

# Analyzing Institutional Framework of SAARC & EU: A Comparative Study in Regional Cooperation

Anil Kumar Tentu\*, Peteti Premanandam<sup>2</sup>, Addada Narasimha Rao<sup>3</sup>,

<sup>1</sup>\*Research Scholar, (PT), in Department of Political Science, Andhra University- 530003, India.

<sup>2</sup>Head, in Department of Political Science, Andhra University- 530003, India.

<sup>3</sup>Principal, in College of Arts and Science, Andhra University- 530003, India.

\*Corresponding Author: Anil Kumar Tentu

\*Research Scholar, (PT), in Department of Political Science, Andhra University- 530003, India.

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## ARTICLE INFO

## ABSTRACT

This study examines the institutional frameworks of the South Asian Association for Regional Cooperation (SAARC) and the European Union (EU) to analyze their effectiveness in fostering regional cooperation. The EU stands as a model of deep integration and supranational governance, whereas SAARC has struggled with geopolitical tensions and weak institutional mechanisms. By comparing governance structures, policy implementation, and economic integration strategies, this research highlights key lessons that SAARC can learn from the EU. The study concludes with recommendations for strengthening SAARC's institutional capacity, improving conflict resolution mechanisms, and enhancing economic cooperation among member states.

**Keywords:** SAARC, EU, Regional Cooperation, Institutional Framework, Economic Integration, Governance, Conflict Resolution

## INTRODUCTION

Regional cooperation has become an essential mechanism for economic growth, political stability, and global governance (Keohane, 2005). The European Union (EU) exemplifies successful integration through strong institutional mechanisms, while the South Asian Association for Regional Cooperation (SAARC) faces significant challenges due to political tensions and structural inefficiencies (Moravcsik, 1998). This paper critically analyzes the institutional frameworks of both organizations to assess their effectiveness in promoting regional stability and economic development.

## THEORETICAL FRAMEWORK

Emphasizes the role of sovereign states in decision-making. These theories provide a comparative lens to evaluate the structural differences between SAARC and the EU. Regional cooperation theories provide a lens to understand the integration dynamics of SAARC and the EU. The following theories are crucial in analyzing institutional frameworks and the role of various actors.

This study applies key regional integration theories:

- **New Regionalism (Hettne & Söderbaum, 2000):** Recognizes the role of non-state actors, such as Civil Society, businesses, and local communities, in fostering regional cooperation.
- **Multi-Level Governance (Hooghe & Marks, 2001):** Highlights the decentralized nature of decision-making, where governance involves multiple levels, including supranational, national, and subnational actors.
- **Participatory Regionalism:** Stresses grassroots engagement, cross-border people-to-people interactions, and public-private partnerships as essential elements of successful regional integration. These theories provide insights into why the EU has successfully institutionalized regionalism while SAARC struggles with political conflicts and weak engagement mechanisms.
- **Table 1: Key Functionalism** (Mitrany, 1966): Suggests that technical and economic cooperation fosters political integration.

- **Neofunctionalism** (Haas, 1958; Schmitter, 1969): Highlights the role of supranational institutions in deepening integration.
- **Functionalism (Mitrany, 1966)**: Suggests that technical and economic cooperation fosters political integration by creating interdependencies.
- **Neofunctionalism (Haas, 1958; Schmitter, 1969)**: Highlights the role of supranational institutions in deepening integration through spillover effects.
- **Intergovernmentalism (Moravcsik, 1998)**: Emphasizes the dominance of sovereign states in regional cooperation, where national governments negotiate integration based on economic and political interests.

### Theoretical Approaches in Regional Integration

(Comparison of different integration theories.)

	Pluralism	Functionalism	Neofunctionalism	Federalism
<b>I. The End-Product:</b>				
Structure	Community of States	Administrative network responsive to community needs	Supranational decision-making system	Supranational state
Evidence	Probability of peaceful conflict resolution; communications: flow intensity	Degree of 'fit' between structures & functions; need-satisfaction	Locus of decisions (scope & level)	Distribution of power (formal & informal).
<b>II. The Process:</b>				
System	Self-sustaining growth of interdependence & informal structures	Technical self-determination; imperatives of functional needs & technological change	Political development: growth of central institutions through 'forward linkage'	Constitutional revolution: dramatic redistribution of power and authority
State	Increase of capacity for decision-making, information & responsiveness	Reluctant cooperation to solve technical & economic problems	Bargaining process where governments pursue interests among other groups	Bargaining resulting in Hobbesian contract among elites of states
Individual	Social learning through communications & interaction (elite & mass)	Habits of cooperation derived from satisfaction of utilitarian needs by new institutions	Effects of successful decision-making & conflict resolution on elite attitudes	Differentiation of loyalties according to level of government.

Source: Pentland 1973: 190.

### NEED FOR THE STUDY

1. To analyze the differences in institutional frameworks of SAARC and EU and their impact on regional cooperation.
2. To identify the key challenges in SAARC's integration and the lessons it can learn from the EU.
3. To provide policy recommendations for strengthening SAARC's institutional framework and governance mechanisms.

### SCOPE OF THE STUDY

1. The study focuses on the institutional structures, decision-making processes, and conflict resolution mechanisms of SAARC and the EU (Keohane, 2005).
2. It evaluates the effectiveness of governance policies in fostering economic integration and political stability (Moravcsik, 1998).
3. The study provides insights into possible institutional reforms for SAARC based on the EU's best practices (Schmitter, 1969).

### OBJECTIVES OF THE STUDY

1. To examine the governance models of SAARC and the EU and their role in regional integration.
2. To evaluate the challenges faced by SAARC in achieving effective regional cooperation.
3. To propose recommendations for institutional strengthening and policy improvements in SAARC.

### LIMITATIONS OF THE STUDY

1. The study primarily relies on secondary data sources, which may have limitations in accuracy and completeness.
2. It focuses on macro-level institutional frameworks rather than micro-level country-specific case studies.
3. The study does not account for real-time political developments that may affect SAARC-EU comparisons.

### INSTITUTIONAL STRUCTURE OF EU VS SAARC

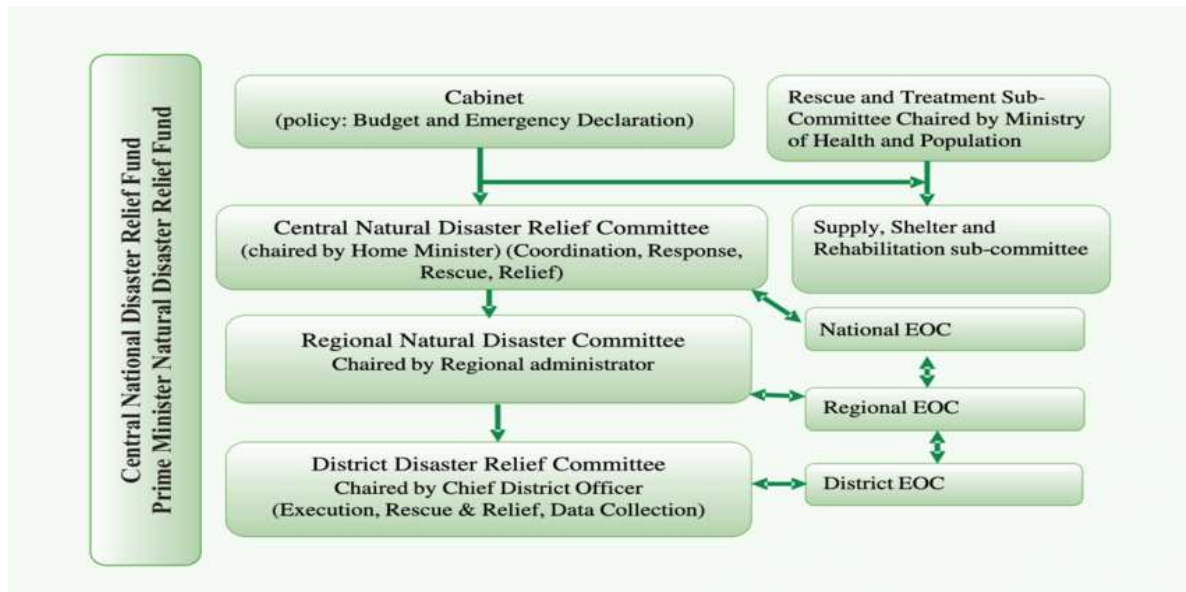


### SAARC INSTITUTIONAL FRAMEWORK

The importance of some kind of institutional arrangement, in a regional cooperation, needs no elaboration. It has been noted earlier that the lack of it is one of the major obstacles in the way of any effort towards Third World economic cooperation, for that matter any regional cooperation. There is hardly any pre-existing institution or functional network at the non-governmental level either in the field of trade, or in socio-cultural relations among these countries, which can provide some arrangements, either through direct participation or by giving patronage, and encourage the non-governmental agencies. It is the same case with the South Asian Association for Regional Cooperation, where the socio-economic interests groups and interactions between them remain highly underdeveloped.

Right from the beginning the Bangladesh draft proposal had emphasized on the institutional framework for SAARC. The draft proposal had suggested various institutional and organizational aspects of regional cooperation. Its emphasis was on a summit of the heads of government. However, the draft had clearly reflected its awareness of the difficulties envisaged in the setting up of a well-structured institutional framework for cooperation.

### INSTITUTIONAL FRAMEWORK OF SAARC



The flow chart of the institutional framework of SAARC is depicted in Diagram 1A.

**Diagram 1A: Institutional Framework of SAARC<sup>1</sup>**



Institutionally, the decision of far reaching significance in the development of SAARC was the frequency of the summit and ministerial meetings, as suggested by the charter. The leaders at the first meeting in Dhaka decided in favour of a council of Ministers and a Secretariat, certifying their enduring commitment to organisation. In February 1987, the SAARC Secretariat came into being with a Secretary General and four Directors. The SAARC Council of Ministers was yet to be formed, but the foreign ministers of the member states are its de-facto members.

- **COUNCIL OF MINISTERS**
- **SPECIALISED MINISTERIAL MEETINGS**
- **STANDING COMMITTEE**
- **TECHNICAL COMMITTEES**
- **THE SECRETARIAT**
- **SECRETARY GENERAL**
- **FINANCIAL ARRANGEMENTS**
- **GENERAL PROVISIONS**

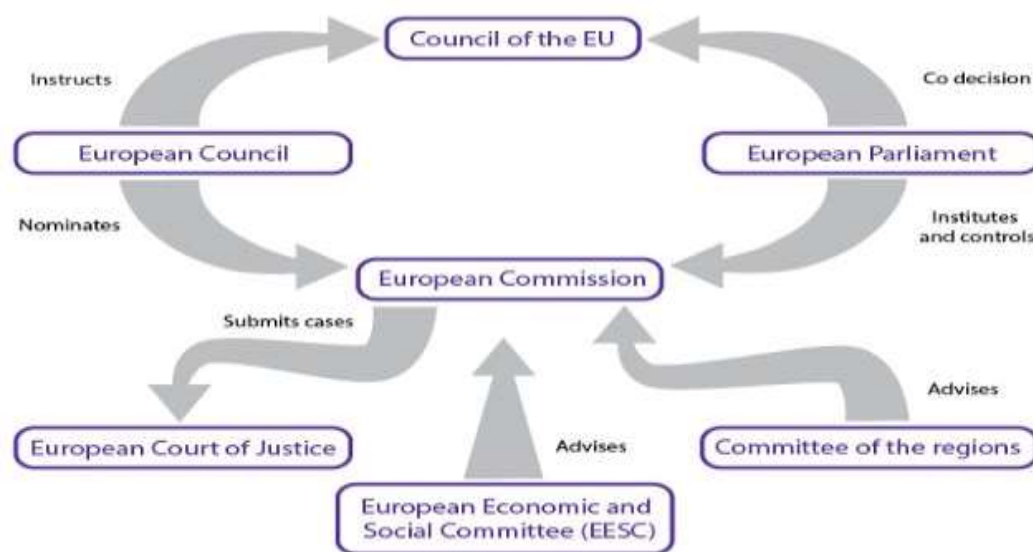
The Unanimity Provisions in the SAARC Charter has been the most limiting factor for the effective performance of the SAARC. It is extremely for decisions to be reaching on an unanimous basis. As it is there are so many contentious issues between various members of the SAARC member countries it becomes increasingly difficult to evolve unanimity in decision-making thus in the bargain the progress of SAARC is vitally hampered. Not only this, the second clause of exclusion of bilateral issues from SAARC deliberations adds up to the apathy in SAARC functioning. Unless both these clauses are given a serious alteration the progress of SAARC would not be very commendable.

Despite these mechanisms, SAARC operates on a principle of unanimity, which limits its effectiveness in decision-making and regional integration.

### Challenges

- Lack of supranational authority.
- Political conflicts among member states.
- Inability to address bilateral disputes.

### EU INSTITUTIONAL FRAMEWORK



The unique character of the European Union (neither a state nor an international organisation, but with features of both) is reflected in its institutional structure. A key features of a state is that it has a government with an identifiable head. Within the EU there is no clearly defined 'government' or 'opposition' as such. Nor does the Union's institutional structure for the conventional model of the three branches of government (executive, legislative and judicial) within a state.

### The Influence of Treaties

Perhaps the single most important feature of the Union is that it is founded on treaties. In the absence of a written constitution, treaties provide the legal foundation of the Union's institutional framework. For example, the roles of the Union's principal institutions are set out (by no means fully or unambiguously) in the treaties. The various hosts of Treaties are

1. Single European Act (SEA),
2. Treaty on European Union (TEU),
3. Treaty of Amsterdam (ToA) and
4. Treaty of Nice (ToN).

### An Evolving structure

The Union's somewhat ramshackle structure exemplified the Union's *ad hoc* approach to institutional change. Unlike many state constitutions, which have a quality of finality about them, the Union's treaties were never meant to be the last word on the Union's institutional arrangements. The Union's 'institutional balance' (the distribution of power between institutions) has undergone significant changes in recent years and is continuing to evolve.



## EU Institutional Framework

Article 3 of the Treaty of European Union states that:

“the Union shall be served by a single institutional framework”<sup>2</sup>.

The Commission is ‘fully associated’ with the work of

- CFSP (Common Foreign and Security Policy) (second) and
- PJCCM (Police and Judicial Co-operation in criminal Matters) (third) pillars, but does not have sole right of policy initiative under these pillars, being forced to share this with member states.
- The European Court of Justice (ECJ) has no role in relation to the second pillar and a very limited role in the third pillar.

The principal institutions are

- **THE COMMISSION**
- **THE PRESIDENCY**
- **THE EUROPEAN COUNCIL**
- **THE EUROPEAN PARLIAMENT**
- **THE EUROPEAN COURT OF JUSTICE**
- **THE ECONOMIC AND SOCIAL COMMITTEE**
- **THE COMMITTEE OF THE REGIONS**
- **THE EUROPEAN CENTRAL BANK**
- **OTHER INSTITUTIONS AND AGENCIES**

The EU's institutional structure allows for independent decision-making and policy enforcement, enhancing its ability to manage economic integration and regional stability.

## Strengths

- Supranational governance ensures policy implementation.
- Common market and single currency.
- Robust dispute resolution mechanisms.

## SAARC & EU: Key Differences

Aspect	SAARC	EU
<b>Decision-Making</b>	Consensus-based (weak enforcement)	Majority voting (strong enforcement)
<b>Economic Integration</b>	Limited (Preferential Trading Agreement)	Deep (Single Market, Customs Union)
<b>Conflict Resolution</b>	No formal mechanism	European Court of Justice
<b>Supranational Authority</b>	Absent	Strong governance bodies

## FINDINGS

1. The EU's institutional success is due to strong legal frameworks and supranational governance mechanisms (Schmitter, 1969).
2. SAARC's progress is hindered by political instability, weak institutional frameworks, and lack of enforcement mechanisms (Mitrany, 1966).
3. Economic disparities and unresolved conflicts between member states have limited SAARC's regional integration (Haas, 1958).

## LESSONS AND SUGGESTIONS FOR SAARC

1. **Institutional Strengthening:** SAARC should develop a supranational governing body with decision-making authority (Keohane, 2005).
2. **Conflict Resolution:** A dedicated conflict resolution mechanism should be established to mediate disputes between member states (Moravcsik, 1998).
3. **Economic Integration:** Reduction of trade barriers, increased investments, and a common market framework should be promoted (Schmitter, 1969).
4. Encouraging **multi-level governance** to include civil society and businesses.

## CONCLUSION

The comparative study of the EU and SAARC reveals that the EU's success in regional cooperation is rooted in strong institutional mechanisms, supranational governance, and enforceable policies (Haas, 1958). In

<sup>2</sup>Taken from the Article 3 of the Treaty of the European Union.

contrast, SAARC struggles with weak decision-making structures, political conflicts, and limited economic integration (Mitrany, 1966). To enhance regional cooperation, SAARC must focus on institutional strengthening, economic interdependence, and conflict resolution frameworks (Schmitter, 1969). Strengthening SAARC's governance and decision-making processes is critical for ensuring sustainable regional cooperation and economic growth in South Asia (Keohane, 2005).

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