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Q5(b)

Discuss the ways and means to realise greater economic co-operation among the Member States of South Asia.

UPSC Civil Services Mains 2022 · PSIR GS 2 · 10 marks · India and South Asia

India and South Asia: Regional Co-operation; South Asian Association for Regional Cooperation; South Asian Economic cooperation; Impediments to regional co-operation; India and the Look East / Act East policy.

Core demand of the question

- Discuss the ways and means to realise greater economic co-operation among the Member States of South Asia
- Keep the answer within a 10-mark length

Revision summary

Intra-South Asian trade is thin because of politics and non-tariff walls.

SAARC and **SAFTA** remain the pan-regional frame; they move slowly.

BIMSTEC and **BBIN** are the practical means when SAARC is frozen.

Energy, roads, and customs are the functional tools.

Indian asymmetry and the Pakistan file decide how far any club can go.

Introduction

South Asia trades little with itself compared with ASEAN or the EU. Greater economic cooperation needs working clubs, connectivity, and a political floor that SAARC has lacked.

Body**Institutional ways**

- Revive SAARC where consensus allows, and use **SAFTA** with fewer sensitive-list holes.
- Push **BIMSTEC**, **BBIN**, and the Bay of Bengal where Pakistan's veto does not sit.
- Energy grids, motor-vehicle agreements, and power trade are functional steps in Mitrany's sense: task first, flag later.

Means on the ground

- Cross-border electricity, petroleum pipelines, and digital payments lower the cost of small trade.
- Harmonised customs, last-mile roads in the north-east and Nepal-Bhutan corridors, and fewer non-tariff barriers matter more than summit communiqués.
- **People mobility:** visas, medical and education travel, and a calmer India-Bangladesh trading regime already show gains.

Political means that economics cannot skip

- India-Pakistan freeze is the structural block. Sub-regional geometry is the workaround, not a full South Asian market.
- Chinese extra-regional finance is a hedge for smaller States. Indian delivery speed has to match, or cooperation stays a speech.
- **Asymmetry:** India must offer non-reciprocal access in some lines, as earlier Gujral-era logic suggested, without sounding like a hegemon.

Flow diagram

SAARC SAFTA -> Limited by consensus
BIMSTEC BBIN -> Connectivity energy
Connectivity energy -> Greater economic cooperation
Limited by consensus -> Greater economic cooperation

Conclusion

Greater South Asian economic cooperation runs through **SAFTA** repair, **BIMSTEC** and **BBIN** connectivity, energy and customs hardware, and a political decision to work around the **SAARC stall**. Geography is not a market until barriers and mistrust fall.

Facts & figures

SAFTA

South Asian Free Trade Area under SAARC, weakened by long sensitive lists and political stops.

BIMSTEC

Bay of Bengal grouping that links South and South-East Asia without Pakistan.

BBIN

Bangladesh, Bhutan, India, Nepal motor-vehicle and connectivity track for sub-regional movement.

SAARC stall

Summit process blocked by India-Pakistan tensions, which pushed work into smaller clubs.