

## India's Strategic Role in SAARC: Challenges and Opportunities in Regional Cooperation

**Nikesh Sharma**

Assistant Professor of Geography, Government College Nagrota Bagwan, Himachal Pradesh, India,  
[nikesh73925@gmail.com](mailto:nikesh73925@gmail.com)

**Abstract:** India, as the largest and most influential country in South Asia, occupies a central role in the South Asian Association for Regional Cooperation (SAARC). Its economic strength, strategic location, and political influence make it a key factor in shaping regional dynamics. This research paper critically examines India's role and responsibilities within SAARC, analysing its bilateral and multilateral engagements with fellow member states—Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, and Sri Lanka. Despite SAARC's foundational vision of promoting economic integration and regional harmony, its progress has been hampered by political tensions, particularly between India and Pakistan, along with structural and institutional limitations.

This study examines India's foreign policy strategies, trade relations, and security cooperation within the framework of the SAARC. It also identifies the geopolitical challenges, including the rising influence of China in the region, transboundary conflicts, and economic disparities, which continue to impede effective collaboration. Through a detailed literature review and gap analysis, the paper highlights underexplored dimensions, including climate diplomacy, cybersecurity, digital trade, and emerging sub-regional alliances. In conclusion, it proposes pragmatic and inclusive strategies for India to revitalize SAARC's potential by leveraging its leadership capacity in fostering mutual trust, regional integration, and sustainable development.

**Keywords:** India, SAARC, Regional Integration, Bilateral Relations, South Asia, Foreign Policy, Strategic Diplomacy, Geopolitical Challenges, Economic Development, China Factor, Trade Cooperation, Multilateralism, Conflict Resolution, Sub-regionalism, Sustainable Growth.

### Introduction

The South Asian Association for Regional Cooperation (SAARC), formally established in 1985 in Dhaka, Bangladesh, was envisioned as a platform to foster mutual understanding, peace, and prosperity through regional collaboration among its eight member countries—Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. The organization aims to promote regional integration by encouraging cooperation in various fields, including trade, education, environment, technology, and security.

India, as the largest country in terms of population, economy, and geographical expanse, occupies a central and influential position within SAARC. With its strategic location and increasing global relevance, India has the potential to act as both a catalyst and a leader for South Asian integration. However, despite SAARC's ambitious objectives, the organization has faced significant hurdles in realizing its goals. Persistent political tensions, notably the hostile relationship between India and Pakistan, along with disparities in economic development, bureaucratic inertia, and security concerns, have hindered the organization's operational efficiency.

This research seeks to investigate India's strategic role in SAARC, evaluate its bilateral and multilateral relationships with fellow member states, and analyze the regional mechanisms that influence cooperation. Furthermore, it examines India's policies and contributions toward strengthening SAARC while exploring the challenges it faces in promoting deeper regional integration. The study is grounded in the belief that India's proactive and inclusive engagement is vital for revitalizing SAARC and unlocking the region's untapped potential.

### **Review of Literature**

Over the years, several scholars, researchers, and policy experts have analyzed SAARC's structure, evolution, and the role played by India in its development. A prominent strand in the literature emphasizes India's political and economic hegemony in the region, which, while offering leadership, also creates asymmetries that sometimes strain relations with smaller member states. Bajpai (2021) notes that India's dominance often results in suspicion and resistance from neighboring countries, thereby impeding consensus-building in SAARC initiatives.

Another line of inquiry focuses on India's economic initiatives and connectivity projects aimed at improving regional trade. Scholars such as Dash (2008) argue that India's policies, such as trade liberalization and energy diplomacy, are aimed at strengthening cross-border collaboration. Nevertheless, these efforts are often undermined by non-tariff barriers, infrastructure bottlenecks, and political mistrust.

Additionally, the literature highlights the limited success of SAARC in fostering economic integration compared to other regional blocs like ASEAN or the European Union. According to Singh (2018), intra-SAARC trade remains disproportionately low, constituting less than 5% of the region's total trade, due in part to overlapping bilateral disputes and weak implementation mechanisms.

Recent academic work has also addressed the influence of external powers, particularly China, in reshaping the geopolitical landscape of South Asia. China's Belt and Road Initiative (BRI), its deepening ties with Pakistan and Nepal, and strategic investments in Sri Lanka and the Maldives pose significant challenges to India's leadership in the region. These dynamics have been explored by Thapliyal (2020), who underlines the urgent need for India to recalibrate its foreign policy to address the changing power equation in its neighbourhood.

However, despite this extensive body of research, there remains a lack of focused analysis on emerging areas such as digital diplomacy, climate governance, counterterrorism strategies, and cybersecurity collaboration within SAARC. The next section identifies these unexplored dimensions and outlines the necessity of addressing them in the current geopolitical context.

### **Research Gap**

While substantial literature exists on India's leadership role, bilateral frictions, and SAARC's institutional shortcomings, several contemporary aspects remain underexplored. There is a limited academic focus on how India can strategically respond to the emerging geopolitical challenges, such as China's expanding footprint in South Asia, the return of the Taliban in Afghanistan, and evolving digital trade and cyber threats.

Additionally, the implications of climate change, migration, public health emergencies (such as the COVID-19 pandemic), and regional connectivity through digital infrastructure have not been sufficiently analysed in the context of SAARC cooperation. The growing need for regional environmental agreements, collaborative disaster management systems, and energy security frameworks has also been overlooked in much of the existing discourse.

This research seeks to fill these gaps by adopting a forward-looking approach, integrating both traditional security concerns and non-traditional security issues. It focuses on India's evolving foreign

policy within SAARC, explores new avenues of cooperation, and proposes strategies that align with 21st-century regional challenges. By doing so, it aims to contribute to the broader understanding of regionalism in South Asia and offer practical insights into how India can revitalize SAARC's relevance in the global geopolitical arena.

**Aims and Objectives:** The central aim of this research is to investigate India's strategic engagement within the South Asian Association for Regional Cooperation (SAARC) and its implications for regional cooperation and integration. The specific objectives are outlined as follows:

1. To critically examine India's diplomatic, economic, and strategic role within the SAARC framework, highlighting its influence on regional cooperation and policy-making.
2. To analyse the nature of India's bilateral relationships with individual SAARC member states and their cumulative impact on multilateral cooperation within the region.
3. To assess the key challenges and opportunities confronting India-SAARC relations, including political tensions, economic asymmetries, and infrastructural limitations.
4. To evaluate the influence of external actors, particularly China, and the broader implications of shifting global geopolitical and economic trends on regional dynamics.
5. To formulate policy-oriented recommendations aimed at revitalizing SAARC through inclusive diplomacy, economic integration, sustainable development, and institutional reforms.

By addressing these objectives, the study endeavours to contribute to the discourse on regionalism in South Asia and propose strategic measures to enhance cooperation and integration.

**Methodology:** This study employs a qualitative and exploratory research design with a strong emphasis on content and comparative analysis. The methodology comprises the following components:

1. Data Collection:
  - Secondary data sources such as peer-reviewed academic journals, government publications, policy briefs, SAARC declarations, and reports from international organizations (e.g., UNDP, World Bank, Asian Development Bank) are utilized.
  - Analytical insights are also drawn from think tank publications, expert interviews, and diplomatic communiqués related to regional cooperation.
2. Comparative Analysis:
  - A comparative assessment of India's bilateral relationships with each SAARC member is conducted to identify common patterns, divergences, and areas of strategic convergence or conflict.
  - Special attention is paid to historical trends, trade statistics, cross-border projects, and diplomatic engagements.
3. Case Study Approach:
  - Select case studies of successful regional integration models—such as the European Union (EU), the Association of Southeast Asian Nations (ASEAN), and the African Union (AU)—are examined.
  - Lessons are drawn from these models to explore their applicability to the South Asian context, particularly regarding institutional mechanisms, dispute resolution frameworks, and multilateral economic policies.
4. Thematic Analysis:
  - The study adopts a thematic approach to categorize findings under key domains such as trade and connectivity, security cooperation, climate diplomacy, and digital infrastructure.

- Emerging issues like the China factor, cybersecurity threats, and post-pandemic regional recovery are also integrated into the analysis.

5. Limitations:

- As a desk-based study, the research is limited by the availability and reliability of secondary data.
- The dynamic nature of geopolitics may also affect the long-term applicability of the findings.

This methodology provides a structured and comprehensive foundation to explore India's evolving role in SAARC and offers pragmatic solutions for the region's future.

## Analysis

**1. India's Strategic Role in SAARC:** India, as the largest member of SAARC in terms of population, economic size, and geopolitical influence, has traditionally played a central role in shaping the organization's agenda. India has led several regional initiatives aimed at enhancing trade facilitation, cross-border connectivity, disaster preparedness, public health, and counterterrorism cooperation. Notably, India initiated the SAARC Satellite Project, launched regional health cooperation during the COVID-19 pandemic, and has consistently promoted infrastructure integration.

However, India's leadership has been constrained by persistent political tensions, particularly with Pakistan. These hostilities have resulted in frequent derailments of SAARC summits and a general paralysis of its multilateral mechanisms. In response, India has increasingly shifted focus towards sub-regional and bilateral platforms such as the Bangladesh-Bhutan-India-Nepal (BBIN) Initiative, Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and India-Sri Lanka-Maldives trilateral cooperation. These efforts reflect India's attempt to circumvent the limitations of SAARC while continuing to advance regional integration in a more flexible and politically feasible format.

## 2. Bilateral Dynamics with SAARC Members

- **India–Bangladesh:** Bilateral relations have strengthened considerably over the past decade. Major areas of cooperation include border management, river water sharing (especially the Ganges and Teesta), energy trade, and the revival of historic connectivity routes through road, rail, and inland waterways. The signing of the India-Bangladesh Comprehensive Economic Partnership Agreement (CEPA) reflects deepening economic integration.
- **India–Nepal:** Despite deep-rooted cultural, religious, and historical linkages, bilateral ties have occasionally been strained due to border disputes (e.g., Kalapani-Limpiyadhura region), perceptions of Indian interference, and economic blockades. However, India remains Nepal's largest trade partner and has invested heavily in hydropower, education, and infrastructure.
- **India–Sri Lanka:** Bilateral relations are shaped by economic cooperation, investment in infrastructure, and maritime security collaboration. However, issues related to ethnic Tamil populations and India's southern state politics influence foreign policy decisions. The competition for influence between India and China in Sri Lanka, especially in port infrastructure projects like Hambantota, adds a strategic dimension.
- **India–Pakistan:** Arguably the most contentious relationship within SAARC, the India-Pakistan rivalry has long impeded regional cooperation. Key issues include the Kashmir dispute, cross-border terrorism, and ideological polarization. The suspension of SAARC summits and growing bilateral hostilities have significantly undermined the organization's functional relevance.
- **India–Bhutan:** Relations with Bhutan are among the most stable in the region. India is Bhutan's largest trading partner and a major investor in hydropower projects, which form the backbone of

Bhutan's economy. There is close coordination in security and foreign policy, exemplified during the 2017 Doklam standoff, where both countries presented a united front.

- India–Maldives: India has consistently played a crucial role in Maldives' security and development. Initiatives such as the Greater Male Connectivity Project, medical tourism, and defence partnerships underscore growing cooperation. Nevertheless, China's increasing influence in the Maldives has at times created diplomatic friction and necessitated greater Indian engagement through the 'Neighbourhood First' policy.
- India–Afghanistan: India has invested heavily in education, infrastructure, and health services in Afghanistan. Projects like the Zaranj-Delaram Highway, Salma Dam, and Parliament Building signify India's long-term commitment to Afghan development. However, the Taliban's return to power in 2021 has created significant geopolitical uncertainty and curtailed India's diplomatic presence and development activities.

### 3. Structural Challenges to SAARC's Functioning

Despite its potential, SAARC continues to suffer from institutional weaknesses and structural impediments, including:

- Persistent political conflicts, most notably between India and Pakistan, regularly derail collective initiatives.
- Economic disparities and asymmetric power relations create mistrust and hinder consensus.
- Weak enforcement mechanisms and over-reliance on unanimity-based decision-making.
- Limited intra-regional trade, amounting to less than 5% of total trade among member countries.
- Bureaucratic inefficiency and underutilized secretarial functions.
- External geopolitical influences, especially China's Belt and Road Initiative (BRI), have led to divided loyalties among smaller SAARC states.
- Growing partnerships with global powers such as the U.S.-India strategic alliance, which shifts India's focus away from regionalism.

### 4. Opportunities for Regional Integration and India's Catalytic Role

Despite the prevailing challenges, there remains considerable potential for regional integration, especially in the following areas:

- Trade Liberalization: Revitalizing the South Asian Free Trade Area (SAFTA) and promoting harmonization of tariffs, logistics, and customs regulations.
- Digital and Energy Connectivity: Enhancing cross-border digital infrastructure, smart grids, and clean energy cooperation, particularly in solar and hydro sectors.
- Climate and Environmental Diplomacy: Coordinating efforts on climate change mitigation, natural disaster preparedness, and water-sharing frameworks.
- Maritime and Border Security: Strengthening regional cooperation on transnational crime, piracy, and terrorism prevention through information sharing and joint training exercises.
- People-to-People Linkages: Facilitating greater movement of students, professionals, and tourists to foster cultural and educational exchange.
- Sub-regionalism as a stepping stone: Initiatives like BBIN, BIMSTEC, and India-Maldives-Sri Lanka trilateral security cooperation can act as building blocks for broader SAARC revival.



India's proactive and inclusive approach, backed by political will, economic investments, and diplomatic outreach, holds the key to reviving SAARC's relevance in the 21st century. Leveraging digital diplomacy, regional trade corridors, and people-centric policies can transform SAARC into a resilient and responsive institution.

### Summary and Conclusion

India's strategic and economic stature render it an indispensable actor in the South Asian Association for Regional Cooperation (SAARC). As the largest member in terms of population, economic output, and geopolitical influence, India has the potential to shape the trajectory of regional cooperation and development. The analysis presented in this paper reveals that while India has developed strong bilateral relations with most SAARC nations—marked by cultural, economic, and strategic engagement—the multilateral progress of SAARC remains hindered by longstanding political disputes, particularly with Pakistan, and emerging external influences, notably the growing presence of China in the region.

The institutional stagnation of SAARC, evidenced by the postponement of summits and minimal progress on trade and connectivity agreements, has prompted India to invest in alternative regional mechanisms, such as BIMSTEC, BBIN, and the Indian Ocean Rim Association (IORA). These platforms have offered India a more functional and flexible framework to pursue its regional interests, bypassing the political gridlocks that characterize SAARC.

However, SAARC remains a valuable and irreplaceable platform for broader South Asian integration. Its comprehensive membership, shared cultural heritage, and geographical continuity offer immense potential for cooperation in trade, environmental sustainability, public health, counterterrorism, and climate resilience. The current geopolitical challenges should not obscure the fact that a functioning and cohesive SAARC could serve as a stabilizing force in a region marked by diversity and development asymmetries.

To revitalize SAARC, India must lead with visionary diplomacy, inclusive economic policies, and a multilateral spirit. Key areas of intervention include:

- Enhancing regional trade and connectivity, particularly through SAFTA reforms and infrastructure investments;
- Promoting climate and energy cooperation through shared environmental frameworks;
- Fostering people-to-people exchanges to build mutual trust and social integration;
- Establishing robust security cooperation mechanisms to counter shared threats such as terrorism, cyber-attacks, and trafficking.

India's foreign policy recalibration should recognize that regional peace, prosperity, and sustainable development are interlinked with the success of cooperative multilateralism. By adopting a constructive and empathetic leadership role, India can transform SAARC from a stalled regional organization into a vibrant engine of South Asian collaboration, thereby reinforcing its vision of a secure, connected, and prosperous neighbourhood.

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