

Analyzing the Stagnation of South Asian Regional Cooperation: A Neo-Functionalist Perspective

Zhiheng He¹

¹ Institute of South Asian Studies, Sichuan University, Sichuan, China

Correspondence: Zhiheng He, Institute of South Asian Studies, Sichuan University, Sichuan, China.

doi:10.56397/JRSSH.2025.01.07

Abstract

In the wave of international regional integration in the 1980s, South Asia began to explore the cooperation within the region. Since its inception, South Asia regional cooperation has been deeply influenced by the neo-functionalism theory, which advocates that cooperation should be given priority in the technical fields with less differences, and take this as the cornerstone to gradually build trust, and then expand the scope of cooperation to the economic and commercial fields. However, although SAARC has made some progress in the functional field, it has not been able to significantly expand or extend its cooperation to other more critical areas. Through in-depth analysis of the Haas-Schmidt framework, we find that the special geopolitical pattern in South Asia, that is, the imbalance of the power structure, poses a fundamental challenge to the in-depth development of regional cooperation in South Asia. The complicated conflicts among South Asian countries have led to a general lack of willingness to cooperate. At the same time, the institutional structure of SAARC is not yet perfect, and its regional integration capacity is relatively weak. In addition, the lagging economic development and sluggish trade growth in South Asia have also constrained the development of regional cooperation in South Asia. Further, taking into account the particularity of South Asia, we also find that the following factors hinder the integration of South Asia: First, the lack of regional awareness in South Asia leads to the lack of a common vision for regional cooperation among countries; Second, the outward-looking strategy of South Asian countries makes them pay more attention to relations with non-regional countries in regional cooperation; Third, the influence of non-regional powers has made the regional cooperation process in South Asia subject to interference and restriction by external factors.

Keywords: regional cooperation in South Asia, South Asian Association for Regional Cooperation, regional integration, new functionalism

1. Introduction

There is a close relationship between the development of integration theory and the process of European integration. Through the in-depth observation and summary of the

process of European integration, the theoretical framework of new functionalism was born. While guiding the development of European integration, the theory has been continuously developed and improved in the course of practice. The main representatives of the new

functionalism include Ernst Haas, Philip Schmidt, Joseph Nye and other scholars. On the basis of inheriting and expanding the traditional functionalism theory, they made a scientific and systematic explanation of the European integration problem, and put forward the new functionalism methodology with great guiding significance. Among them, "spillover" and supranational institutions constitute the core concepts of the new functionalist integration theory.

According to neo-functionalism, the integration process should start in the "low-level political" field with less controversy and less political sensitivity, and cooperation in a specific field will expand to other fields through "functional spillover", and cooperation in one sector will also lead to cooperation in other sectors, so that the scope of cooperation will continue to expand. Finally, in order to achieve further development in these fields, it is necessary to integrate in the field of "high politics", so as to realize the integration cooperation spillover from the economic sector to the political field, so as to develop the integration at the supranational level.

Although South Asian countries are faced with multiple complex contradictions such as territorial disputes, religious conflicts and water resources allocation, driven by the trend of international regional integration, South Asian countries have begun to explore the possibility of South Asian regional cooperation since the 1980s. Under the influence of the neo-functionalism theory, South Asian regional cooperation has first advocated cooperation in the areas of technical functions, that is, in areas where differences are relatively small, such as agriculture and food, meteorology, disaster reduction and relief, disease prevention and control, education and cultural exchanges, telecommunications and transportation, tourism and science and technology. This strategy aims to gradually build trust and enhance common interests, and on this basis, gradually extend the scope of cooperation to the economic and commercial fields. To this end, SAARC has set up a number of organizations dedicated to implementing cooperation in various fields, such as the SAARC Agricultural Centre, Meteorological Research Centre, Disaster Management Centre, Infectious disease Prevention and Control Centre, Energy Centre and Human Resources Development Centre.

The establishment and operation of these organizations have, to varying degrees, promoted the development of regional cooperation in South Asia.

However, after more than 30 years of practice in SAARC, it can be observed that the progress of SAARC cooperation in functional areas has not been significantly extended to other more critical areas. Up to now, South Asia is still one of the regions with the lowest level of regional integration and the most backward development in the world. In view of the failure of SAARC in functional cooperation to produce significant spillover effect, and the failure of SAARC in achieving breakthrough in regional cooperation in South Asia despite SAARC's choice of a similar development path to the EU, this paper aims to make an in-depth analysis of the obstacles faced by South Asia regional cooperation by applying the neo-functionalism theory, and then explore the root causes of its slow progress.

2. Practice and Effect of Regional Cooperation in South Asia

Since the 1950s, the rapid advance of European integration has triggered a remarkable upsurge of regional cooperation on a global scale. In the Americas and Africa, numerous regional organizations have been established. According to statistics, in the 1970s alone, 28 regional cooperation organizations in economic fields were established worldwide.¹ However, South Asia is one of the few regions in the world that has not established regional cooperation organizations. The vigorous development of regional cooperation in other parts of the world has had a profound impact on South Asian countries, prompting many people to think deeply about the prospect and necessity of regional cooperation in South Asia.

During this period, South Asian countries were faced with severe economic, political and other challenges. Due to the economic recession triggered by two global oil crises, South Asia has suffered a serious impact since the 1970s. Specifically, the long-term external debt of South Asian countries has increased significantly from US \$11.327 billion in 1970 to US \$198.66 billion

¹ Zhao Junping, Fu Huixia, Yao Lixia. (1995). *Theory and Practice of Regional Economic Integration*. Harbin: Heilongjiang University Press, p. 23.

in 1988. ¹In view of this grim economic situation, South Asian countries generally believe that strengthening regional cooperation to promote economic development and get rid of poverty has become an important option.

The idea of the South Asian Regional Cooperation Organization (SAARC) was first proposed by Bangladesh's then President Zia Rahman in 1977. Then, in 1980, he sent a letter to world leaders proposing a high-level meeting to discuss cooperation. In August 1983, the foreign ministers of the seven South Asian countries adopted the Declaration on Regional Cooperation in South Asia at their first meeting, which marked the official launch of regional cooperation in South Asia. In December 1985, the first South Asian summit was held in Dhaka, at which the Dhaka Declaration and the Charter for South Asian Regional Cooperation were reviewed and adopted, marking the formal establishment of the South Asian Association for Regional Cooperation.

The establishment of SAARC marked significant progress in regional cooperation in South Asia. In view of the lack of political trust among South Asian countries, SAARC did not put political and security issues at the top of its agenda in the early days of its establishment. Instead, SAARC chose cooperation in technical fields such as agriculture, meteorology, health and transportation as its entry point, hoping to gradually expand cooperation in low political fields to high political fields. At the same time, the SAARC Charter clearly stipulates that "discussions on issues of bilateral dispute shall not be involved". At the second SAARC Summit, the Agricultural Information Center and AgroMeteorological Center were officially established, and it was decided to promote people-to-people exchanges through measures such as promoting intra-regional tourism and establishing scholarships for study abroad. The third SAARC Summit further expanded the scope of cooperation to non-traditional security fields, making SAARC the first regional cooperation organization in the world to develop a regional joint counter-terrorism convention. The fourth SAARC Summit focused on livelihood, calling for action plans in education, environmental protection, health and

other areas. At the fifth SAARC Summit, Pakistan and Bangladesh tried to include political issues in the SAARC framework, but failed to do so due to India's opposition. Since the 1990s, the focus of SAARC cooperation has gradually shifted to the economic field, with the establishment of the Economic Cooperation Committee and the Chamber of Commerce and Industry. At the 7th SAARC Summit, the parties signed the SAARC Preferential Trade Agreement, which allows countries to voluntarily declare goods with reduced tariffs, thus moving the SAARC regional economic cooperation to a substantive stage.

It can be seen that since its inception, SAARC has skillfully avoided sensitive issues such as politics, security and economy. Instead, it has continuously expanded the scope of cooperation through agriculture, transportation and health, and gradually extended cooperation topics to non-traditional security and economic fields, and has made some progress. However, the lack of cooperation mechanisms in the political and traditional security fields has laid a hidden danger for the slow development of regional cooperation in the future.

To date, SAARC remains one of the slowest growing and least regionally integrated regional integration organizations in the world. In 1995, a decade after SAARC was established, bilateral trade between South Asian countries accounted for only 4.2% of their total trade. By 2008, the share had risen to only 5.5%. That compares with 24 per cent for ASEAN, 42 per cent for NAFTA and 65 per cent for the EU. Moreover, the SAARC summit's goal of establishing the South Asian Customs Union and the South Asian Economic Union by 2020 has yet to make any substantial progress. More worryingly, the annual summit is also struggling to take place as scheduled, with only 18 summits successfully held since SAARC's inception. The contents of most summits are mere formalities, and the declarations issued by most of them lack new ideas. The SAARC summit has even been regarded as a symbol of international bureaucracy, which has seriously damaged the international image of SAARC. Although SAARC and the European Union have chosen a similar development path, they have not achieved more breakthroughs through cooperation in functional fields.

3. From the Perspective of New Functionalism, Regional Cooperation in South Asia Is

¹ Wang Hongwei (Ed.). (1993). *Current Situation and Future of Regional Cooperation in South Asia*. Chengdu: Sichuan University Press, p. 4.

Hindered

According to the experience of European integration, Ernst Haas and Philip Schmidt put forward the “nine-variable model”, namely the Haas-Schmidt architecture, to promote the development of integration. According to them, the factors that promote integration include three aspects, a total of nine. First, the basic conditions of members: unit size, frequency of exchange, pluralism; Second, the conditions of member governments: including elite complementarity, the purpose and intention of the government, the power and function of the alliance; The third is the condition of the mechanism process, including the decision-making style, the growth rate of the transaction, and the adaptability of the government and private actors.

Based on the analysis of the factors affecting South Asia regional cooperation through the Haass-Schmidt framework, it can be found that the obstacles mainly include the following aspects: From the unit scale, the special geopolitical pattern in South Asia, that is, the imbalance of power structure, has brought fundamental challenges to the development of South Asia regional cooperation; From the purpose and intention of the government, the South Asian countries are full of contradictions, resulting in the lack of cooperation willingness; From the perspective of the power and function of the alliance, SAARC's system construction is not perfect, and it lacks the ability of regional integration; From the perspective of trade growth rate, South Asia's economic development is backward, and trade is difficult to increase, which also restricts the development of regional cooperation in South Asia.

3.1 Fundamental Challenges Posed by the Special Geopolitical Structure of South Asia

The independence of Bangladesh in 1971 left India as the only country with significant influence in South Asia, an event that resulted in a significant imbalance in the balance of power in the region. Specifically, India has a vast territory of about 3 million square kilometers, which is almost twice the area of the rest of South Asia combined; With a population of over one billion, again about twice as large as the rest of South Asia; And its gross national product, at about \$500 billion, is also about twice that of the rest of South Asia combined. In addition, India has a million-strong army, far larger than the

rest of South Asia combined. ¹This geopolitical fragmentation and asymmetrical distribution of power has greatly hindered the progress of regional cooperation in South Asia.

As a superpower in the region, India has not been able to actively promote regional cooperation in South Asia, but has become an important factor hindering regional cooperation. For a long time, India has taken advantage of its military advantages to occupy a dominant position in South Asia. Through the India-Bhutan Treaty of Friendship and India-Nepal Treaty of Peace and Friendship, India controlled Bhutan and Nepal, and participated in the dismemberment of Pakistan, which led to the profound fear of the imbalance of power in other countries in South Asia. In order to cope with the threat of India, Pakistan has invested heavily in the development of nuclear weapons in order to achieve a strategic balance with India. ²This geopolitical structure not only makes it impossible for the rest of South Asia to unite under the fear of India, but also for the region to integrate under India's leadership.

3.2 South Asian Countries Are Riddled with Contradictions and Lack Willingness to Cooperate

The conflicts among countries in South Asia are mainly between India and its neighboring small and medium-sized countries. India has a deeply rooted “Greater India” ideology, adhering to the theory that “small countries will perish” and the idea of having weak neighbors. As an ancient civilization with a long history, India has displayed a remarkable sense of superiority and disdain for neighboring countries, believing that these countries lack the ability to survive independently and have to rely on big countries or face extinction. ³ Under this ideological framework, India regards South Asia as its sphere of influence, which has caused deep dissatisfaction among its neighbors. In order to cope with India's strong influence, countries have to strengthen external exchanges and

¹ Li Tao, Rong Ying. (2008). *Research on the Development Trend of Regional Cooperation in South Asia and Cooperation between China and SAARC*. Chengdu: Bashu Press, p. 22.

² Song Dexing. (2004). The Geopolitical Structure of South Asia and India's Security Strategy. *South Asian Studies*, (1).

³ Long Xingchun. (2010). On the Problems in the Process of Regional Cooperation in South Asia. *Heilongjiang History*, (17).

actively develop relations with countries outside the region in order to seek balance. This situation has led to a long period of tension and mistrust between India and its neighbors.

The conflict between India and Pakistan due to territorial disputes is the most important contradiction in South Asia at present, and the two sides have broken out three wars. Once the relationship between India and Pakistan is tense, it will cause the stagnation and regression of regional cooperation in South Asia. On the other hand, there are many conflicts between India and Bangladesh over issues such as boundary, ownership of islands and allocation of water resources, which affect the cooperation and trust between the two countries. At the same time, India, Nepal, Sri Lanka and other countries also have large and small conflicts, which make the SAARC member countries lack of political trust, conflicts between member countries often make the annual summit can not be held on time. SAARC needs strong cooperation from member governments to make progress. However, in the course of SAARC's development, member governments have hindered SAARC far more than promoted SAARC.

3.3 SAARC Is Incomplete in Its Institutional Construction and Lacks Regional Integration Capacity

As the most influential regional cooperation organization in South Asia, SAARC should have played a key role in promoting regional cooperation. However, the SAARC Charter only stipulates the general principles of cooperation under the SAARC framework, such as "respect for sovereign equality and territorial integrity", and explicitly does not get involved in bilateral and contentious issues. As a result, the organization can only provide a platform for exchanges in resolving various conflicts that exist widely in the region. In addition, the secretariat of the SAARC is subject to numerous restrictions, which further weakens the functions of the institution. Under the SAARC framework, regional cooperation is mainly concentrated in the economic, trade and social fields, while the lack of institutionalization in high-level political fields such as traditional security has limited the further deepening of regional cooperation.

At the same time, South Asian countries have serious problems in the implementation of the agreement, although a number of important

documents have been signed, but the lack of practical implementation, resulting in implementation difficulties. For example, in 1987, South Asian countries signed the Regional Convention on the Suppression of Terrorism, but India and Pakistan could not agree on basic issues such as the definition of terrorism, resulting in the convention's long-term failure to play a substantive role. In addition, the South Asian Free Trade Area, established in 2004, failed to achieve its intended goals in name only as major member countries failed to abandon trade protectionism completely. SAARC itself has a number of institutional flaws that limit its ability to perform its regional integration function.

3.4 Backward Economic Development Has Made It Difficult for Trade to Grow

Due to slow economic development and excessive population growth, South Asia is one of the poorest regions in the world. In general, South Asian countries are still agricultural-oriented, so the export products of SAARC countries are very weak. Most of them are primary products that compete in foreign markets, such as minerals, agricultural products, etc. Therefore, the types and quantities of products that can be traded in South Asian countries are not large. At the same time, the backwardness of transportation facilities also restricts the trade between South Asian countries. Inconsistent railway tracks have led to multiple transfers of goods, high transport costs and low efficiency. Expressways are in their infancy and need to be further developed. Inefficiency of airports and ports has seriously affected trade flows.

Moreover, the low national income and insufficient purchasing power of South Asian countries also restrict the development of intra-regional trade. The per capita GNP of South Asian countries is generally only a few hundred US dollars. A low level of income represents a low level of purchasing power, which naturally restricts the development of trade in South Asia. The growth of inter-regional trade is not only the result of regional integration, but also further promotes the development of regional integration. The long-term low level of inter-regional trade among South Asian countries naturally makes the development of regional integration lack of impetus.

4. Other Factors Affecting Regional Cooperation in South Asia

The Haas-Schmidt framework explains the reasons for the slow progress of regional cooperation in South Asia to some extent, but South Asia has its own particularity, so it is necessary to comprehensively analyze the reasons for the slow progress of regional cooperation in South Asia by considering factors including regional consciousness and international factors.

4.1 Weak Regional Awareness in South Asia

A shared regional consciousness is a prerequisite for integrated development. In modern times, wars broke out constantly in Europe in order to compete for land resources, which caused the European people to suffer serious sufferings. Later, in order to avoid the recurrence of disasters, European countries realized that it was necessary to realize European integration. It can be said that the success of European integration was promoted by the common European consciousness.

The countries of South Asia have also suffered from similar sufferings. Territorial disputes, religious conflicts, ethnic conflicts and colonial rule have caused conflicts among and within South Asian countries, seriously undermined relations among South Asian countries and hindered the economic and social development of the region. South Asian countries are also searching for solutions, but they have come to the opposite conclusion from Europe, that is, if the different ethnic groups and religions in South Asia want to live in peace, the only way is to divide and rule. India and Pakistan were partitioned in 1947 and Pakistan and West Bengal in 1971. At the same time, the centrifugal tendencies of the Sikhs, Tamils and Assam in India were also evident, and continued to cause large-scale conflicts. From a geographical point of view, the countries in South Asia do not share borders with each other except India. At the same time, transportation and communication in the region are backward, and ordinary people lack communication and mutual understanding is very limited. Under such circumstances, there is still a long way to go before the formation of regional consciousness in South Asia, which makes regional cooperation in South Asia difficult.

4.2 Outward-Looking Strategies of South Asian Countries

In view of the limitations of regional cooperation, South Asian countries have gradually preferred to develop multilateral relations, strengthen ties with countries outside the region, and join a number of international organizations. These moves, in turn, have had a certain constraining effect on the advancement of regional cooperation. After the collapse of the Soviet Union, Pakistan, with its Islamic attributes and geographical location near Central Asia, actively implemented the "westward strategy" to strengthen its ties with Islamic countries in Central and Southwest Asia, and rapidly developed its relations with Arab countries with the help of the Organization of the Islamic Conference. Meanwhile, India put forward its "Go East strategy" in the 1990s. India was established as a partial dialogue partner of ASEAN at the Fourth ASEAN Summit in 1992 and upgraded to a full dialogue partner in 1996. In 2002, India and ASEAN held their first summit and established the India-ASEAN 10+1 dialogue mechanism. The subsequent multi-sectoral Economic and technical cooperation initiative around the Bay of Bengal further broke the geographical boundaries between South Asia and Southeast Asia and accelerated the Southeast Asian integration process of Bangladesh and Sri Lanka.

The divergence of development directions among countries has seriously hindered the in-depth development of regional cooperation in South Asia. Major countries in South Asia tend to devote more resources to extra-regional cooperation, resulting in the spillover of the fruits of cooperation to other regions instead of fully benefiting the region. As a result, regional cooperation in South Asia has been increasingly neglected.

4.3 The Influence of Powers Outside the Region

Since the influence of non-regional powers has penetrated into South Asia, the number of parties involved in South Asian affairs has increased significantly, which in turn has led to diversified views that are not conducive to regional integration in South Asia. Since 2001, the United States has been actively involved in South Asian affairs under the pretext of the war on terrorism, and has profoundly reshaped the geopolitical pattern in South Asia. Focusing mainly on India, Pakistan and Afghanistan, while neglecting other countries in South Asia, the US has artificially cut off the ties in the region from the perspective of security strategy.

At the same time, China's activities in places such as Gwadar in Pakistan, Colombo in Sri Lanka and Chittagong in Bangladesh have alarmed India and have been interpreted as an attempt to unite other countries in a "string of pearls" strategy to contain India. At present, China's economic cooperation in South Asia is mainly carried out from the east and west, that is, promoting the construction of the Bangladesh-China-India-Myanmar Economic Corridor in the east and the China-Pakistan Economic Corridor in the west. These measures may also lead to the division of South Asian countries, which in turn will have an adverse impact on regional cooperation in South Asia.

5. Conclusion

In the 1980s, with the rise of international regional integration, South Asia has stepped into the discussion stage of regional cooperation. Since its initial stage, South Asia regional cooperation has been heavily influenced by the neo-functionalism theory, which advocates cooperation first in the technical functional fields, namely agriculture and food, meteorology and disaster response, disease prevention and control, education and cultural exchanges, telecommunications and transportation, tourism, science and technology. By building trust and perception of common interests in these less divisive areas, the initiative aims to gradually extend the scope of cooperation to the economic and commercial fields. While there has been some progress in regional cooperation in South Asia, the results of SAARC cooperation in functional areas have not been significantly spillover or extended to other more critical areas. To this day, South Asia is still one of the regions with the slowest process and lowest level of regional integration in the world.

Through the investigation of the "nine-variable model" of the Haas-Schmidt framework to promote the integration development, it can be found that from the unit scale, the special geopolitical pattern of South Asia, that is, the imbalance of power structure, has brought fundamental challenges to the development of regional cooperation in South Asia. From the purpose and intention of the government, the South Asian countries are full of contradictions, resulting in the lack of cooperation willingness; From the perspective of the power and function of the alliance, SAARC's system construction is not perfect, and it lacks the ability of regional integration; From the perspective of trade

growth rate, South Asia's economic development is backward, and trade is difficult to increase, which also restricts the development of regional cooperation in South Asia.

At the same time, considering the particularity of South Asia itself, we can also find that the lack of regional awareness in South Asia also hinders the development of regional cooperation in South Asia; South Asian countries have turned to multilateral relations, strengthened ties with countries outside the region, and joined some international organizations, which in turn has limited the development of regional cooperation; The influence of powers outside the region has penetrated into South Asia and increased the number of participants in South Asian affairs, thus leading to diversification of opinions, which is also not conducive to regional integration in South Asia.

Therefore, regional cooperation in South Asia is likely to develop into two distinct parts: the countries in the eastern half of South Asia, including India, Bangladesh and Sri Lanka, will be linked with Southeast Asia through sub-regional cooperation organizations to form a trans-regional sub-regional organization, which will be integrated into the East Asian Community and become part of the Asia-Pacific group of states; And the countries in the western half of South Asia, including Pakistan and Afghanistan, will rely on the identity of Islamic countries to accelerate the development of relations with Arab countries. As a whole regional cooperation in South Asia, in the next period of time, the prospect is not optimistic.

References

- Bai Yunzhen, Jia Qichen. (2013). Regional Governance in East Asia from the Perspective of New Functionalism. *Pacific Journal*, 2.
- Cao Fengyu, Wang Tao. (2017). The Course, Achievements and Challenges of Regional Cooperation in South Asia. *Pacific Journal*, (10).
- Chen Xiang. (2015). The Development Status and Prospect of the South Asian Association for Regional Cooperation. *International Research References*, (6).
- Hu Zhiyong. (2013). *A Study on South Asian International Relations in the Early 21st Century*. Shanghai: Shanghai Academy of Social Sciences Press.

- Jiang Lilong. (2016). New Functionalism's Implications for Regional Cooperation in East Asia. *Knowledge and Action*, (3).
- Liu Ying. (2005). On the Nye Model in the Study of Integration Process. *Xinjiang Social Science Forum*, (3).
- Pan Zhongqi. (2003). Neo-Functionalism Spillover Theory and Its Criticism. *Journal of Shanghai Jiao Tong University (Philosophy and Social Sciences Edition)*, (5).
- Sun Yun, Wang Xiuping. (2015). The Spillover Effect of New Functionalism in Cross-Straits Relations: A Review. *Taiwan Studies*, (1).
- Tang Shan. (2011). The Problems of and Solutions to the East Asian Cooperation in Light of "Nye Model". *Journal of Foshan University of Science and Technology (Social Science Edition)*, (2).
- Wu Lei, Cao Fengyu. (2017). Fragmentation of Multiple Interests and Regional Cooperation in South Asia — On China's Role and Effect. *International Forum*, (2).