

## **Four Decades of SAARC (1985–2025): From Aspirations to Institutional Stagnation - Diagnosing Bottlenecks and Pathways to Revitalization**

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### **Abstract**

The South Asian Association for Regional Cooperation (SAARC) was established in 1985 to promote peace, economic cooperation, social development, and regional integration among the countries of South Asia. After four decades, SAARC is usually regarded as one of the least unified regional organizations of the world. It has introduced a number of important initiatives, such as the South Asian Free Trade Area (SAFTA), the SAARC Social Charter. It also promotes cooperation in areas such as education, disaster management, and health. But the overall institutional performance has remained limited by so far. Political tensions, particularly the tension and mistrust between India and Pakistan serves as the major barrier to effective working of SAARC. The requirement of unanimous decision-making, weak institutional capacity, and poor regional connectivity have also presented the implementation of many regional commitments. This study examines the evolution of SAARC over the past forty years since its establishment and to identify the major factors behind its institutional stagnation and to also explore the realistic options for its revitalization. Secondary data was collected from official SAARC documents, reports of international organizations, and peer-reviewed academic literature to collect evidences. The analysis is guided by New Regionalism, Liberal Institutionalism, and Hegemonic Stability Theory to explain the political mistrust, SAARC's institutional weaknesses, and changing regional strategies that have affected regional cooperation. The study finds that SAARC's limited progress is not only due to any single factor; rather, it results from interconnected political, institutional, and economic challenges. It also argues that the rise of alternative regional frameworks, such as BIMSTEC and BBIN, has somewhat reduced SAARC's central role in South Asian regionalism. The paper proposes a practical way for revitalization strategy based on institutional reforms, flexible cooperation mechanisms, and complementary engagement with other regional initiatives. These measures can strengthen regional cooperation while alleviating SAARC as the only regional organization that collectively represents all South Asian states.

**Keywords:** SAARC; Institutional Stagnation; South Asian Regionalism; India-Pakistan Relations; Power Asymmetry; Functional Cooperation; Regional Connectivity; Economic Integration; BIMSTEC; BBIN; Revitalization.

### **Introduction**

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The devastation of WWII led to the formation of a new international order. Resulting in the emergence of regionalism as one of the most defining features of International relations (Acharya, 2014). The extensive political, economic and social destructions caused by war, led states to recognize that no state could effectively address the emerging challenges in isolation. This realization encouraged countries to institutionalize regional cooperation, whereby geographically proximate states established formal regional institutions and pooled certain aspects of their sovereignty. In order to pursue collective security, political stability and economic integration and shared prosperity (Hettne et al., 1998).

Regional organizations also provide a voice to the smaller states on a collective platform. It also enhance their bargaining power in international dealings (Hettne et al., 1998). The success of European Coal and Steel Community (ECSC), signed in 1951 launched in 1952 (Britannica Editors., n.d.), the European Union (EU) in 1993 by Maastricht Treaty (LibGuides: The Maastricht Treaty: Home, n.d.), and the Association of Southeast Asian Nations (ASEAN) founded in 1967 (Britannica Editors., n.d.), demonstrates how strong regional institutions can foster peace, deepen economic integration, and improve connectivity among the member states (Lake & Morgan, 1997).

The achievements of these organizations inspired the establishment of similar regional institutions in other parts of the world (A Research Guide on the South Asian Association for Regional Cooperation (SAARC), n.d.). The South Asian Association for Regional Cooperation (SAARC) is one of such example. It was established in 1985 to promote regional cooperation, enhance socio-economic development, and strengthen the bonds of collaboration among the countries of South Asia. The SAARC Charter was signed in Dhaka in 1985 by its seven founding members (SAARC, n.d.). Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka (SAARC, n.d.). The eighth member, Afghanistan, joined the organization later in 2007 as full member (Dawn, 2007). It was a moment of great hope and the objectives were clear, such as to bring South Asia together through trade, dialogue, and mutual trust (Aryal & Bharti, 2023).

Forty years later, that hope has almost faded. As, South Asia, a region of profound contradictions. It is a home of nearly two billion people. Countries shares a land of ancient civilizations, with diverse cultures, historical ties and immense economic potential. Still, it is remained as one of the least integrated regions of the world. There are various reasons of it stagnation. SAARC has held only eighteen summits out of, and the last summit was held in Kathmandu in 2014 (SAARC, n.d.). The 19th summit which was scheduled in Islamabad in November 2016, was cancelled (Afp, 2016). Till then, no summit has taken place. It is widely observed that the organization which was created for mutual and shared benefits has now been frozen for almost a decade now (Shah, 2025).

The cost of this paralysis is huge. The Intra-regional trade between the SAARC countries is less than 5 to 8 percent of their total trade (Report, 2024). In comparison to ASEAN and European Union the trade rate of SAARC as one of the lowest rates of the world. ASEAN countries trade about 22 to 25 percent of their total trade with each other whereas European Union's intra-regional trade is around 60 to 70 percent. South Asia's trade potential is estimated to be at least 67 billion US dollars, but currently it is only around 23 billion dollars (Trade, n.d.). More than 80 percent of potential trade remains unrealized. The research paper aims to identify the reason behind the stagnation of SAARC. The research uses qualitative research method. Secondary

sources, such as academic literature, think tank reports, and newspapers will be used. Official documents, such as, SAARC Charter, summit declarations, trade agreements, and statements from member states will be examined where available.

## **Literature Review and Theoretical Framework**

Researchers have examined SAARC from different perspectives. Some of them emphasize its achievements while others discuss its failures. Some researchers have a positive perception of the SAARC's prospects, emphasizing the regional integration's technical successes. The theory that best aligns with their view is neo-functionalism. This approach explains the tendency for integration processes to begin with a few limited issues, which then lead to broader economic and political integration. Neo-functionalism theory fits best with the early stages of the SAARC development when the integration process began with the most accessible and least controversial areas of cooperation such as agriculture, health, and meteorology. In addition, the SAARC agreements on combating terrorism, food shortages, and drug trafficking and the creation of the Secretariat and integrated research centers in different sectors support this view. Thus, the scholars rely on the neo-functionalism theory and state that the regional economic union has the potential to develop further (Moravcsik, 2005).

K.M. de Silva who belongs to Sri Lanka was one of the first optimists. He believed that SAARC could provide a forum for deliberation and consultation between governments to build confidence (De Silva, 1999). The Bangladeshi scholar Iftekharuzzaman, believes that regional groups have the ability to overcome the obstacles by generating technical cooperation in areas like disaster management and health which will lead to confidence building measures (Bangladesh Institute of International and Strategic Studies, n.d.). South Asian University and the SAARC Development Fund can be considered as SAARC's success stories. In fact, these are the results of SAARC members' willingness to strive for achieving goals that would benefit all member states (Sultana, 2025). The South Asian University Education Fund has gathered students from all eight countries, thus, educating a new generation of global thinkers (South Asian University – SAU, n.d.). The development fund has financed more than a hundred different health, education, and infrastructure development projects. Nevertheless, even the most optimistic analysts have to admit that SAARC's achievements are close to nothing. Bhattarai (2025), in his article, discusses the factors that made SAARC ineffective in its work. The author explains that, despite being a confident beginning, SAARC was limited by regional politics and had no strong enforcement mechanisms. However, he also points out that the organization has made significant contributions to confidence-building initiatives among nations.

A second set of scholars takes a rather critical view of SAARC's demise. They argue that geopolitical factors and the India-Pakistan rivalry were key to the organization's demise, a view that builds on the argument that SAARC was fatally flawed at inception (Chakma, 2020). The most significant contribution to the field under discussion comes from Bhumitra Chakma. In his *South Asian Regionalism: The Limits of Cooperation* (2020), Chakma examines the history of the SAARC from its inception through to the present day, seeking to uncover the reasons why the regional alliance was unable to deliver on its promises. Chakma's hypothesis is that, despite economic development being the official goal of SAARC, it was actually created for political-strategic reasons. Chakma splits the development of the SAARC into two phases, the first of which (1980-1992) was focused on "deliberately limited engagement," while the second phase

(starting in 1993) saw the organization turn its attention to “core areas of economic cooperation, notably trade and finance.” Despite being largely successful, Chakma’s SAARC “is marked more by failures than successes.” Chakma predicts that “SAARC will have to be called back at a future date because of the very compelling rationale for which it was created” (Chakma, 2020).

Other critical scholars also share the same view regarding the reasons for SAARC’s failure. An Indian scholar, S.D. Muni has argued that South Asian regionalism is the reason why other smaller states are not willing to accept India’s leading role in the region (Muni, 1985). The scholar states that the fear of India’s growing geopolitical and economic influence makes South Asian states hesitant to engage with each other. Another Indian researcher, Raza and Özel (2025) has posited that the India-Pakistan rivalry is an integral part of South Asian politics, which needs to be resolved before any hopes of regional integration could come true (Raza & Özel, 2025).

At the same time, Raza and Özel (2025) expand on this point, noting that the regional trade between countries in South Asia is only at five percent of its potential. Their analysis, which relies on structural realist and liberal institutionalist approaches, helps explain the findings of their predecessors. First of all, the authors emphasize that eighty-seven percent of the summit standstills identified in the study were associated with India-Pakistan regional rivalries. According to Raza and Ozels, unresolved historical disputes and a number of territorial disagreements have led to the security dilemma between the two countries, resulting in military spending being prioritized over development-oriented initiatives. Such competition between South Asian neighbors has led to the failure of trade-related agreements like SAFTA (Raza & Özel, 2025). Other scholars also arrived at rather similar conclusions. Shahbaz and Muzaffar (2025) also conclude that, although SAARC provides a platform for consultation, “diplomatic initiatives are often compromised by political mistrust and lack of monitoring mechanisms”. The two scholars explain that, due to organizational inadequacy, SAARC failed to enforce its own decisions. A renowned Pakistan-based scholar Majid (2017) has heavily criticized SAARC, saying that it has lost its significance due to the tensions between India and Pakistan. According to Ahmed, regional integration has been compromised as the smaller members such as Nepal, Bangladesh, and Sri Lanka have been adversely affected by the bilateral hostility between the two nuclear powers. These countries have been denied the trade and connectivity opportunities that SAARC was meant to provide (Majid, A., 2017).

This paper attempts to explain the largely ineffective of SAARC using three theories; Neoliberal Institutionalism, Structural Realism, and Constructivism. As, one theory alone cannot fully explain the situation. Neoliberal institutionalism, can explain the emergence of SAARC but not its inability to enforce agreements. Structural realism, can explain the obsession of India and Pakistan with security, and constructivism, can explain the mistrust and lack of regional identity. Therefore, all three theories, when used together, can explain the stagnation of SAARC (Chakma, 2020). The debate between optimists and pessimists is not just academic. It has practical implications. This paper takes a middle position. It acknowledges SAARC's achievements but also recognizes its deep structural weaknesses. It argues that SAARC can be revived, but only through significant institutional reforms and a flexible approach to cooperation.

## **Evolution and Historical Phases of SAARC - From Promise to Paralysis**

SAARC has changed a great deal between 1985 and 2025. Every phase had its own achievements. At the same time, it also faced different challenges. The progress of the institution was not the same in each period. Each phase tells a different part of SAARC's story. Together, they show how the organization has evolved.

### **Phase One: The Formative Years (1980–1992)**

The South Asian Association for Regional Cooperation (SAARC) was formed to address economic issues, despite political tensions. In May 1980, Bangladeshi President Ziaur Rahman suggested organizing an “ASEAN-like” regional group. To do this, he proposed to develop cooperation in non-political areas such as agriculture and technology. This idea was realized in December 1985: The first summit of the SAARC member states (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka) was held in Dhaka on December 7-8 (“Iqbal, M. J.,” 2006).

However, SAARC was built on contradiction. To convince the reluctant members, especially India and Pakistan, to participate, the Article IX (2) of the charter simply stated that ‘bilateral and contentious issues’ will be excluded. This compromise defeated the very purpose of creating an economic community as it ignored the main issues affecting regional cooperation (Chakma, 2020).

During this stage, SAARC laid emphasis upon organizational building. The SAARC Secretariat was established in Kathmandu in January 1987 (Raza & Özel, 2025). It was underfunded and ineffective, as it had neither independent authority nor any power of enforcement; other specialized agencies such as the SAARC Agricultural center were set up in Dhaka in 1988 (SAARC, n.d.). In addition, regional agreements such as the Regional convention on suppression of terrorism, 1987, the Food Security Reserve agreement, 1987, and the convention on narcotic drugs, 1990, were concluded by member states, but there was little political will for their effective implementation. Moreover, regional issues also contributed to mistrust of the organization. The actions of India in Sri Lanka in 1987 and in the Maldives in 1988 caused anxiety among the smaller states about becoming subordinate to India (“Dawn,” 2025). Thus, Phase 1 of SAARC created the basis for dialogue and technical cooperation, yet it failed to address critical regional issues due to the lack of SAARC’s political, institutional, and relational effectiveness.

### **Phase Two: The Plateau and Descent (1993–2016)**

The second phase of the evolution of SAARC began with optimism about regional economic integration but soon turned towards institutional expansion and proliferation without concrete results. During this phase, many agreements were concluded, and regional institutions were created; cooperation was enhanced in several areas like trade, environment, disaster management, education, energy, and other fields (Raza & Özel, 2025). The initial period witnessed attempts to give a boost to economic cooperation. At the sixth SAARC summit held at Colombo in 1991, Sri Lanka came out with a proposal for enhancing trade cooperation among the member-states. In pursuance of the proposal, the SAARC Preferential Trading Arrangement (SAPTA) was agreed to at the seventh SAARC summit held at Dhaka on 11 April 1993 and came into force in December 1995. SAPTA aimed at providing concessions on tariffs, trade negotiations, and some basic principles of trade; however, it could create only a modest impact on the regional economies as the member states maintained their sensitive lists and did not open up their markets fully (Dawn, 2025). To overcome the limitations of this agreement, member states signed the South

Asian Free Trade Area (SAFTA) Agreement at the Twelfth SAARC Summit in Islamabad in 2004, which came into force in 2006. However, SAFTA also failed to deliver on its promises; intra-regional trade was less than five percent due to extensive sensitive lists, non-tariff barriers, inadequate infrastructure, and political tensions between India and Pakistan. Therefore, the failure of trade liberalization measures under SAFTA revealed a more significant problem that despite signing agreements, commitments, and declarations, states rarely follow through on their promises (Gaurav and Bharti, 2019).

Despite the economic constraints, the period has seen the growth of a number of institutions. Thus, in 1995, the SAARC Meteorological Research Centre (SMRC) was established in Dhaka. In addition, the SAARC Environment Action Plan was adopted in 1997. Furthermore, in the 2000s, SAARC was able to create several regional institutions, such as the SAARC Coastal Zone Management Centre (in Maldives, 2004), the SAARC Information Centre (in Kathmandu, 2005), and the SAARC Energy Centre and the SAARC Disaster Management Centre (SDMC, in 2006). This network's disaster management component became one of its most successful initiatives as it provided training, conducted drills, and participated in exercises. Nevertheless, the overall impact of these structures was limited due to their weak implementation mechanisms (Gaurav and Bharti, 2019).

Moreover, this organization devoted great attention to social development. Thus, at the Twelfth SAARC Summit in Islamabad in 2004, states adopted the SAARC Social Charter, which targeted social issues like poverty, women's empowerment, education, and human development. The problem was that countries did not create an effective system to ensure that this charter was implemented successfully (Sever & Uygur, 2025). Another significant step to promote social development was the creation of the South Asian University (SAU) in New Delhi in 2010. The SAU is a great example of people-to-people contact; however, political problems like visa restrictions hampered its development (South Asian University – SAU, n.d.).

One of the significant achievements was the invitation to Afghanistan as the eighth member country at the Fourteenth SAARC Summit in New Delhi in 2007. However, due to the country's long-standing war, its participation in the regional forum was limited (Muni, 1985). Another important event was the adoption of the SAARC Development Fund (SDF) in 2010 at the Sixteenth SAARC Summit in Thimphu, Bhutan. The SDF was aimed at promoting human security, tackling poverty, and supporting alternative energy development, but it appears that the fund's resources are insignificant for addressing the region's pressing issues. In 2010, SAARC members signed the SAARC Agreement on Trade in Services (SATIS) which came into force in 2012. Similar to other agreements SATIS also faced implementation challenges and remained largely unutilized (Bhattarai, 2025). The Thimphu Summit Declaration of 2010 focused on regional cooperation on climate change issues. The SAARC Framework Agreement for Energy Cooperation was signed by the member states at the Kathmandu Summit in 2014. In a similar vein the SAARC Motor Vehicles Agreement and the SAARC Regional Railways Agreement were also signed in 2014, but they remain stalled as Pakistan refused to ratify these agreements. The final break occurred after the Uri terrorist attack in September 2016 (Srinivasan, 2014). India accused Pakistan's militants and decided to boycott the Nineteenth SAARC Summit to be held in Islamabad in November 2016. In addition to India, Bangladesh, Afghanistan, and Bhutan also withdrew, leading to the cancellation of the meeting, which became a turning point in the history of SAARC (BBC News, 2016). The principle of mutual consent, which was designed to protect the

sovereignty of each state, became an obstacle to the functioning of the organization, as a single decision made by one state can prevent the implementation of any joint program (Raza & Özel, 2025). The years that span from 1993 to 2016 were marked by both positive trends and negative ones. On the positive side, SAARC was able to develop further, create several important centers, establish economic agreements, and promote educational, environmental, and disaster management cooperation. Still, the progress was limited to institutional development, and the primary challenge was the inability to deliver on promises. Thus, by 2016, the organization was approaching stagnation (Sultana, 2025).

### **Phase Three: Functional Coma (2017–2025)**

The third stage of SAARC development is also known as the stage which is characterized by ‘SAARC’s worst nightmare’. The period commences from the cancellation of Nineteenth SAARC Summit in 2016 when the organization finds itself completely ‘frozen’. This phase differs from the previous ones since it lacks active political participation and commitment, resulting in the loss of interest in the organization (Sultana, 2025).

The main reason for which there was no meeting of heads of government of member states of the SAARC since 2016 was the long-standing dispute between India and Pakistan. Due to the fact that the organization is based on a consensus policy, disagreements between two of its biggest members led to a standstill of the entire system. India started to conduct a more critical policy in favor of Pakistan, claiming that cooperation between these countries is impossible without resolving the terrorism issue (India, Uday, 2025). Pakistan, on its part, emphasized its desire for restoring SAARC activities, which implied the possibility of cooperation despite bilateral contradictions.

In February 2019, there were tensions between Pakistan and India after the Pulwama attack. Over forty Indian soldiers were killed. In response to the attack, India carried out airstrikes on Balakot. However, SAARC did not take any initiative to abate the situation. Nepal as the SAARC secretary general called for a calm. It shows that SAARC failed to act as a mediator in political and security issues (Sultana, 2025).

In March 2020, Modi called for a video conference of SAARC leaders and proposed raising a voluntary SAARC covid emergency fund. India contributed US\$10 million, and the fund collected more than US\$18 million to the fund, but the utilization of the fund was mired in the row between India and Pakistan. As of January 2021, no amount had been transferred to Pakistan (Sultana, 2025).

As SAARC remained inactive, India focused on building alternative frameworks such as BIMSTEC and BBIN. Modi's decision to invite the heads of state of BIMSTEC to his second inauguration in 2019 instead of the SAARC indicated his preference for the former. The BBIN Motor Vehicles Agreement of 2015 showed how small groupings could overcome the deadlock of SAARC. Nevertheless, these initiatives created fragmentation in South Asia (Sever & Uygun, 2025).

The downfall of SAARC served as a facilitator for China to fill the power vacuum by engaging with Pakistan via CPEC and investing heavily in Bangladesh, Nepal, and Sri Lanka. The growing influence of China underscores the regional organization's inability to deliver on its founding

principles. SAARC was in a coma as of 2025, with only a few critical functions operational for the time being (Sultana, 2025).

## **Diagnosing the Bottlenecks behind Stagnation**

Despite its ambitious objectives and several important initiatives, SAARC has not been able to achieve its full potential. Over the past four decades, the organization has faced many political, institutional, economic, and geopolitical challenges. These challenges have reduced the effectiveness of SAARC and limited regional cooperation among member states.

### **Political and Security Obstacle: The India–Pakistan Rivalry**

The biggest political and security threat to the SAARC's ability to realize its objectives is India-Pakistan rivalry. The competition between the two countries is a bilateral issue, and one of the significant aspects of the regional geopolitical situation. India and Pakistan are the most populous states in the region, with a collective population of around 87 percent. They also occupy an estimated 90 percent of the region's land area (Shahbaz & Muzaffar, 2025). As a result, it is accurate to claim that the foreign policy success of the two countries is indivisibly linked to the question of their bilateral relations. India and Pakistan each have had a complex and confrontational history that has affected bilateral ties. The issues of territorial disputes and military confrontations and the resulting mistrust are the main sources of competition between them, and they have significantly hindered the functioning of SAARC summits, agreements, and attempts to respond to common regional challenges (Raza & Özel, 2025).

This rivalry has also created a situation of security dilemma in South Asia. India is concerned about Pakistan's nuclear weapons and its alleged support for militant groups. Similarly, Pakistan views India's military strength and aggressive leadership as a threat. Therefore, both of these countries give greater importance to their national security than to regional cooperation (Chakma, 2020).

The institutional design of SAARC has further strengthened this political deadlock. According to Article X of the SAARC Charter, all decisions must be taken by consensus, and bilateral disputes cannot be discussed. Although this rule was introduced to protect SAARC from political conflicts, it has often resulted in institutional paralysis. Since every member has an effective veto, disagreements between India and Pakistan can delay or block important regional decisions (SAARC Charter, 1985).

The impact of this rivalry is not limited to India and Pakistan alone. Smaller member states such as Bangladesh, Bhutan, Nepal, Sri Lanka, and the Maldives also suffer because their trade, connectivity, and development priorities are affected by tensions between the two largest members. Instead of benefiting from regional cooperation, these countries often face delays in projects and missed opportunities for economic growth (SAARC: The Corpse We Refuse to Bury, 2025).

Major incidents such as the Uri attack (2016), the Pulwama attack (2019), and the Pahalgam attack (2025) further increased tensions. However, these incidents were only triggers rather than the main cause of SAARC's stagnation. The deeper problem is the long-standing political rivalry, mutual mistrust, and institutional weaknesses that have prevented the organization from functioning effectively (Raza & Özel, 2025).

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## **Structural and Institutional Flaws**

In addition to political issues, there are institutional and structural challenges that may explain why SAARC has been unable to deliver on its promises and has stagnated for decades. Unlike many other regional groupings, SAARC lacks strong institutions, has limited power, and has no mechanism to ensure that all countries implement agreed policies. A number of agreements have been adopted at the ministerial level, but their implementation has been slow and inadequate. One of the most important institutional constraints is the limited role of the SAARC secretariat based in Kathmandu. The secretariat has a narrow mandate, lacks resources, and has no authority to ensure that its decisions are implemented by member states; it is primarily an administrative agency. Because the secretariat relies on political donations from member countries, it cannot take any action without their consensus (Bhattarai, 2025).

Lack of effective monitoring and enforcement mechanisms has also contributed to the SAARC's ineffectiveness. Despite member states signing declarations and agreements, there has been no systematic approach to verifying compliance by member states nor have there been mechanisms to hold violators accountable. Moreover, due to the agreement in principle to adopt decision-making mechanisms that required the consensus of all members, progress on key issues has been extremely slow (Shahbaz & Muzaffar, 2025). Unlike ASEAN and the European Union (EU), whose institutional frameworks are reasonably well developed, SAARC remains characterized by institutional weakness. The ASEAN Secretariat has a greater coordinating role than its SAARC equivalent, while the EU's institutions (the European Commission, the European Court of Justice, and so on) provide greater support for the implementation of agreements and mutual surveillance of their execution. This undermines the effectiveness of SAARC, which has proven to be dependent on the personal contacts of its participants, rather than binding rules and regulations, for its survival and functioning (ASEAN Charter, 2007).

## **Economic and Infrastructure Constraints**

Economic and infrastructure limitations represent another critical constraint to regional integration. Despite the SAFTA agreement, economic linkages in South Asia are still underdeveloped since trade among these countries is less than five percent of total trade, which makes South Asia one of the least economically integrated regions in the world (Gaurav & Bharti, 2019). One reason is the region's uneven trade structure. South Asian trade is characterized by a hub and spokes configuration where trade is concentrated with India and, to a lesser extent, among Asian countries, which constrains regional connectivity and makes the region's trade highly dependent on political relations with India (SAARC: The Corpse We Refuse to Bury, 2025).

In addition, the SAFTA agreements have hindered regional integration due to the prolonged negotiations, extensive and sensitive lists of exceptions, non-tariff barriers, and political complications. Pakistan has not granted India Most Favored Nation (MFN) status, despite reciprocal MFN treatment from India in 1996 (Gaurav & Bharti, 2019). Bilateral trade between Pakistan and India declined by \$2.4 billion in 2018 to around \$1.2 billion by 2024 (Gaurav & Bharti, 2019). Poor regional connectivity has also been a persistent challenge. The SAARC Motor Vehicles Agreement and the SAARC Regional Railways Agreement that were signed in 2014 remain dead because Pakistan did not ratify the agreements. In comparison, regional groupings such as

ASEAN and the EU have facilitated freer trade, better connectivity, and more integrated markets than SAARC has achieved so far.

### **Non-Traditional and Environmental Threats**

Non-traditional and environmental threats have become another important blockage in the function of SAARC. South Asian countries share many common threats such as climate change, water scarcity, natural disasters, energy crises, and health security, among others. However, the SAARC has achieved only limited success in addressing them through regional cooperation. Climate change has made it more important than ever to enhance cooperation in disaster management, early warning systems, and sustainable management of shared rivers. SAARC has failed to develop water-sharing formulas, as the Indus Waters Treaty of 1960 is under threat. Similarly, the Teesta river water agreement between India and Bangladesh is deadlocked, and the SAARC Framework Agreement for Energy Cooperation (2014) remains unimplemented (Shahbaz & Muzaffar, 2025).

The COVID-19 crisis highlighted the fault lines in SAARC. In March 2020, the organization launched a COVID-19 Emergency Fund into which India has contributed \$10 million, and the total fund exceeded \$18 million (Raphael, 2021). However, the allocation of these funds was delayed due to the geopolitical tensions between India and Pakistan. As of January 2021, no money had been given to Pakistan. The inability to tackle common external challenges, particularly in the form of non-traditional security threats, has become another pillar of contention in the region (Raphael, 2021).

### **Geopolitical Dynamics and Parallel Regionalism**

Since 2016, the regionalist tendencies in South Asia have been deeply uneven. Due to the SAARC's ineffectiveness, its members have turned to other platforms, including the BIMSTEC and BBIN. Unlike the SAARC, these organizations do not include Pakistan. On the other hand, Pakistan is part of China's greatest BRI project through CPEC (Dawn, 2025). Which is Pak-China economic cooperation platform. This move of shifting alliances is considered to be a case of forum shopping (Sever & Uygur, 2025). That is, where the state is pursuing its strategic interests, it prefers to belong to different groupings. At the same time, as CPEC and China's other infrastructure projects acquire greater economic and political significance in Nepal, Sri Lanka, Bangladesh, and especially Pakistan, India's security and strategic concerns are aggravated by its alliance with the US in the Indo-Pacific strategy. As a result, instead of having one integrated regional grouping, South Asia now has several, and SAARC's effectiveness has decreased, if not failed altogether (Shahbaz & Muzaffar, 2025).

### **Pathways to Revitalization**

In order to make SAARC active and effective once again, with its real essence, a number of reforms and improvements are needed in different areas of the organization. Without these changes, SAARC cannot achieve meaningful regional cooperation or fulfill its objectives.

### **Institutional & Procedural Reforms**

For SAARC's revival there is a need to make institutional reforms. As many of SAARC's problems are connected with its weak decision-making structure and limited organizational capacity. The existing consensus-based mechanism, which is designed to protect the sovereignty of its member states, has often failed to do so resulting in institutional paralysis. Article X of the Charter states that all decisions require consensus. Resulting it provides an opportunity to its members states they can block and delay the regional initiatives as allowing disagreements (Chakma, 2020). In order to make to make SAARC more effective, reforming the decision-making process is needed (Dawn, 2025).

SAARC was created on the vision of ASEAN. So, one possible solution can be the introduction of a "SAARC-X" flexible cooperation model. Inspired by "ASEAN-X" approach (Raza & Özel, 2025). This mechanism would allow willing member states to move forward on specific technical and functional areas without waiting for complete agreement from all members. Matters related to climate cooperation, disaster management, public health, digital connectivity, and infrastructure development can be addressed by this flexible model (Manandhar, 2025). Whereas, issues which are politically sensitive can follow the original consensus principle. By this mean member states can maintain the intergovernmental nature of SAARC while reducing unnecessary delays.

There is also a need to undertake decision-making reforms, and to strengthen the SAARC Secretariat, which will enable it to perform its coordinating role more effectively. At present, the Secretariat has very limited authority, resources and analytic capacity, and needs to be empowered with a stronger mandate and greater autonomy, including adequate financial resources, in order to be able to effectively carry out its mandate (Shahbaz & Muzaffar, 2025). There is also a need for professional recruitment in order to ensure that the Secretariat has the capacity to handle its growing role and responsibilities.

SAARC requires stronger accountability mechanisms, one of which could be regular reviews that assess the extent to which each agreement contributes to SAARC objectives (Bhattarai, 2025). The Secretariat could then prepare a report on a yearly basis, detailing progress made in promoting trade, connectivity, addressing climate change, health and other key issues (editorial, 2025). This would enhance transparency, as well as promote ownership and compliance with the agreement by member states.

### **Economic and Connectivity Reforms**

The economic cooperation process in SAARC is one of the most critical areas that have been given significant attention by its members. Still, the level of trade between countries in the region has been far from satisfactory because of political contradictions, barriers to free trade, and underdeveloped transportation infrastructure (Gaurav & Bharti, 2019). The issue of revitalizing SAARC is of greatest importance for its member states. As it serves as the medium of economic integration that it can bring to the region. Firstly, the situation with the South Asian Free Trade Area (SAFTA) agreement should be resolved by removing obstacles to bilateral and regional trade (Dawn, 2025).

Even though SAFTA was a driving force for the regional trade liberalization process, it has not produced the desired effect due to protectionist policies, a long list of restricted products, and the lack of implementation of preferences. It is necessary to take measures to remove all obstacles to

trade and ensure free circulation of goods by harmonizing tariffs and standards and mutual recognition of certifications. In addition, it is needed to liberalize trade in services to strengthen economic ties between countries. One way to do this is to finalize the SATIS (SAARC Agreement on Trade in Services) by adopting similar measures to goods to promote the free flow of education, tourism, transport, IT, and other services (editorial, 2025).

The enhancement of physical and digital connectivity is also very important. Connectivity issues, mostly in relations of transport and heavy border custom procedures, continue to challenge the regional trade and investment (Sever & Uygur, 2025). There is an immediate need to follow connectivity projects, such as, transport agreements, and to build on sub-regional initiatives such as BBIN to engage in broader regional connectivity. Also, there is a need to shift focus on the digital connectivity as well. In order make it active and facilitate faster and efficient processes electronic customs, digital trade, and information exchange platforms can be utilized (editorial, 2025). There is a need to enhance the financial support and increase funding from to leverage. The regional investment needs can be fulfilled by the means of bilateral, multilateral, and commercial lenders. The SAARC Development Fund can play an important role in this regard. It can provide an enabling environment for undertaking applicable and feasible regional projects, mainly in the areas of climate change adaptation, health, and social protection (Correspondent, 2025). It is necessary to mobilize resources to make regional programs and projects transformative (Sever & Uygur, 2025).

### **Institutionalizing Multi-Tiered Diplomacy**

The political bitterness among the South Asian states has often overshadowed the regional cooperative agenda at the highest levels. Hence, SAARC needs to look at areas where political differences are limited and where there is potential for sustained cooperative interaction, as a way of pursuing the regionalist agenda in a “bottom up” approach (Bukhshi & Hashmi, 2025).

Technical cooperation in sectors like agriculture, education, health, disaster, and climate change will need to be prioritized, and existing regional centers strengthened through enhanced resources and expanded terms of reference for generating joint research and training in these areas. It will be beneficial to take up selected areas for mutual gains for the people of SAARC countries, and for building confidence among member states (Dawn, 2025). Multi-tiered diplomacy can also be helpful in reducing mistrust in the region. Track-II and Track 1.5 diplomacy works best where there are restrictions on diplomatic engagement. By utilizing the expertise of people in academia, research, retired diplomats, and civil society, Track-II and Track 1.5 diplomacy can help discuss delicate issues and work out policies beyond the confines of government (Raza & Özel, 2025)

People to people contact should also be encouraged to restart SAARC as it will help in building social capital in the region. There is a need to create various platforms for students, researchers, cultural groups, and young professionals to boost interaction (editorial, 2025). Institutions such as the South Asian University should be given more importance to build a regional identity. It will be helpful for developing a sustainable regionalism outlook for the future (Bhattarai, 2025).

### **Cooperation on Non-Traditional Security Challenges**

There are a set of emerging challenges on which the South Asian region faces similar or comparable problems. These include climate change, water security, natural disasters, energy security, and health security. These issues and challenges have direct and immediate implications for the people of the region. Therefore, it is important that the question of non-traditional security concerns becomes an important component of the SAARC agenda. For example, regional collaboration on managing disasters through enhanced role of SAARC disaster management center, and joint early warning systems for floods and cyclones etc. would contribute to saving lives and resources (Sever & Uygur, 2025). Similarly, water and climate security issues require more attention at the regional level even though these are largely bilateral issues, the SAARC could act as a forum for consultation and information exchange and for building confidence in these areas. Energy and food security should also be areas of collaboration because the SAARC Framework Agreement on Energy Cooperation promotes regional trade in electricity, and the SAARC Food Bank has to be empowered to address food crises. Besides, the COVID-19 pandemic revealed the need for enhanced health cooperation in the region, and the SAARC needs to promote coordination among health departments and create mechanisms that can deal with similar emergencies in the future.

### **Flexible Regional Architecture**

With the emergence and evolution of BIMSTEC, BBIN and SASEC as organizations promoting cooperation in South Asia, the region has entered a more complex political situation (Sever & Uygur, 2025). Nevertheless, these new entities should not replace SAARC but rather complement it, addressing specific issues (Chakma, 2020). SAARC should be retained as a forum for political consultation whereas other organizations should deal with economic and transport issues. A differentiated but coordinated approach would enhance regional linkages without overriding the separate interests of the countries involved. In order to do that, SAARC should adopt a project-based approach based on the interest of individual countries rather than decision-making through consensus (Dawn, 2025). It will save the transaction costs of regional cooperation as countries could participate in SAARC projects of their choice and those that do not wish to contribute would stay away from SAARC altogether (Aryal & Bharti, 2023; Raza & Özel, 2025).

### **Institutional Innovation**

Finally, it is important to think of innovative ways to improve the functioning of SAARC. It is important that along with the review mechanism, a digital platform for interaction be developed wherein the members can hold virtual meetings, share documents, track projects, and store other information. Like 2020, Indian Prime Minister Narendra Modi SAARC Virtual Summit (Modi: Press Release on the Extraordinary Virtual G20 Leaders' Summit, n.d.). This will enable SAARC to be functional even during political deadlocks and also speed up decision-making and other activities (editorial, 2025). These steps, if taken, will propel SAARC to become a true economic and geopolitical power in the region, although it will take some time for the same to happen (Bhattarai, 2025). Reviving SAARC does not require immediate consensus on all contentious issues, but rather pragmatic cooperation in areas of mutual interest (Dawn, 2025).

### **Conclusion**

The South Asian Association for Regional Cooperation (SAARC), established in 1985 with a promise to bring the region of South Asia closer by promoting regional cooperation, economic

integration, and mutual trust. Four decades later, this vision is partially fulfilled. The idea of SAARC is not a complete failure. Such as, it has successfully held eighteen summits, established a permanent Secretariat, created the South Asian University and the SAARC Development Fund. It has also adopted a several regional agreements. The gap between adopting agreements and implementing them is another debate as it has remained its greatest weakness. This findings of the study presents that the organization progressed from early optimism to institutional stagnation and ultimately to near paralysis after the cancellation of the 19th Summit in 2016. The study presents five interconnected bottlenecks such as, the India-Pakistan rivalry, the consensus-based decision-making mechanism, institutional weaknesses, limited economic integration and connectivity, and increasing geopolitical fragmentation. These challenges reinforce one another, and creating a cycle where political distrust prevents cooperation, and weak cooperation limits economic integration, and the absence of tangible benefits further deepens political mistrust.

To overcome these challenges, the paper suggests a practical roadmap for revitalizing SAARC. A flexible consensus model (SAARC-X) for technical cooperation can be adopted. There is also need to strengthen the Secretariat by granting it greater authority and by providing enough financial and institutional resources. Track-II diplomacy and people-to-people exchanges should be expanded. SAFTA should be modernized, and regional connectivity initiatives should be operationalized. There is also a need for better coordination among SAARC, BIMSTEC, and BBIN. This way institutional overlap can be reduced and regional cooperation can be enhanced. Despite its limitations, SAARC continues to provide an institutional foundation for future cooperation. The study further suggests that the future prospects of SAARC depend upon the political will of the leader along with the structural reforms. The countries of South Asia encounter some common problems like climate changes, water, energy security, and pandemic; hence, it is difficult to resolve these issues by any individual state. Therefore, the collaboration of member states can produce more effective and speedy results for the region. For instance, if states do not coordinate with each other and do not resolve bilateral disputes, the organization will face institutional stagnation, which will lead to a comprehensive decline and ultimately make it irrelevant.

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