

SAARC Potential for Peace in South Asia

International Relations

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Abstract

The paper explores the weaknesses and potentials of South Asian Association for Regional Cooperation (SAARC) to promote peace and stability in the region. SAARC was established in 1985 with a single-point agenda of promoting regional trade and economic cooperation in one of the most capricious regions of Asia. Unfortunately, since its inception, the SAARC has remained hostage to the unending rivalry between India and Pakistan, where high politics is well prioritized over low politics. Owing to their genetic enmity and hostile strategic environment, both nuclear-armed neighbours have been investing heavily on their defence sectors, ignoring the socio-economic development. Despite being the fastest growing region in the world, it is the poorest region after Sub-Saharan Africa, home of around 400 million poors. According to UNDP, 21 percent of Pakistan's population and 22.6 percent of the Indian population live under \$1.25 a day. With immense untapped natural resources, sizable human resource, extreme poverty and chronic unresolved issues, South Asia needs a different model of regional economic for peace, progress and development in this region.

Key Words: Regional Cooperation and Integration, Chronic Issues, Strategic Rivalries

Introduction

South Asia is a sub-region of the Asian continent, covering the Indian Subcontinent and adjacent areas. It is the most densely populated sub-region on the Earth with around 1.7 billion people sharing one fifth (22%) of the world's population and one of the poorest areas of the world covering only

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2.8% of the Earth's landmass. In the south it is covered by the world's third-largest Indian Ocean and it covers almost 90-95 percent (10610 km) of the Indian Ocean's northern coastline starting from the Bay of Gwadar, (Pakistan), on the northern lip of the strategic Strait of Hormouz to the Cox's Bazar in Bay of Bengal. Territorially, it is covered by West Asia, Central Asia, East Asia and Southeast Asia. It lies in south of the Himalayas and surrounded by Hindukush Mountains. With shared history and culture, its international frontiers are man-made and of a political nature which lack historic, cultural dynamics; however, there exist some natural characteristics like religious mythology, caste system, contiguous territory and British colonial legacy, which depict a common outlook of this sub-region of Asia. It includes the Himalayan countries of Asia, including the Hindukush, the former separate the Indian Plate from the Tibetan Plateau and the latter break up South Asia from the Central Asia. It bridges the West Asia, Central Asia, East Asia and Southeast Asia in the west, north and south respectively. The International Law (UN) defines South Asia as a region consists of India, Pakistan, Bangladesh, Sri Lanka, Afghanistan, the Maldives, Nepal and Bhutan but by definition many historians and geographers do not include some of those nations like Afghanistan. Moreover, some geographers include Myanmar and Tibet as part of South Asia, but the former is part of Southeast Asia and the latter is included in East Asia due to being a suzerain of China. Owing to geographic identity crisis/dilemma, some of the above-mentioned countries are part of this sub-region, otherwise they do not come under the narrow geographical definition of South Asia. It is an extremely diverse region in race, culture, history, politics and religion. But following historic events/elements are mostly cited as the distinguished common characteristics of South Asia such as Hinduism as the oldest civilization, emergence of Buddhism, Indus River civilization, Aryan migration, invasion of Alexander the Great, the Mauryan Empire, spread of Islam through the Arabs and Mughal Empires, colonization by Great Britain and its legacy.

By definition South Asian nations do not share required characteristics which could bind them into a distinct geographical and regional entity like those of the European Union or any other distinguished regional bloc. Other than the colonial legacy and territorial proximity, the only characteristic through which South Asia is defined worldwide is the ineffective South Asian Association for Regional Cooperation (SAARC), which includes diverse states of the world, India (largest democracy of the world/Hindu-majority), Pakistan (illiberal democracy/Muslim-dominated), and Sri Lanka (illiberal democracy/Buddhist-majority), Afghanistan (politically & ethnically unstable, a failed state/Muslim-dominated), Bangladesh (illiberal democracy/Muslim-

dominated), the Maldives (illiberal democracy/Muslim-dominated), Nepal (former kingdom and a failed democracy/Hindu-dominated) and Bhutan (monarchy/Buddhist-dominated). Since its establishment in 1985, SAARC has failed to integrate these very diverse states into a politico-economic regional bloc.

Therefore, this paper analyses the potentials of SAARC for peace in South Asia besides looking into the major stumbling blocks of meaningful regional integration. Economic integration from bottom to top leads to peace and prosperity has become a universal phenomenon. Regional economic integration has proven to be as the panacea of the regional conflicts like in Western Europe, Southeast Asia and South America. But in case of South Asia, this theory of economic integration and peace has failed to materialize. Political issues profoundly entrenched in the religious and cultural dogmas are the stumbling blocks towards the unrestrained economic integration of the region. High politics intensely prevail over low politics in this region; therefore a top to bottom version of regional economic integration could lead to more opportunities for peace and prosperity in South Asia.

Theoretical Framework

In global politics, regionalism is minimizing the political and socio-economic barriers, and maximizing different channels of communication and connectivity in any geographic entity in the world. Geographic proximity is the key element of regionalism besides historical, civilizational, cultural, religious, economic and strategic factors. Regional integration in general is the process of neighbouring states entering into a regional agreement in order to achieve specific common goals through regional cooperation. At the extreme level, it could be relinquishing the desire and ability to conduct some foreign and key domestic policies by seeking joint policies to achieve common politico-economic objectives (Laursen, 2008). Two competing theories emerged in IR that dominate the debate over European integration were neo-functionalism (Haas, 1958) and inter-governmentalism (Hoffmann, 1965). The neofunctionalism derives from the functionalist theory of David Mitrany how to achieve world peace rather than a theory of regional integration. Neofunctionalism was the first theoretical attempt to understand European integration, which led to a counter theory known as intergovernmentalism. Ernst Haas states his theory of neo-functionalism with analysis of the European Coal and Steel Community (ECSC) that nationally based interest groups make contact with similar groups in other countries such as the Multinational Corporations (MNCs). Neofunctionalists used the concept of spillover to explain how national governments took the initial steps towards integration. Schmitter and Haas (2005) have identified two types of spillover; functional

and political. Functional spillover is that modern industrial economies were made up of interconnected parts and it is not possible to isolate one sector from others. If states integrate one functional sector of their economies, this interconnectedness of one sector would lead to a spillover into other sectors. The political spillover involved the build-up of political pressures in favour of further integration among the states.

In response to the neofunctionalist analysis of European integration, a counter argument was initiated by Stanley Hoffmann based heavily on realist assumptions about the role of states. According to this theory, the national governments are powerful actors and firmly control the pace of integration process. The integration process can spillover to low politics but would not spread to areas of high politics such as national security and defence. Governments' decisions are mostly not based on the interests of elite groups but the political calculation driven by domestic concerns. Governments are powerful because they possess the legal sovereignty and political legitimacy. Therefore, the integration process remains essentially intergovernmental; it would go only as far as the governments are prepared to allow it. A comparative analysis of neofunctionalism and intergovernmentalism schools of thought can simply be concluded that the former involves both low politics and high politics, but the latter is just limited in the parameters of low politics (Bache, George, et al, 2011, pp.10-20). SAARC was built on the model of European Union and regional economic integration theories of neofunctionalism but intergovernmental paradigm seems to be the most relevant theory in the laid-back integration process of South Asia; because domestic factors play a vital role in the policy-making and decision-making processes in South Asia.

History of SAARC

Regional economic integration emerged as a new phenomenon in the post-World War-II global order where the states sharing minimum identities attempted to cooperate at the least possible levels. Beginning from the successful ECSC, the other regions of the world are endeavouring to replicate the European model including South Asia. According to Iqbal (2006, p.128) regional associations are fast becoming important venues for politico-economic interactions in the world, providing platforms to a number of countries to exercise influence in global affairs. The multilateral trade has been the driving force behind the regional integration. The degree of economic cooperation and integration includes preferential trade agreement, free trade area, customs union, common market and economic union (Hussain, Islam & Kibra, 1999, p.145). Impressed from the regional blocs of Europe and

Southeast Asia, the idea of a regional economic bloc in the resource-rich but poor South Asia was floated by former Bangladeshi President Zia-ur-Rehman who visited India, Pakistan, Sri Lanka and Nepal to convince them for regional integration. The Commonwealth of Nations Summit in Lusaka, Zambian capital, in 1979 and NAM Summit in Havana, the Cuban capital in 1979 provided initial platforms to South Asian leaders to brainstorm the idea of a regional bloc. In the beginning, all South Asian countries, except the two heavyweights India and Pakistan, wholeheartedly welcomed the proposal of President Zia-ur-Rehman. The apparent reluctance behind India and Pakistan were due to their skeptic and hostile bilateral relations. India was skeptic of the obvious grouping of weaker states and regionalization of bilateral politico-security issues, while Pakistan was cynic about the Indian intentions that it could use such forum for enhancing its regional clout (Hussain, Islam & Kibra, 1999, p.132).

Various political and diplomatic manoeuvrings from 1980 to 1983 resulted in minimizing the longstanding apprehensions of India & Pakistan and the first concrete step towards this proposal was taken in August 1983 when the high-level delegates of seven South Asian nations signed an agreement in New Delhi, initially named as South Asian Regional Cooperation (SARC). The agreement was ratified by the heads of India, Pakistan, Bangladesh, Sri Lanka, Nepal and Bhutan in a summit meeting in Dhaka, on December 8, 1985 where it was renamed as the South Asian Association for Regional Cooperation (SAARC). Afghanistan was given full member status at the behest of India at the 14th SAARC Summit in April 2007. The principal objective of SAARC was cooperation in economic, social, and science & technological matters precluding the political matters. It is a regional forum for multilateral issues, not bilateral. Being the most densely populated region of the world, sharing around 20-22% of the global population, yet this region generates only 2% of the world's gross national product (GNI). Its shares of world nominal GNP and GNP measured at power purchasing parity (PPP) are around 2 and 7 percent respectively. (Kumar, Bhatti and Taga, 2014, p.405).

The outlined objectives of the SAARC are;

- to promote peace and stability in the region,
- to work together for the socio-economic, cultural & scientific and technological development,
- to respect the territorial integrity & sovereignty of all member states,
- to adhere to the principle of non-interference in each other's internal affairs,
- to take decisions on the basis of unanimity,
- to avoid bilateral & contentious issues in the SAARC forums.

Patterns of economic development and integration of South Asia is not parallel to those of the other successful regions like the EU, ASEAN and North American Free Trade Agreement (NAFTA). The South Asia nations are entangled in their hostile past and strategic interests rather than the economic interests. Although SAFTA has been enforced in 2006 but so far it has failed to achieve any tangible success. It is one of the conflict-ridden regions of the world, struck with interstate and intrastate conflicts running for decades. It is extremely prone to natural disasters like earthquakes, massive floods and epidemic diseases. Poverty-stricken South Asia's location alone makes it strategically important in the contemporary great power rivalries. The air & sea routes that connect Europe and Middle East with the Far East and Oceania pass through or near the subcontinent that is called South Asia (Oberst, Kapur, et. al. 2013). This region provides different forms of political cultures and development ranging from liberal democracies like India, to some extent Sri Lanka and illiberal democracies like Pakistan, Bangladesh and the Maldives to changing traditional polities of Bhutan and Nepal.

Achievements of SAARC

The establishment of SAARC itself was a major diplomatic breakthrough in the highly securitized region of Asia, but its turtle-pace growth has posed several question marks to its potentiality. Its actual aims were to accelerate the process of economic and social growth in this poorest region of Asia. Since its setting up in 1985, SAARC has provided an appropriate forum to the South Asian leaders to discuss their bilateral issues at the sidelines of the summits. South Asian leaders hold informal meetings to deliberate on their longstanding issues. However, this practice of informalism and behind-the-scene discussions among the political leaders have contributed to the confidence-building process at a slow pace (Bhatta). The informal talks between India and Pakistan leadership at the 2nd SAARC Summit in India in November 1986 contributed in lowering the tension between the two nations owing to the ongoing Indian military exercise, Operation Brasstacks, near the international border in Rajasthan state, followed by cricket diplomacy. It also pushed Indian and Sri Lankan leaders to move forward for the resolution of Tamil issue in Sri Lanka in 1987 Summit. India agreed to send a Peace Keeping Force (Operation Pawan) in Jaffna to counter Liberation Tigers of Tamil Eelam (LTTE). The Colombo Summit of 1991 provided an opportunity for the Indian and Pakistani leaders to discuss the prevailing situation across the Line of Control (LoC). Following the high-level interaction between the two countries, Pakistani government took action to prevent the move of Jammu & Kashmir Liberation Front, a political party that struggles for the Right of Self-

determination for Kashmiris, to cross the cease fire line in Kashmir in 1991 (Trivedi, 2008, p.6).

Although SAARC has moved very slowly towards the economic integration of the region, but it has achieved some commendable progress in the militarized environment of the region. South Asian Free Trade Area (SAFTA) was signed in the 12th SAARC Summit in January 2004 in Islamabad which entered into force in 2006. The deliberations of free trade in the region dates back to 1993 when SAARC Preferential Trading Arrangement (SAPTA) was signed. SAFTA outlined the rules and regulations for step-by-step trade liberalization through regular trade negotiations for minimizing or removing the trade barriers like tariffs, para-tariffs and non-tariffs. It envisages reducing the custom duties of all traded goods to zero by the year 2016. For the developing countries of South Asia (India, Pakistan and Sri Lanka) it envisioned to reduce their custom duties initially to 20% at the end of 2007 and ultimately to zero in 2012. However, three years relaxation was given to the least developed countries (Bhutan, Nepal, Maldives and Afghanistan) to decrease their duties (SAFTA Agreement). The sensitive list in SAFTA has impeded the chances of full-spectrum regional trade. Every member state has two sensitive lists of certain products, one for the developed states and one for least developed countries, which do not fall under the tariff concession umbrella. The SAARC Ministerial Council meets every four years to reduce the sensitive lists. Number of products in the Revised Sensitive Lists (reduced by 20%) of January, 2012 are;

| Member States | Sensitive Lists for Developed States | Sensitive Lists for Least Developed States |
|----------------------|---|---|
| Afghanistan | 858 | 858 |
| Bangladesh | 993 | 987 |
| Bhutan | 156 | 156 |
| India | 25 | 614 |
| Nepal | 1036 | 998 |
| Pakistan | 936 | 936 |
| Sri Lanka | 837 | 963 |

Source: SAARC website

Although, SAFTA is considered to be a milestone and the most successful achievement of the SAARC thus far, but it has not yielded any tangible result to be counted as a step forward towards optimism. The stark protectionism in the shape of sensitive lists is the major stumbling block towards intra-regional trade in South Asia. Socio-economic indicators are very unsatisfactory in

South Asia. This region is home of the world's 400-500 million poor that means nearly 30 percent of the region's population lives below the poverty lines, second highest after Sub-Saharan region. With one-fifth of the world's population, South Asia is home to two-fifths of the world's poor. It accounts for only 3 percent of global output and 2 percent of world's exports. The inter-regional trade is very insignificant. It has the lowest intra-regional export share in the world. From 1970-1990, intra-regional trade in South Asia's total trade declined from 3.5 percent to 2.4 percent, nevertheless it has shown a moderate rise from 2.4 percent in 1990 to 4.6 percent in 1999. The share of South Asia in total Asian imports and exports is merely 4.7% and 3.6% respectively. Currently, intra-SAARC trade accounts for only 4.9% of total trade in the region (Bhatti and Taga, 2014, p.407).

Comparatively, the figures of intra-regional trade are much higher in other regional blocs. According to the World Trade Organization (WTO) reports, in EU, the intra-regional trade is 66 percent, 53 percent in North American Free Trade Agreement (NAFTA), 32 percent in Asia Pacific Economic Cooperation (APEC) and 25 percent in the ASEAN. Despite the dismal picture of regional trade in South Asia, the bilateral trade between Indian and Pakistan, the arch-rivals and largest regional economies which shares 90% of South Asian economy, is ratcheting up even in a steady pace. Until 1995, bilateral trade remained at \$123 million that rose to \$180 million in 1996, the year when India granted the Most Favoured Nation (MFN) status to Pakistan. The informal trade between the two countries is estimated to be \$13 billion per year through traditional avenues like cross-border smuggling and personal baggage. The reliable sources believe the formal trade potential could be \$12 billion per annum. According to Pakistan's Federal Minister of Trade and Commerce, the current trade volume between Pakistan and India stands at \$2.26 billion which was \$2.14 billion in 2013-2014. Intra-regional trade accounts for around 1% of the region's GDP. In 2009, the combined world-wide trade for India and Pakistan was \$462 billion, while their bilateral trade was a mere \$1.7 billion (Kugelman and Hathaway 2013, p.34). To expand the avenues of bilateral trade, Pakistan has pledged to grant MFN status to India sooner than later, which means that India exports would be treated the same as those from other nations by lowering tariffs and trade barriers. In spite of many unceasing issues, economically this region is vastly prospective. The region's economic growth has made it a big global market. Growth in South Asia rose to an estimated 5.5 percent in 2014 which was 4.9 percent in 2013. Regional growth is projected to rise to 6.8 percent by 2017 (IPRI, 2014). Despite being the most populated region of the world, it is quite poor in terms of human resource. In the Human Development Index (HDI) of 2013 by the UNDP, South Asia was

ranked as the second lowest in the world after the Sub-Saharan Africa with average HDI value of 0.558 but between 2000 and 2012, the region registered annual growth of 1.43% in HDI value which is the highest of the regions (UNDP Human Development Report 2013).

Potentials of SAARC and Prospects of Peace in South Asia

According to Ramesh Trivedi, SAARC's potential and prospects could be highlighted by examining its three important features; 1) economic and security concerns, 2) no role played by the external actors, and 3) domestic political and economic needs of the South Asian nations (Trivedi, 2008). Therefore, SAARC's future is tied with domestic politico-economic compulsions than outside pull and push. South Asia lags behind in the intra-regional trade which accounts for about 5 percent of the total transnational trade in the region. Regional cooperation and economic integration could be the most significant initiative to bridge the barriers among the hostile countries of South Asian region. Access to regional market would be highly beneficial for all countries of the region due to their geographic connectivity and proximity with the commercially important Indian Ocean, which contains the sea lanes through which 80 percent of global maritime trade passes; as renowned maritime strategist Alfred T. Mahan said a century ago that whosoever controls the Indian Ocean, dominates Asia and in the 21st century the destiny of the world would be decided upon its waters (Holmes and Yoshihara, 2006, p.44).

To normalize the Indo-Pak hot-tempered relations, the biggest breakthrough was achieved during the Composite Dialogue Process from January 2004 to August 2007. Four rounds of talks were held under the Composite Dialogue (first round in August 2004, Islamabad, second round in August 2005, New Delhi, third round in March 2006, Islamabad and fourth round in August 2007 in New Delhi), which helped both the countries to develop consensus to achieve the milestone of SAFTA in the SAARC platform. Despite signing and enforcement of SAFTA, the result of the Gravity Model applied on South Asia depicts a dismal picture of regional trade. Gravity Model a modified version of Newton's Law of Gravitation to predict the moment of people, information and commodities between countries and regions. In simple words, it estimates the trade flow between countries and was used by Jan Tinbergen in 1962. It hypothesizes that "the trade between member countries is propositional to the national income and inversely related to the distance which is proxy for transportation cost and information cost because these costs are reduced as geographical distance decrease. Territorial size, common border, culture, population size and infrastructure are also variables of the Gravity Model." The Gravity Model Applied by Mustafa Moinuddin in

an Asian Development Bank Institute report has concluded that South Asian economies in general have pursued quite stringent trade restrict policies and despite the liberalization initiatives since early 1990s, the region still maintains strict tariff and non-tariff measures that restrict the intraregional and global trade. In his concluding remarks the author says that compared to the other regions such as East Asia, Latin America and North America, South Asia has lagged behind in terms of regional integration, but the increasing trends in the overall volume of intraregional trade there are reasons for being optimistic about SAFTA becoming a cohesive and profitable regional trading bloc (Moinuddin, 2013). In South Asia, this gravity model yields very little due to Indian hegemonic aspirations and its strengthening ties with its neighbours.

Poor connectivity and non-tariff barriers to trade other than the geopolitical tensions between member states like India and Pakistan are the substantial obstacles for the SAARC not achieving its potential objectives in three decades of its existence. One of the major failures of SAARC is that the South Asian countries do not share a common security perspective which catalyzes the meaningful regional cooperation. So far, SAARC has not come up with the desired expectations of its foundation. It has remained hostage to the unceasing rivalries between India and Pakistan. The asymmetrical and confrontational trends and religio-cultural rivalries have overridden the cooperative trends in the politico-economic arena, obscuring the prospects of peace in the region. This has resulted to outward looking behaviour rather than inward looking among the SAARC member states. India is looking towards the USA and its European allies, Pakistan is more interested in its geo-strategic and economic partnerships with China, and Sri Lanka is looking towards its Southeast Asian neighbours. Nepal and Bhutan are sandwiched in Sino-Indian rivalry. India wants Bangladesh and Afghanistan to be allies for its long time great power aspirations since India and Bangladesh are the largest trading partners in South Asia, bilateral trade estimated to be around \$7 billion per annum (Trade between India and Bangladesh, 2015). Despite being heavy trading partners, bilateral relations are often strained and hostile due to several contentious issues like Farakka Barrage by India on Ganges River, territorial dispute over the Teen Bigha Corridor, water claims in the Bay of Bengal and non-state actors like Banga Sena (separatist Hindu nationalist group in Bangladesh) and Harkat-ul-Jihad-al-Islam (based in Bangladesh). However, the current nationalist government of Narendra Modi seems to be mending the fences with its eastern neighbour Bangladesh. During his June 2015 visit to Bangladeshi, India P. M Narendra Modi has signed an historic agreement to resolve the disputed enclaves along with 4,096-km long border. The agreement included 150 enclaves of land which has almost resolved the border issue

between the two countries that lingered since independence. Around 50,000 stateless people dwell in these disputed land enclaves. Many scholars consider this unusual gesture by India as its pivot-policy towards the neighbouring South Asia and Southeast countries by isolating its arch-foes Pakistan and China.

The nuclear-armed neighbours have made South Asia as one of the most dangerous place on the Earth. It was ranked as least the peaceful region of the world in the Global Index Report of 2013, published by IEP. "South Asia has emerged as the least peaceful of the GPI regional groupings, garnering low scores on both internal and external indicators." Following irritants govern the long-running tensed and often violent bilateral relations between India and Pakistan;

- Chronic territorial disputes like Kashmir, Siachin and Sir Creek,
- Indian longstanding desire to build and maintain a hierarchical regional order & Pakistan's unyielding resistance to it,
- evident asymmetry between the two hostile neighbours in terms of geography, economy, governance and military,
- preference to high politics over the low politics in region,
- strategic and economic interests of different extra-regional powers,
- divergent political systems, Indian being a liberal democracy & Pakistan an illiberal democracy with sporadic military rules,
- negative role of the religious parties and proxies in both nuclear-armed neighbours,
- vested interest especially in the ruling elites to ensure their political survival,
- Unchecked nuclear arms race.

The prospects of SAARC to be a successful regional trade bloc has been blackened with the emergence of a potential rival sub-regional organization, the Bay of Bengal Initiative for Multi-Sector Technical & Economic Cooperation (BIMSTEC). BIMSTEC became a full-fledged regional organization of some South Asia and Southeast Asian countries (Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal) in 2004; however it was launched in 1997. Despite the SAARC's existence for the last 30-year, the intra-regional trade stands at around 5 percent, while on the other hand, intra-regional trade in BIMTEC has reached to around 6 percent within a decade which has the potential of \$43-59 billion annual trade (Jha and Kumar, 2015). In 2007, India's total exports to BIMSTEC were worth about \$7.8 billion, which increased to \$19 billion in 2013. Indian imports from BIMSTEC hiked from \$5.7 billion to \$8.3 billion during the same period (Chatterjee and Singh, 2015).

Since its hard-achieved establishment in 1985, there have been total eighteen SAARC summits during 30 years. Its five consecutive submits were held from 1985 till 1991, after that sporadic summits were held in 1993, 1995, 1997, 1998, 2002, 2004, 2005, 2007,2008, 2010, 2011, 2014. The annual summit is the highest-level of interaction, followed by the Council of Ministers that meets twice a year. Next is the Standing Committee comprising of foreign secretaries. The 18th SAARC Summit was held in Nepal on 26-27 November, 2014 but every summit seems to be putting old wine in new bottle. However, in the last summit the often-conflicting member states reached to a deal only on energy sharing. Regional connectivity through road and railway was on the table but could not reach to an agreement. The installments of majority rightist regimes in India and Pakistan, in 2013 and 2014 respectively, have strangled the prospect of peace and integration in South Asia. The Bharatiya Janata Party (BJP) and its Prime Minister Narendra Modi have given cold shoulder to the initiative of pro-trade Pakistani Prime Minister Nawaz Sharif to bridge the burgeoning trust-deficit between the two countries.

Except Bhutan and the Maldives, India has bilateral disputes with all its neighbours. Being the powerful state in terms of population, geography and economy, India has not shown any responsibility to provide any kind of pivot to this impoverished region. It shares a common border with all member states except Afghanistan. Its population accounts for 76 percent of the total regional population, 33 percent landmass and 76 percent GNP, but India is very far from the realization that a peaceful regional environment is a prerequisite for maximizing its clout (soft & hard) as a great-power. India is ranked as 10th among world's largest economies in terms of nominal GDP (\$2.04trillion) while its GDP in purchasing-power-parity (PPP) places it as the third largest economy with \$7.28 trillion. It is predicted to jump from 10th to 4th position by 2022. According to the International Monetary Fund (IMF), India will surpass China as the fastest growing economy. The IMF has calculated that Indian economic growth would be 7.2 percent in 2015 and 7.5 percent in 2016 while China will grow by 6.8 percent this year and 6.3 percent in 2016. According to Christine Lagarde, the IMF head, India is on the course to overtake China as the most populous country in the world with the largest labour force (Chan, 2015).

For almost two centuries, South Asia was under the domination of Great Britain. Afghanistan, being the buffer state between the British Empire and Tsarist Empire of Russia, indirectly remained under the colonial influence to some extent. The colonial legacy is still the most distinguished features among the South Asian nations. This region is home of the two major civilizations of the world, Hinduism and Buddhism. Despite several diverging forces, there are

certain negative indicators which could be the area of common interests and convergence for the SAARC countries. (Baxter, Malik, et al, 1993). Each of the South Asian nations faces five critical areas of political development;

- nation building,
- state building,
- popular participation,
- economic building,
- distribution of resources.

Naxalite-Maoist, Sikh and Kashmiri insurgencies in India, Baloch, Sindhi and somehow Pashtuns feel marginalized in Pakistan that has resulted into insurgency especially in its largest but least populated province of Balochistan, Islamists and Hindus militant groups in Bangladesh, Tamils decades-long insurgency in Sri Lanka and Maoist-provoked civil war in Nepal are major obstacle towards nation building which have been provoked by and large due to unfair distribution of resources. State building has been prioritized over the nation building in South Asia. Lack of popular participation in intermittent elections and military coups d'état have suppressed the democratic growth in the region. Economically, it is one of the poorest regions of the world.

Conclusion

The establishment of SAARC in 1985 raised hopes and invoked optimistic approach that the chronic contentious issues would be diluted through regional trade and integration, but hitherto it has not yielded any convincing indicator except the hard-agreed SAFTA for regional integration. Peace in South Asia has been perpetually elusive since the end of British colonial rule in the region. The region has much in common in terms of culture, language and social structure but the cultural links are nominal as the three largest countries (India, Pakistan and Bangladesh) have separated from each other. Until the longstanding bilateral issues are not resolved like those of the EU, peace or any other kind of integration among SAARC countries seems to be a distant dream. The intransigent and relentless regional heavyweights, India and Pakistan, over their chronic bilateral issues have blocked every possible way towards regional integration in South Asia. Protectionism in the economic sector needs to be moderated sooner than later to make SAARC a viable and productive regional organization.

There is a lack of comparative advantage as the South Asian countries trade little with each other but trade much with other nations; consequently, trade among South Asian nations is more competitive rather than complementary. There is a lack of common security threat which intensifies

regional integration. There is an extreme power asymmetry in the region which has increased the apprehensions of comparatively weaker states. Common Issues like extreme poverty, rampant unemployment, climate change, drug trafficking, cross-border terrorism, ethno-national insurgencies, religious extremism, massive floods, food security, illiteracy, energy crisis and diseases could be driving force for regional cooperation. According to a report of Asian Development Bank (ABD) the South Asian nations may lose about 1.3 percent of their collective annual GDP by 2050 due to global warming which could likely to increase around 2.5 percent in the second half of the 21st century. The region has huge potential to work on the common interests and common issues but the high politics has taken over all other areas where cooperation is possible. The ASEAN could be the most apposite regional model to be followed by SAARC nations. Politico-culturally, the Southeast Asia is an enormously diverse region but its intra-regional trade is around 25 per cent. The regional pipeline and transmission connectivity like lucrative and much talked-about Iran-Pakistan-India (IPI) gas pipeline, the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline and CASA-1000 transmission line could be the major driving forces to facilitate the longing regional integration in the region. China and its long-desired Silk Road Economic Belt with Central Asia and Maritime Silk Road with South Asia should be treated as bridges rather than barriers in the regional politics. China should be taken as a partner rather than a competitor. Besides South Asia, Pakistan has to look towards West Asia and Central Asia, where this gravity model may be more applicable as compared to South Asia. In this context, the already existing Tehran-based Economic Cooperation Organization (ECO) is the most viable alternative for Pakistan. The ECO includes seven Asian and three Eurasian countries of Afghanistan, Azerbaijan, Iran, Kazakhstan, Pakistan, Tajikistan, Turkey, Turkmenistan and Uzbekistan.

The European success story based on neofunctionalism could not be worked out in South Asia due to a variety of contentious issues among the SAARC states. Therefore, if SAARC is to develop into a viable and an effective regional organization, it has to work for regional cooperation rather than regional integration. Enhances regional trade, removal of trade barriers, trans-regional trade connectivity, relaxed visa regimes and people-to-people contacts may push South Asia towards a peaceful and prosperous region.

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