

# **Identification of Constraints for Regional Economic Cooperation through South Asian Association for Regional Cooperation (SAARC)**

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## **ABSTRACT**

Identification of constraints for economic cooperation in South Asia had been the main research issue that is discussed in this paper. One of the objectives of the research is to identify possible solutions to overcome these constraints. To attain this purpose secondary data had been analyzed using SWOT method and research findings revealed several constraints those adversely affect economic cooperation in South Asia.

Prevailing political contradictions, especially between India and Pakistan is not conducive for better economic cooperation. South Asian countries heavily depend on the developed nations technology and industrial products. They still export agricultural commodities and industrial raw materials. Most countries in the region suffer from adverse balance of payments and serious debt burdens. Lack of effective information system among member states has caused many economic contortions where the exporters are ignorant of the importers who will demand their products and importers do not know about their suppliers within the region. Economic domination by India makes smaller countries fear that India will expand at the expense of their economies. All member countries produce same kind of export products in both agricultural and industrial sector. India competes with Bangladesh for Jute Goods and with Sri Lanka for cotton and cotton textiles. Pakistan competes with India for rice in the world market. When consider the trade agreements signed by the member states the most of the export products which were granted tariff concessions are not produced domestically or not traded by the member countries in large scale and preference has not been given to the products that are being traded on large scale.

Regional cooperation may not find concrete solutions of national and regional problems of all members, but they can create favorable climate for finding out such solutions. All member states should work at this aim to attain better economic progress in the region.

Key words: - South Asian Association for Regional Cooperation, Constraints, Economic cooperation