM INTEGRATED IN A COMPARATIVE ANALYSIS**

Understanding SAARC's evolution and its persistent challenges benefits from the application of two fundamental theoretical frameworks in international relations—realism and liberalism.



These perspectives offer distinct yet complementary insights into why regional integration has progressed slowly and what factors might, in time, foster a more cohesive South Asian community.

From a realist standpoint, the primary motivators in international relations are power, security, and national sovereignty. Realism posits that states are intrinsically driven by self-interest, and in a region marked by historical rivalries, this perspective is particularly instructive. In the case of SAARC, the regional dominance of India—combined with its longstanding rivalry with Pakistan—serves as a paradigmatic example of realist dynamics at work. The prioritization of security considerations over collective economic gains, as well as the unwillingness of states to compromise on sovereignty, have severely limited the scope for deeper integration. The inability to implement binding agreements and the recurrent tendency to revert to bilateral forms of cooperation rather than multilateral engagements are consistent with realist expectations (Moinuddin, 2013). Moreover, the persistent security dilemmas and border disputes, notably in Kashmir, continuously derail efforts to forge robust regional institutions. In such an environment, even initiatives designed to promote counterterrorism and regional security cooperation tend to falter, as national interests and security imperatives overshadow attempts at collaborative action (Ahmed, 2016).

Conversely, the liberal paradigm in international relations offers an alternative perspective by emphasizing economic interdependence, institutional policy coordination, and cooperation driven by shared interests. From the liberal viewpoint, the potential for regional integration is predicated on the idea that deep economic ties and institutional cooperation naturally foster mutual trust and political stability. In SAARC's context, the establishment of mechanisms such as SAFTA and other infrastructural initiatives—despite their partial implementation—demonstrates a willingness among member states to pursue interdependence as a means of reducing traditional security conflicts. Liberal theorists argue that economic integration, coupled with improved connectivity, could eventually lead to greater

institutionalization of regional governance, thereby mitigating historical mistrust and reducing the propensity for conflict (Hooghe et al., 2019). The emphasis on people-to-people connectivity—through cultural exchanges, education initiatives, and visa liberalization schemes—further reinforces the liberal argument that sustained interactions can gradually erode the barriers erected by historical grievances. Although the liberal approach is not without its critics, particularly given the enduring asymmetries in economic power among SAARC nations, it nonetheless offers a framework for understanding how gradual interdependence might promote long-term regional stability.

A comparative analysis of these perspectives reveals that both realism and liberalism capture essential elements of the challenges facing SAARC, albeit from different angles. Realism underscores the limited scope for integration in a region where national security and sovereignty are paramount. In contrast, liberalism provides a more optimistic view in which economic interdependence and institutional innovation gradually counteract historical rivalries. A synthesis of these views suggests that any successful strategy for deepening SAARC's integration must address both the hard security concerns of historically rival states and the softer determinants of economic and cultural cooperation. Only by reconciling these divergent imperatives—through enhanced institutional capacity, confidence-building measures, and deliberate policy shifts—can SAARC hope to expand its role from a dialogue-oriented forum to an active integrative platform.

## **DISCUSSION AND RECOMMENDATIONS FOR ENHANCING SAARC'S INTEGRATION PROSPECTS**

Given the complex interplay of domestic, regional, and international factors affecting SAARC's performance, a recalibration of strategy is essential. The following recommendations emerge from our multidimensional analysis:

1. A major impediment to SAARC's progress is the limited authority and capacity of its institutional mechanisms. Improving the SAARC Secretariat and enhancing its mandate with clear enforcement powers would enable more effective dispute resolution and policy

implementation. Establishing dedicated working groups to address key areas—such as trade facilitation, environmental management, and infrastructure development—could also foster greater intra-regional collaboration.

2. Persistent mistrust, particularly between India and Pakistan, continues to stymie deep cooperation. Confidence-building initiatives, such as joint disaster management exercises, cultural exchange programs, and educational collaborations, could help to gradually erode historical hostilities. Incremental progress in these areas may eventually translate into greater willingness to engage in binding trade and security agreements.

3. One of the key criticisms of existing integration efforts has been the disproportionate benefits accruing to larger economies. To counter this trend, SAARC could consider mechanisms for more equitable distribution of gains. Initiatives such as preferential sectoral agreements, coordinated infrastructure investments, and region-wide development funds would help ensure that smaller and less-developed members are not left behind.

4. While the involvement of external powers such as the United States and China has complicated regional dynamics, external institutions such as the World Bank, IMF, and the Asian Development Bank continue to offer valuable support. SAARC member states could collectively negotiate for multilateral assistance projects that align with regional priorities rather than individual national interests. This approach would not only strengthen the region's economic base but also help balance external influences.

5. In the face of rapid climate change and technological disruption, coordinated responses are essential. SAARC should prioritize the development of a comprehensive environmental policy that includes disaster management protocols, climate-resilient infrastructure, and coordinated research initiatives. In addition, regional collaboration on digital connectivity and technology transfer could spur economic modernization and closer economic ties.

6. Beyond traditional military and strategic considerations, a holistic understanding of security includes economic stability, social welfare, and environmental resilience. By broadening its security agenda to incorporate non-traditional dimensions, SAARC could build a more inclusive platform that encourages collective action against shared vulnerabilities.

Implementing these recommendations requires not only careful policy design but also a sustained commitment from all member states to place regional interests ahead of narrow national agendas. In doing so, SAARC can gradually evolve from an organization marked by incremental cooperation into one that serves as a true model of regional integration—not just in South Asia but as an example for other diverse regions around the world.

## **CONCLUSION**

SAARC's history is one of both promise and persistent challenge. Born out of an aspiration to transform a region characterized by remarkable diversity and historical discord, SAARC has struggled to transcend the entrenched barriers of national rivalry and economic disparity. The evolution from early preferential trade arrangements to more ambitious free trade agreements and the aspirational visions of a Customs Union, Common Market, and even a Political Union illustrates both the potential and the limitations that have defined SAARC's path.

The geopolitics of South Asia, marked by profound domestic challenges and enduring rivalries—most notably between India and Pakistan—continues to restrict SAARC's transformative capacity despite numerous initiatives and external support. Meanwhile, the influence of global powers such as the United States and China, coupled with rapid economic and technological changes, has added layers of complexity that SAARC must navigate carefully. The application of realist and liberal theoretical frameworks reveals that while security imperatives and national pride continue to shape regional dynamics, opportunities exist for more integrative, institution-based approaches that can gradually mitigate historical conflicts and promote shared prosperity.

Ultimately, the future of SAARC depends on its ability to strengthen its institutional foundations, bridge economic divides, and foster an environment of trust and cooperation among its member states. By adopting a holistic strategy that accounts for economic, cultural, and environmental dimensions—and by aligning more closely with global trends while managing external influences—SAARC holds the potential to evolve into a more dynamic and cohesive mechanism for regional integration. This paper has outlined a series of recommendations that, if implemented, could serve to unlock the latent potential of South Asia for a more integrated, stable, and prosperous future.

The challenges are considerable, and progress is necessarily incremental. However, the shared vulnerabilities and aspirations of the region suggest that sustained effort and strategic recalibration can ultimately yield meaningful improvements in regional cooperation. In a world characterized by rapid globalization and shifting power dynamics, the importance of effective regional organizations has never been greater. SAARC's experience not only offers lessons for South Asia but also provides a broader template for understanding and addressing the complex interdependencies that define our contemporary global landscape.

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