

DYNAMICS OF REGIONAL INTEGRATION IN SOUTH ASIA: LESSONS FROM THE EUROPEAN UNION

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Abstract

Regional integration is aimed at promoting socioeconomic growth and development in a region through economic cooperation among the member states. The European Union (EU) was established to promote economic and political cooperation among member countries. EU's unprecedented success in regional integration offers lessons for other regions. Unlike the EU, SAARC has not been successful in achieving significant economic integration among member states. Despite its potential, SAARC has been plagued by political and economic differences among member states, especially between Pakistan and India. South Asian countries are unable to boost regional integration not only because of their political differences but also due to other sub-regional and trans-regional initiatives that run anti to the spirit of regional integration under the umbrella of SAARC. India's role towards regional integration in South Asia is considered significant being the leading nation in the region. This paper first identifies the economic and political factors that hinder regional integration in South Asia. Then, it focuses on the dynamics of successful regional integration in Europe intending to underline the lessons to be learned by the South Asian countries to boost their regional cooperation.

Keywords: Regional Integration, South Asia, SAARC, European Union, Political Economy.

Introduction

The European Union (EU) is reckoned to be a brilliant success story of regional integration in the postwar era. European integration has not come about inadvertently, rather it witnessed many twists and turns before it has transformed into the most successful model of regional integration in the contemporary age. The EU became successful as an outcome of decades of deliberations by the leadership of the time after the region suffered from the devastation caused by intermittent wars in Europe. The EU now has a single currency and allows the free movement of goods, services, capital, and people across the region. The union also has a common foreign and security policy. While pursuing these landmark achievements, the European community endured various challenges.

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World War II brought about destruction and an exponential decline of the warring European states. Germany, Britain, and France mainly felt the heat of this conflict. The European infrastructure was badly destroyed and deplorable. The European leadership and civil society debated the way forward for regional integration. In 1949, the framework for regional cooperation was signed.¹ French diplomat, Jean Monnet, and foreign minister, Robert Schumann, pioneered the European integration process in May 1950 proposing the creation of a Coal and Steel Community.² The initiative transited to the Treaty of Paris signed in 1951 which called for free movement of coal and steel and access to their production sources.³ The EU is the richest agglomerate in the world if it were to be treated as a single entity. It has a nominal GDP of \$17.18 trillion and a per capita income of \$38,411 according to World Bank 2020.⁴ The Union spans an area of over 4 million square kilometers and has a population of about 448 million.⁵

South Asian Association for Regional Cooperation (SAARC) established in 1985 aimed at fostering economic cooperation among South Asian countries. However, it has not succeeded in realizing regional economic cooperation and integration owing to various reasons.

Dynamics of Regional Integration in South Asia relate to the how and why questions concerning the whole process of regional integration, i.e., how has been the pattern of regional integration in South Asia, including India's role towards this integration and how Indian ambitions of domination affect the integration of South Asia. The aspects of India's pursuit of sub-regional and trans-regional initiatives and efforts to exclude Pakistan from these platforms, the factors of market asymmetry and comparative advantage, and their role towards regional integration define these dynamics.

The scope of this paper is to study the dynamics of Regional Integration, discuss the factors involved, characterize the pattern of Regional Integration in South Asia and study the lessons from European Integration that can be applied in South Asia. The core argument of this research paper is that since South Asia is the least integrated region in the world, there is a need to analyze the cause and effect of this phenomenon and study the factors that account for the lack of integration in South Asia, in the light of these factors, what lessons can be drawn from the European Integration model. The structural economic and political factors account for the lack of regional integration in South Asia. However, the European successful experience with regional integration is instructive in terms of limiting the hurdles and boosting the prospects for South Asian regional integration.

Comparison between EU and SAARC

EU is a political and economic union of 27 European countries that promotes cooperation and integration through trade and the free movement of people, goods, and services. It is the most successful example of regional integration in the world.

SAARC stands for South Asian Association for Regional Cooperation and is a regional organization for South Asian nations which include Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. SAARC aims to foster cooperation and integration among its member nations.

The EU and SAARC are two regional organizations with different scope and purpose. The EU is a far more developed economic and political union comprising 27 European member states while SAARC is an economic and political organization of eight South Asian states with lackluster achievements. In terms of economic integration and performance, the EU stands out as the most successful regional entity in the world. The nominal GDP of the EU was approximately 17.8 trillion US dollars in 2020, while the combined nominal GDP of SAARC member countries was around 4.36 trillion US dollars.⁶

In addition, the EU has a single market and a customs union allowing for the free movement of goods, services, capital, and people across borders. The Single European Market, the core of European integration makes the EU a competitive and influential actor in a global economy. SAARC, on the other hand, has hardly made a significant achievement in regional economic integration for reasons such as political conflicts, trade barriers, and inadequate infrastructure. Both organizations, however, share the goal of promoting regional integration as well as addressing common challenges such as poverty, climate change, and security issues. While the EU has made distinct progress in these areas, SAARC still faces many obstacles in pursuing these objectives.

The first half of the 20th century saw two catastrophic world wars involving mainly the European countries as well as a politico-social struggle for independence in the Indian subcontinent. India was divided into two sovereign states following the end of British colonial rule after World War II. After the war, Europe faced daunting questions concerning the future of European peace and security, the emerging Soviet threat during the Cold War, and economic recovery. A key solution to these problems was found in undertaking a supranational economic integration process that will gradually evolve into comprehensive integration through a domino effect.

Soon after the partition, India and Pakistan engaged in a conflict over Kashmir as they started the needful state-building process. India and Pakistan went to war in 1965, whereas France and Germany signed a Friendship Treaty in 1963.⁷ In the second half of the 20th century, European nations experienced remarkable developments in regional integration. South Asia, contrarily, saw aggravation of conflict and little progress in socio-economic development. Upon Bangladesh's proposal for regional cooperation in South Asia, SAARC was established in 1985. However, it could not make any substantial progress in regional cooperation mainly due to India-Pakistan hostility. In addition to interstate conflicts, SAARC does not have the functional and institutional infrastructure to overcome issues between member states and take the regional cooperation process forward. However, being the most populous region in the entire world, South Asia offers a lucrative market for

intraregional trade and investment in traditional industrial development as well as new technologies.

Theoretical Framework

This paper is centered on the argument drawn on the theory of Intergovernmentalism. Intergovernmentalism is associated with the realist assumptions i.e., states being the major stakeholders in the international system accord primacy to their survival and security. However, Intergovernmentalism does not rule out interstate cooperation and integration. It argues that regional integration is possible as long as it does not clash with the strategic interests of the member states, particularly the larger ones. Intergovernmentalism advocates that nation-states are sovereign and give precedence to their respective national interest. The slow progress of regional integration in Europe during the 1960s was attributed to the resistance put forth by the nation-states to share their sovereignty.⁸ Stanley Hoffman contended that the state structures, national interests, prevailing environment, and preferences had played a key role in determining the pace and limits of European integration.⁹ He indicated that nation-states cooperate easily on issues of “low politics” as compared to the issues of “high politics” because of the sensitivities that nation-states have vis-à-vis sovereignty. Moravcsik claimed that the states’ interests were the main sources of European integration.¹⁰ National interests, national preferences, and relative gains are the main pillars of Intergovernmentalism.

The Intergovernmentalists expound that nation-states can manage regional integration without any compromise on state sovereignty. As against federalists, functionalists, and neofunctionalists, intergovernmentalists propose that nation-states may opt for mutual sharing of sovereignty rather than transferring it to a supranational entity. They find supranational authorities as facilitators rather than dictators of member states.

South Asian regionalism is Indo-centric, and it is important to take into account the influence of power asymmetry between regional states on the development of regional integration. The interplay of national interests, relative gains, and sensitivity to the domestic environment is important to be considered in this regard. Intergovernmentalism focuses on the agency rather than the structure, on the state rather than the regional structure as the guiding principle. In South Asia, the onus of regional integration is more on India, which is the leading powerful country. The Intergovernmentalist approach implies that the bigger power in the region should be able to accommodate the interests of the smaller states showing flexibility on contentious issues for the sake of broader goals. The gains of regional cooperation and integration should be justly distributed among all stakeholders irrespective of their size and power. This indicates that India’s pursuit of regional hegemony and an inclusive regional integration phenomenon are mutually contradictory.

Factors of Regional Integration

Regionalization as a process is a deliberate endeavour by the regional states that involves exceptional efforts on their part in pursuit of common needs and mutual benefits. However, there are certain factors that, at one point, encourage states to pursue regionalism and, at another, enable the process of regionalization. These factors are as varied as the theories explaining regional integration are varied. Economic and political factors that contributed to the success of European integration are analyzed to see their relevance to the South Asian case.

Economic Factors

In consideration of the experiences of regional integration in Europe, the political economy-related dynamics are regarded as primary enabling factors. However, these factors operate adversely in the case of South Asian regional integration. There are two key reasons for this, namely market asymmetry and less diverse products. Each reason needs a detailed analysis.

Market Asymmetry: 'Might make right' is a phrase that means whoever has the supreme power will call the shot. This phrase essentially implies realism in world politics; however, when taken into account in economic terms, it also offers some decisive conclusions. Power is the ability to influence others' behaviour in pursuit of self-interest. Though it can change its form from economic to military, its ultimate goal remains the same. When we look into the economic situation in South Asia, we see a wide power imbalance or market asymmetry. South Asia comprises 23.15% of the world's population with a 2.48% share of world GDP.¹¹ India being the dominant market of the South Asian region, accounts for 75% of the South Asian population and 80% of its GDP.¹² This factor is considered the key constraint to regionalism in South Asia. The smaller South Asian states, fearing the flooding of their economies by the Indian economy, tend to look for trans-regional economic cooperation which they find more suitable. Thus, this market asymmetry implies not only authority but also responsibility for India to play its part in regional integration. However, instead of facilitating integration, India pursues self-centered economic policies that negatively impact regional integration in South Asia.

Less Diverse Market Products: Market Diversity is an important factor that enables trade and economic cooperation. In the European case, the market was varied and diverse which helped augment the regional integration. However, the market diversity in the case of South Asia is lacking. Therefore, the states in South Asia tend to prioritize inter-regional trade over intra-regional trade which is just 5-6% of their total trade.¹³ Tables 1 and 2 further illustrate how far the South Asian states prefer inter-regional trade over intra-regional trade.

Table-1: Trade of South Asian States with Four Major Economies 2021 (imports in brackets and exports outside the brackets) measured in USD billion.¹⁴

Exporting Country	Total Trade Export (Import)	United States	Russia	China	EU	% of Total Trade
India	335.44 (495.83)	71.51 (41.39)	4.43 (9.13)	28.14 (97.51)	54.43 (46.26)	47.25 (40.83)
Bangladesh	52.08 (85.30)	6.14 (0.98)	0.28 (0.60)	0.72 (10.35)	18.61 (3.22)	49.3 (17.78)
Pakistan	35.56 (56.38)	6.08 (3.83)	0.54 (0.18)	3.03 (20.64)	7.85 (6.45)	50.62 (55.16)
Sri Lanka	15.75 (21.39)	3.3 (0.57)	0.16 (0.17)	0.31 (5.1)	3.02 (1.39)	45.29 (33.80)
Nepal	1.89 (16.96)	0.098 (0.16)	0.002 (0.019)	0.018 (1.94)	0.082 (0.23)	10.89 (13.85)
Bhutan	0.89 (1.02)	0.20 (0.003)	0.000001 (0.002)	0.000046 (0.0024)	0.08 (0.020)	33.82 (2.59)
Afghanistan	0.69 (7.06)	0.003 (0.78)	0.002 (0.26)	0.031 (1.19)	0.088 (0.36)	17.92 (36.68)
Maldives	0.21 (3.5)	0.004 (0.06)	0.000001 (0.002)	0.00002 (0.32)	0.06 (0.19)	1.62 (16.34)

(Source: Compiled by Authors)

Table 1 indicates two facts about the international trade of the South Asian states. First, South Asian countries have major trade partners outside the region. Second, India is seeking a strategic partnership with the US in the Asia-Pacific, however, the economic statistics depict a different picture. India imports more from China than from the US. If India is to compromise its trade with China because of its strategic alignment with the US, India will be looking for new trade partners. This can be a point to ponder for regional integration in South Asia.

Table-2: South Asia's Intra-regional Trade Volume 2021 (imports in brackets and exports outside the brackets) measured in US billion \$¹⁵

Exporting Country	Pakistan	Bangladesh	India	Sri Lanka	Nepal	Afghanistan	Bhutan	Maldives	% of Total Trade
India	0.5 (0.002)	14.09 (1.76)	...	4.8 (0.98)	9.19 (1.32)	0.66 (0.56)	0.88 (0.34)	0.59 (0.05)	9.15 (8.06)
Pakistan	...	0.81 (0.09)	0.002 (0.5)	0.35 (0.73)	0.005 (0.003)	0.83 (0.64)	0.002 (0.75)	0.006 (0.0002)	5.8 (3.56)
Bangladesh	0.090 (0.78)	...	1.76 (5.9)	0.3 (0.113)	0.113 (0.003)	0.005 (0.051)	0.00005 (0.002)	0.006 (0.0002)	48.86 (14.2)
Sri Lanka	0.5 (0.002)	0.113 (0.3)	0.98 (4.8)	...	0.012 (0.0001)	0.001 (0.000056)	0.00004 (0.000001)	0.12 (0.007)	14.23 (24.6)
Nepal	0.003 (0.005)	0.113 (0.003)	1.32 (9.19)	0.0001 (0.01)	...	0.00003 (0.000007)	0.002 (0.013)	0.0002 (0.000003)	54 (54.39)
Afghanistan	0.299 (0.83)	0.0003 (0.005)	0.41 (0.66)	0.000056 (0.001)	0.000007 (0.00003)	...	N/A N/A	N/A (0.0001)	40.3 (21.2)
Bhutan	0.7536 (0.0017)	0.002 (0.00005)	0.34 (0.88)	0.00004 (0.000001)	0.013 (0.002)	N/A N/A	...	0.00011 N/A	53.24 ¹⁶ (86.63)
Maldives	0.00029 (0.0061)	0.0001979 (0.00614)	0.0506 (0.59)	0.0071 (0.122)	0.000003 (0.00021)	0.00011 N/A	N/A (0.0001)	...	1.47 (20.7)

(Source: Compiled by Authors)

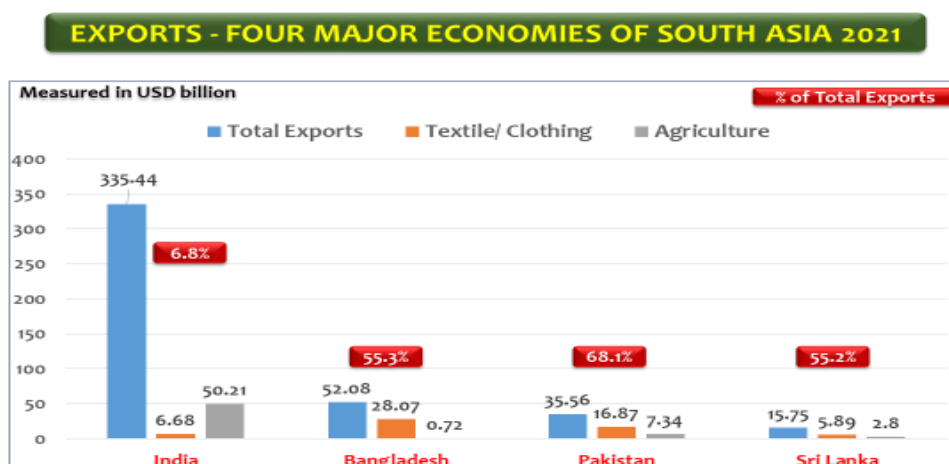
Intrinsically, the products that South Asian states export to other regions are relatively similar: garments, textiles, leather, and agricultural products.¹⁶ In the case of intraregional trade, the outcome will be an increase in negative competition instead of cooperation based on complementarity. When coupled with other vulnerabilities of the region, this dependence on similar products further worsens the situation. For example, South Asian states have abundant labour force but meager financial resources which implies that the regional workforce and capital will come under severe stress for regional competition in similar products. This is the dilemma being faced by South Asia. Among India, Bangladesh, Pakistan, and Sri Lanka, there exists explicit competition over textiles, clothing, and agricultural exports, which constitute the biggest share of their comparative advantage as shown in Table 3. Table 2 indicates the volume of India's exports to the regional states. India's exports to the regional states are 9.15% of its overall exports, way below the actual potential. India has much space and potential to enhance both exports to and imports from the regional countries just as China is doing. China's combined exports to Pakistan, Bangladesh, and Sri Lanka account for \$36.09 billion whereas India's exports to the same countries are \$2.74 billion, 13 times less than of China.

Table-3: Exports of Textile and Clothing by Four Major Economies of South Asia 2021 (measured in USD billion).¹⁷

Exporting Country	Total Exports	Textile and Clothing	Agriculture	% of Total Exports
India	335.44 ¹⁸	6.68	50.21	6.8%
Bangladesh	52.08 ¹⁹	28.07	0.72	55.3%
Pakistan	35.56 ²⁰	16.87	7.34	68.1%
Sri Lanka	15.75 ²¹	5.89	2.80	55.2%

(Source: Compiled by Authors)

Table 3 shows the share of two major products in total exports of the South Asian countries. The exports of clothing and agricultural products account for 55%, 68%, and 55% of Bangladesh, Pakistan, and Sri Lanka's overall exports, respectively. To gain the comparative advantage predicated on market complementarity, South Asian states need to bring diversity to their products. For instance, India being a growing economy imports a splendid number of products from other regions, and other South Asian states should develop the capacity to produce the products that are required by India. Another way is to increase their potential for trade in services, especially services in the Information Technology (IT) sector. With the growing prominence of the IT sector, South Asian states should look for points of convergence in this sector as well. The IT sector has huge potential for exports. For instance, in 2020, Saudi Arabia exported crude oil worth \$113.7 billion while, the same year, India exported software services worth \$133.7 billion.²²



(Source: Compiled by Authors)

Structural Inequalities and Negative Perception: Structural inequalities refer to the inequalities among South Asian states defined in terms of geographic expanse, demographic size, trade compatibilities, and economic competitiveness. In the case of intraregional trade in South Asia, these factors favor India as it is far larger in terms of territory and population and far more competitive in terms of economic performance than other South Asian countries. These structural inequalities are coupled with the perception of Indian hegemony on the part of other South Asian states. Taking these two interrelated factors into account, smaller South Asian states, particularly Pakistan, see regional trade as a potential vulnerability rather than an advantage. Here comes the proactive and cooperative role of India which can accommodate the smaller nations in South Asia and revive its trust level in the region. In the case of Europe, both Germany and France gave up a hegemonic approach to smaller Western European countries that helped achieve a wider and deeper regional integration in Europe.

Political Factors

Historical Political Perception: From the historical baggage of deep-rooted animosity and hatred, both India and Pakistan share a mutual perception of rivalry and hatred. This results in the construction of political perceptions and ideas of India and Pakistan about each other. The historical political perception is also an important factor for regional integration. Under the historical baggage of strained relations, both India and Pakistan are wary of having been suppressed, ruled, or annexed by the opposite side in the past. This perception pushes them to strive to pursue power politics and increase relative power. As a result, there is an unending ‘*arms race*’ in the region due to the historical political perspective shared by India and Pakistan about each other. This political perspective can be referred to as a persistent ‘*security dilemma*’ between the two states.

Role of Major Powers: In addition to various factors that led to the formation of the EU, the role of major power(s) in shaping the preferences of European states was also instrumental. The EU evolved during the Cold War great power competition in which Western Europe faced military and political threats from the Soviet Union. More than a contest of nations, the Cold War was a contest of contrasting ideologies i.e. Capitalism and Communism. Both the US and USSR were looking for allies to accommodate their respective ideologies, thus playing the tug of war. Therefore, the Cold War was another catalyst of European regional integration.

Major Powers have hegemonic ambitions and act under their national interests. During the Cold War, the US supported a unified Western Europe so that it could act as a counterweight to the Soviet military threat and political influence in Europe.²³ In South Asia, the role of major powers does not correspond to the objective of regional integration. The US role in South Asia adversely impacts the process of regionalization. The post-9/11 era is prominent in this regard as the US endeavours to maintain its presence in the Asia-Pacific to contain the growing influence of China.

Consequently, the US seeks mainstreaming of India's role in the Asia-Pacific as a 'net-security provider' by renaming its Pacific command as 'Indo-Pacific' command. However, the US privileged relationship with India tends to encourage the latter to openly pursue its regional dominance ambitions. This kind of role destabilizes the region and further jeopardizes the prospects for regional integration.

Role of Leadership: Leadership is one of the most important factors of regional integration as it directly influences the policy options of a state. The role of European leadership, especially of France and Germany, was pivotal in initiating the European integration process in the 1950s. The willingness shown by the leadership of both France and Germany to give mutual concessions and address mutual concerns was key in the formation of the European Coal and Steel Community (ECSC) which subsequently led to a comprehensive European integration. Furthermore, Jean Monnet's proposal to overcome the spirit of discrimination in the European Commission (EC) in 1951 which was warmly responded to by the then German Chancellor Konrad Adenauer, provided the cornerstone of Franco-German institutional relations.²⁴ If the political leaders do not perceive any considerable payoff, they may not be willing to deepen integration. Therefore, visionary and dynamic leadership is crucial to undertake the challenging task of regional integration. Leaders have to overcome domestic resistance and interstate contentions to promote purposeful regional integration. Leaders may find an enabling or resisting environment for regional integration. In both ways, political will and commitment to a greater cause on the part of leadership an essential trait.

Role of Institutions: Regional integration requires strong institutions. The salient proponents of the institutionalized approach toward regional connectivity or integration are functionalists, neo-functionalists, and neoliberal institutionalists. Institutions enable a smooth and ordered formation and performance of a regional organization. As explained in the Prisoners' Dilemma the states try to maximize individual payoffs, while institutions provide a platform through which coordinated functions can be performed resulting in win-win outcomes.²⁵ Institutions can mainstream absolute gains over relative gains and thus enable regional integration. Through institutions, regional integration is both formed and sustained as they provide states with a set of norms and principles to avoid any conflict over their gains from regional cooperation. States can achieve the removal of trade barriers through multilevel agreements; however, they need institutions to ensure the implementation of common rules and standards.

Obstacles to Regional Cooperation in South Asia

Throughout history, South Asia has experienced inter-state conflicts concerning geography, security, national psyche, internal politics, shared natural resources, religion, and culture. Today, instead of fostering cross-border trade, economic cooperation, and regional integration, South Asian states mostly focus on security and the development of armaments. As a result, the security establishments in

these nations have gained unusual influence over the formulation of foreign policy and national decision-making, particularly when it comes to relations with neighbors.²⁶ At least four major wars involving India, Pakistan, and China have taken place in South Asia since the British colonial exit from India. Along the Line of Control (LOC) including the Siachen Glacier, there have been numerous conflicts.²⁷ The involvements of extra-regional powers like the US, Russia, and China has historically had a significant impact on the domestic, foreign, and interstate relations of South Asian countries. The US, China, India, and Pakistan are the four main regional and extra-regional players that have strategic interests in South Asia and play a major role in its power politics. Following the 1947 partition, India's hegemonic policies have created an uneasy atmosphere that negatively affects the national interests of other regional states, particularly Pakistan's vital national interest. The colonial legacy of the British Raj and post-independence internal dynamics of the regional states that have an impact on inter-state relations are the main causes and obstacles to regional cooperation in South Asia. India and Pakistan have remained engaged in conflicts since their creation.

The intra-regional SAARC and SAFTA initiatives are essentially dysfunctional as a result of the antagonistic relations between India and Pakistan. At best, South Asia's current level of regional cooperation is appalling. Currently, South Asia's GDP makes up about 3% of the global GDP. Approximately 40% of the population earns less than \$1.25 per day and is considered to be in poverty. Although there is great potential for interstate mutually beneficial political, economic, and sociocultural interaction but South Asia's regional cooperation process has not been able to advance very far.

Indian Role in Regional Integration

India is visibly trying to move out of SAARC and establish its relevance in other sub-regional and trans-regional initiatives.²⁸ These initiatives have an obvious impact on the performance of SAARC. Whether these initiatives are complementary or dilutional to the regional cooperation in South Asia under the rubric of SAARC, remain a matter of debate. Bhumitra Chakma in his book 'South Asian Regionalism: The Limits of Cooperation' has elucidated the origin and objectives of such initiatives and also highlighted how these initiatives impact the SAARC-led regionalism.²⁹ The implications of these initiatives on SAARC-centered regionalism do exist. India has typically played a significant role in the internal politics of the smaller South Asian states. Following its launch, Bangladesh, Bhutan, India, and Nepal (BBIN) initiative occasionally became an India-related domestic political issue in Bangladesh and Nepal, slowing down the sub-regional alliance's development.

Sub-Regional and Trans-Regional Cooperation

Beyond SAARC, two additional aspects of regionalism are sub-regional and trans-regional initiatives linked with economic cooperation in South Asia, because of the implications for SAARC, the political dynamics underlying the growth of sub and

trans-regionalism are important to understand. They could theoretically be seen as either enhancing or weakening SAARC-led regionalism. Under the umbrella of SAARC, initiatives like Bangladesh, Bhutan, India, and Nepal (BBIN) and the South Asian Growth Quadrangle (SAGQ) grew. Within SAARC, sub-regional arrangements in the form of triangles or quadrangles can develop, such as one in western South Asia comprising Afghanistan, India, and Pakistan, or another in the southern part of the continent consisting of India, the Maldives, and Sri Lanka. These programs can be seen as sub-regional arrangements within the SAARC-focused regionalism.³⁰ However, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and Bangladesh, China, India, and Myanmar Economic Corridor (BCIM-EC) are trans-regional initiatives to promote closer economic ties among the member states. These arrangements differ from the sub-regional arrangements in that they include states outside the South Asian region. The "Act East" policy, one of India's key foreign policy initiatives, could be implemented through the BBIN initiative. India aims to strengthen ties with East and Southeast Asian nations through this policy. New Delhi might benefit from the BBIN projects as it tries to put the nation's "Act East" policy into action. The BBIN initiative is also related to the "neighbourhood first" policy that New Delhi has been promoting lately. Pakistan and Sri Lanka had implicit reservations about the BBIN initiative in 1997.

The influence of BCIM and BIMSTEC on SAARC-led South Asian regionalism is more dilutionary. India and Bangladesh have recently worked to promote BIMSTEC which may potentially act as a replacement for SAARC. This has clear implications for regionalism led by SAARC as Eastern South Asia experiences a rise in new initiatives and narratives. Revitalizing SAARC can only stop this trend of dilution. However, as the Indo-Pakistani conflict continues, an alternative brand of regionalism will surface which is considered detrimental to the spirit of regional integration. The call for the creation of a "Bay of Bengal Community" indicates the same trend.³¹

Lessons from the European Union

Fundamental changes are taking place both globally and regionally in the modern world. There is no denying the fact that effective regional and global integration has become a crucial factor in today's world in promoting peace and development. Today, a state's ability to promote trade, investment, and economic integration is crucial in determining its strength and development. The promotion of political, economic, and social interaction as well as a shared vision for utilizing the region's potential and interdependence to counter threats were the primary motivations behind the formation of SAARC. There is a need for continued cooperation by resolving all outstanding disputes among the member nations and forging durable understanding.³² The European Union embodies a wealth of knowledge gained over 72 years in the area of regional cooperation. Treaty-based provisions are now in place including those relating to common foreign and security policies and development cooperation with all developing nations. SAARC is a young organization. It is the region with the largest population in the entire world and,

therefore, could be a significant market for new and industrial technologies. However, a potential success story is complicated by the conflictual bilateral power relations in the region and the disparate visions for the SAARC.³³

However, despite tumultuous democratization processes in South Asia, it is impressive to see the steady growth of strong civil societies capable of toppling numerous authoritarian regimes in the area. The development of democracy in South Asia and the role of civil society can influence elite perceptions of sovereignty and allow for the delegation of some aspects of national authority, as demonstrated by the history of Europe.³⁴

There are several lessons that the SAARC can learn from the EU in terms of regional cooperation and integration. Important ones are as under:

Mobilization of Political Will: The political will to integrate is the first step to kick-start the complex process of regional integration. The European leaders and the people achieved it, and South Asia needs to break this barrier.

Win-Win Relationship: The European nations engaged in the Win-Win relationship for a shared future. No hegemonic ambitions in the relationship among nations can let the regional integration progress. South Asian nations need to learn from this and develop harmonious relations which can enable the process of regional integration in our region.

Robust Institutional Structure: The European Union focused on orchestrating an institutional structure to start with. This structure helped to speed up and improve the decision making and ensured the assured execution of the policies. The SAARC should learn from the EU to adopt an efficient system that enabled the EU to succeed in regional integration.

Integration through the Economic Process: The EU embarked upon the process of regional integration in an organized manner. Starting from the Free Trade, it negotiated all barriers in the trade and has now reached the Economic Union level. SAARC leadership should focus on removing the traditional trade barriers and organizing the free movement of people, goods, and services.

Emphasis on Human Security: Within the ambit of Human Security, three aspects are very critical i.e., education, health, and social welfare. The EU accorded special significance to these three areas. SAARC can learn from the EU's experience and include these social sector reforms as part of their main agenda.

Dispute Resolution Mechanism: The integration of the EU could gain momentum only after the member states were ready to forego their differences and conflicts for the sake of regional integration. South Asian countries also need to be cognizant of the dividends of resolving disputes through due diligence. The dispute resolution mechanism must be ingrained in the SAARC structure.

Fast Track Mechanism: Lessons can be learned from the achievements of the EU for South Asian regional integration. The main conclusions are that, in addition to promoting economic cooperation and the free flow of goods, as in the case of the EU, bilateral conflicts should be resolved or negotiated on the table. Finding areas where SAARC member states can collaborate and support each other, and transition to one-window / fast-track mechanisms is urgently required.³⁵

Limitations

While writing this research paper, the main limitations faced by the authors are in terms of the data collection and shortage of desired literature. The unbiased and true picture of India's role in regional integration is difficult to find in the existing literature. The available literature is mostly contributed by Indian writers, who support the Indian role notwithstanding its impact on regional integration and other regional players.

The Importance of this Research

Regional Integration is the significant development of the 20th century in which European nations got integrated into the EU. The dividends of regional integration are huge. In addition to Europe, other regions are also integrating into this win-win initiative, but regional integration is not successful in South Asia. The efforts being made by India in the sub-regional and trans-regional initiatives either bypass SAARC or are essentially aimed at excluding/isolating Pakistan. In South Asia, the existing literature has discussed the conflict and security dynamics between two major players of the region i.e., India and Pakistan from the realist paradigm. The literature focused on cooperation and integration i.e., trade and connectivity are lacking.

Conclusion

South Asia could not succeed in regional integration due to regional conflicts and the nationalist approach of its member states. The lack of political will, leadership crisis, and inadequate infrastructure in South Asia also contribute to the poor integration in South Asia. Notwithstanding the vast differences in the environment, history, culture, and ideational factors between the EU and SAARC, there exists a good reason and reasonable potential to focus on the political economy drivers related to South Asia i.e., both political and economic drivers. The EU model cannot be applied in totality to South Asia, however, suitable modification of the lessons learned from the EU experience can help bring a change that is so much wanted and desired. The key enablers to achieve this are visionary leadership and putting in place the institutions to enhance cooperation in fields of common interest for achieving regional integration.

In the case of South Asia, political factors take precedence over economic and trade related matters. Indian role becomes very significant towards regional

integration efforts in which all regional countries are involved in the process without excluding anyone of these and without bypassing the SAARC. Hence, there is a need for the realization of this vital aspect among the states and society segments of the South Asian countries. The EU was able to integrate due to the political will created by the leadership, people of the region were convinced that they needed to integrate to avoid the woes of conflicts and shared economic interests of the member nations. Regional integration can achieve a positive momentum in case the integration process which is more in the political domain follows on the heels of economic cooperation. It is also termed as the process of spillover effect i.e., from economic cooperation to regional integration. Regional integration can only succeed if the regional countries are on board and ready to compromise for the common goal of a shared future. Despite all the difficulties foreseen, the bright future of South Asia is in offing provided the level of seriousness of the regional leadership aligns with the necessity of regional integration.

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