

## **Rethinking South Asian Integration: An Analysis on Challenges and Prospects of Regional Economic Integration in South Asia**

D.M.L.K. Abeyrathne <sup>1</sup>

### **Abstract**

Regional Integration is a process of overcoming barriers that divide neighbouring countries, by common accord, and of jointly managing shared resources and assets. Essentially, it is a process by which groups of countries liberalize trade, creating a common market for goods, people, capital and services. Realizing its importance, the South Asian region has also embarked upon various processes of regional economic integration. The aim of this study is to identify those challenges and prospects of regional economic integration in South Asia which is fraught with difficulties, especially due to a lack of understanding about the very economics of regional economic integration. South Asian regional integration is seemingly confronting many challenges. Although regional integration in South Asia has adopted a kind of institutionalization, it is yet to deliver any concrete outcome. The study is basically based on secondary data collected from different reliable sources of published journals, reports and websites. Throughout the analysis process prevailing barriers have been scrutinized on the basis of which a set of recommendations have been made. Thus, this is dwells upon some of the conceptual issues pertaining to regional economic cooperation in general and specific to the South Asian region. It also documents the progress made in SAARC, the SAFTA trade liberalization and associated mechanisms alongside the nature of safeguards provided for. High-politics and the not-so-conducive regional economic structures hinder any effectual culmination. However, constructivism, as a theory, is given due credence in this study when looking for future prospects. The study highlights the issues, and attempts to offer certain policy directions by analyzing the challenges and identifying the prospects in the on-going integration process. In this respect, developmental perspectives of safeguards are put forth. Some fresh insights on the status of SAARC trade integration process in a dynamic setting are also brought out. The study also highlights the potentials for deeper economic integration in the region. Finally, the study makes an objective assessment of the regional integration process and identifies certain structural constraints that have important policy-implications.

***Key words: regionalism, South Asia, SAFTA, SAARC, Regional Integration***

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<sup>1</sup> BA (Special) International Studies, University of Kelaniya  
madushani.abeyrathne21@gmail.com

