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Issue Brief

SAARC and its Significance for Regional Cooperation

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The lack of cooperation among South Asian states is probably the biggest obstacle that hinders the region's ability to prosper. There is a need for regional cooperation because, in the age of globalization, the formation of regional alliances is considered as an impetus for global integration. Currently, South Asia is one of the most populous regions in the world with a total population of 1.721 billion (21% of the world's total population).¹ The region covers 3% of the world's geographical area.² South Asia has unlimited potential. To harness that potential, ensure cooperation and achieve durable peace and stability, the best strategy is to strengthen and reorganise South Asian Association for Regional Cooperation (SAARC).

There are multiple venues available for cooperation and confidence building nowadays which can be explored for regional cooperation and integration for instance building trust, putting economics before politics, boosting up cultural cooperation and regional tourism, joint efforts to curb menaces such as drug trafficking, illegal cross border migration, and terrorism will help spur regional cooperation and make SAARC a much stronger and efficient organisation.

The geography covered by SAARC makes it the fourth largest regional organisation in the world. In spite of having an abundance of natural resources, fertile land mass and a large reserve of human resource, South Asia comes second to Sub-Saharan Africa as the least developed region in the world.³ More poor people exist in South Asia compared to rest of the world.⁴ The situation in the region looks grim but all is not lost. If SAARC states put their regional disputes aside and work together to find permanent and long lasting solutions to the prevailing problems, state of affairs of the entire region will transform for the better.

The objective of effective South Asian regional cooperation can be achieved through SAARC. The South Asian states need to come up with a clear agenda mixed with realistic goals and objectives for SAARC in order to make it a robust, dynamic and a proficient regional organisation. Almost all the South Asian states have shared norms and values, common historical, ethnic, linguistic and cultural linkages which must be preserved and strengthened at all costs.

¹ <http://data.worldbank.org/region/SAS>

² <http://data.worldbank.org/region/SAS>

³ http://www.un.org/en/development/desa/policy/cdp/ldc/ldc_list.pdf

⁴ http://www.worldbank.org/content/dam/Worldbank/document/State_of_the_poor_paper_April17.pdf

The South Asian grouping, in the form of SAARC, comes with various strengths and opportunities. Strengths and opportunities include rising economies which exist in South Asia such as India, Pakistan, Sri Lanka and Bhutan, all with an economic growth rate greater than 4% annually.⁵ Apart from growing economies, the region offers a large consumption market for manufactured and unfinished goods and tender big sectors for Foreign Direct Investments (FDI). Abundant natural resources exist in the South Asian region, ranging from oil and gas reserves to rivers, mountain systems and open gateways to oceans which provide opportunities for regional and international trade in addition to hydro power generation and aqua industries.

The demographic dividend of South Asia can play a major role in its progress of as a large segment of its population comprises of energetic youth (India 356 million, Pakistan 56 million, Bangladesh 48 million youth respectively).⁶ Many opportunities and venues for cooperation between the SAARC states such as economy, security, environment, and geopolitics are there. A Permanent Secretariat for SAARC is already established in Kathmandu to facilitate all regional cooperation efforts. Challenges faced by the SAARC member states are common, for example, terrorism, environment degradation, poverty, illiteracy, unemployment and brain drain. Panacea for all these problems lies in the convergence of efforts to contain them by all the SAARC states. Regional integration and economic cooperation with each other will raise the threshold below which bilateral and multilateral relations in the region will not fall apart. The region can reap multiple social benefits by promoting growth in the form of improving public health, education, and employment generation. Regional cooperation will also help assuage the existing inter-state and intra-state conflicts in South Asia and help stabilize the region.

SAARC's significance is huge in terms of regional cooperation in South Asia. The cost of not having cordial or at least good relations within the region is great in the contemporary era. Less regional connectivity has made the South Asian region vulnerable to external interferences and rendered the region weak. Trade barriers and less regional integration in terms of commerce and trade have made the trade costly among the states. Ultimately, there is less capital for investment in the creation of productive infrastructure in the region. Regional non-cooperation has hindered the pace of improvement of quality of life altogether. Vulnerability to disasters is increasing day by day due to drastic climatic changes. Given the situation in South Asia, without cooperation among the regional

⁵ <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

⁶ United Nations Population Fund (UNFPA), State of the World Population Report SWOP 2014 Fact Sheet.

neighbours, it would be extremely difficult to manage natural disasters by any single country in the region.

Areas of cooperation have diversified over the years. SAARC provides several platforms for economic, political, social and cultural cooperation. Steps taken by SAARC to boost cooperation and regional integration include creation of SAFTA (South Asian Free Trade Area), the expansion of membership (including Afghanistan as the 8th member state), and establishment of SAARC Cultural Capital at Bamiyan, Afghanistan. SAARC has also set up a South Asian University at New Delhi. Apart from that, three new projects related to motor vehicles, rail and energy cooperation were also signed by member states on the 18th SAARC Summit as well to invigorate cooperation and integration in the region.⁷

The question of SAARC's relevance still needs to be addressed. Upon analysing the current situation of cooperation and regional integration within the South Asian region, it can be deduced that the SAARC member states are more in touch with the rest of the world than they are with each other in the region. More significance is given to other international and regional organisations, e.g. ASEAN, BIMSTEC, SCO etc. The challenges faced by SAARC member states go beyond their shared history. They range from poverty and environment to national security issues like drug trafficking and terrorism.

Globalisation is a new challenge that is being faced by South Asia as a region. According to J. Ravenhill, regionalism (or regionalisation) is a response or reaction to globalisation.⁸ This challenge is extremely real for South Asian region. The recent revolution in communication and technology has made it impossible for states to block any external cultural, social, economic and political influences. In such an environment, states find it extremely hard to maintain their identities, cultural uniqueness and competitive economic edge, especially when competing with other global powers, namely USA, Germany, and China on international platforms. To tackle challenges posed by globalisation, the South Asian states need to consolidate their regional integration and make their cooperation more efficient and organised. It will not only reap benefits for the member states regionally but will also strengthen their position in various international platforms (as a bloc, a perfect example is of European Union member states at the United Nations). To achieve the goals of desired regional integration and cooperation, the SAARC organisation is the best platform.

⁷ <http://www.saarc-sec.org/>

⁸ Ravenhill 2008: 185,186 (Global Political Economy, OUP.)

In order for SAARC to function efficiently and in an organised manner, India needs to quit perceiving itself as the “hegemon” of South Asia. India should treat SAARC as the most significant regional body of South Asia rather than chasing memberships of other organisations especially NAFTA and ASEAN. India needs to drop its ‘big brother’ attitude in the region and should get all other SAARC member states on board and extend the hand of friendship, trust and respect. On the other hand, all other SAARC member states should look at the long-term prospects and benefits accruing out of the success of SAARC. Economic power of observer states (such as China, USA, Australia and South Korea) should be utilised in a constructive manner rather than playing their cards in an obstructive way.