

Enhancing Regional Integration via Cross-Border Cooperation: A Case Study of South Asian States

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Abstract

This study seeks to analyse how transnational collaboration can be a good and incremental route to enhance regionalism in South Asia in the face of which institutional weakness and disproportionate development have limited regionalism formalized under the SAARC over time. The study is based on a qualitative research design, which is exploratory and descriptive, using secondary data based on the reviewed literature and the policy documents, and official reports and the regional trade and connectivity data, as well as in the form of a case-study on the sub-regional and bilateral processes that can be applied to the research, including the following processes: the BBIN, BIMSTEC, and cooperation between India and Bangladesh in the areas of trade facilitation, transit connectivity, energy exchange and disaster management as well as people-to-people linkages. The results indicate that regional and sub-regional frameworks have produced positive and unequal integration results, especially through the minimization of procedural obstacles, development of regulatory coordination and sector-specific cooperation in transport and energy. The findings also indicate that the increased extent of hard and soft connectivity, along with multi-sector coordination, is closely linked with the enhanced integration outcomes, and only confined infrastructure investments without the regulatory and institutional harmonisation can be of limited usefulness.

Keywords: *Cross-border cooperation; Regional integration; South Asia; BBIN; BIMSTEC; Trade facilitation; Connectivity; Energy cooperation.*

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1. Introduction

The promotion of regional integration in South Asia through cross-border cooperation is an economic urgency, political threat, geographical, colonial, security crises as well as the unequal development. The South Asia, which is an area that constitutes almost a quarter of the global population, is also one of the least integrated in the economy. The cross-border cooperation provides another viable path to integration since it can commence with low politics (facilitating trade, energy exchange, disaster management, health issues and people-to-people relationships) when high politics (strategic rivalry, border issues and nationalism at home) limits formal regionalism (Wani, et al., 2025). Regional integration in this sense is more a process than an event, that is, the process of harmonizing rules, of establishing connecting infrastructure, of establishing patterns of cooperation between governments, businesses and communities in borderlands (Thakur, & Van Langenhove, 2007).

The case-study lens is useful since the integration process in South Asia has not moved in the

same direction; rather it has taken sub regional and bilateral routes by bypassing the region-wide level stalemates. Although the SAARC (South Asian Association for Regional Cooperation) has provided a very vital platform, political friction, particularly between India and Pakistan has over and over again curtailed its performance (Freeman, 2018). As a counter, nations have been turning to other alternatives like BIMSTEC (connecting South Asian elements to Southeast Asia), BBIN (Bangladesh-Bhutan-India-Nepal) and assortments of bilateral transit, power trade and border control agreements. This is demonstrated by the India-Bangladesh relationship (Pattanaik, 2018).

Cooperation in trade and transit is the most apparent avenue to integration, yet in South Asia it needs direct remedies since it is not necessarily tariffs to blame, but rather the frictions of the so-called behind-the-border: delays in clearing customs, inconsistent standards, limited warehousing, weakening multimodal logistics, and even restrictive transit regulations (Jasparro, & Taylor, 2008). These can be resolved through cross-border cooperation,

where they have harmonized documentation, risk-based inspections, common standards recognition, common border infrastructure and single-window clearance through digital systems (Afraz, & Khawar, 2019). In the case of landlocked Nepal and Bhutan, consistent passage through India is crucial and collaborative systems, which mitigate uncertainty, predictable charges, smooth permits and properly maintained road/rail connections, are directly converted to development benefits. With its strategic position, Bangladesh turns into a transit state: allowing Indian and Nepalese cargo to transit through with a significant amount of time saved on getting to Chattogram or Mongla ports, the country benefits by receiving revenue and infrastructure improvements (Chauhan et al., 2023).

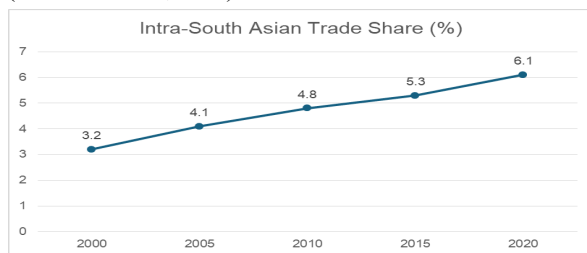


Figure 1: Intra South Asian Trade Share

Source: (www.worldbank.org)

The energy environment in South Asia is complementary. Nepal and Bhutan have large potential on hydropower; India has a large and diversified generation base and can play a balancing market; Bangladesh is experiencing increased demand and is seeking stable imports; Sri Lanka and Maldives are dependent on imported fuels and finding renewable energy sources and grid stability. Cross-border electricity trade - interconnectors, power purchase agreements, and an evolving regional grid code can help reduce the costs, alleviate shortages, and facilitate decarbonisation through integrating variable renewable energy (Tortajada, & Saklani, 2018). This is particularly educative in the context of hydropower trade in the eastern Himalayas: long term contracts and joint infrastructure development may generate revenue to smaller states and deliver clean power and peak balancing to India and Bangladesh. However, energy interdependence presents governance requirements as well: transparent pricing, effective regulators, environmental and social protection of dam projects, systems to cope with seasonal variability and climatic risk (Steinbacher, et al., 2019). In addition to electricity, the collaboration in petroleum reserves, logistics of liquefied natural gas, and regional welfare of clean cooking fuels can have positive effects. Energy projects are often capital-intensive and long horizon;

when they work, they generate powerful constituencies of stability as firms, consumers and governments get interested in the continuation of cross-border flows (Vaidya, et al., 2021).

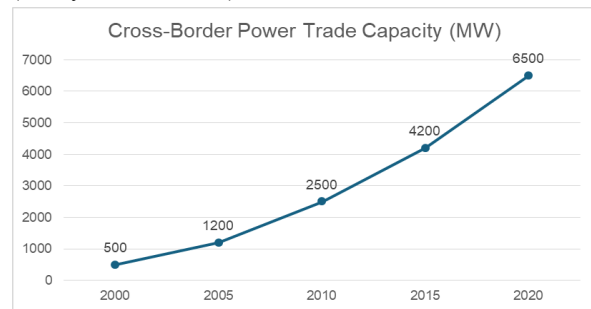


Figure 2: Cross-Border Power Trade Capacity (MW)

Source: (ieefa.org/resources)

Especially, water, climate, and disaster-risk cooperation are vital in South Asia due to the fact that, the area is strictly vulnerable to floods, cyclones, heatwaves, glacial melt, sea-level rise, and riverbank erosion. Most of these risks are Trans boundary in nature: rivers are boundary less, storms do not respect boundaries and decisions made upstream in land-use can be transmitted to the floods downstream (Seidler, et al., 2018). The cross-border cooperation in this case is limited to data sharing (hydrological and meteorological data), joint early-warning mechanisms, combined disaster response strategies, and basin-wide sediment management and floodplain zoning plans (Mall, et al., 2019). The examples of India-Bangladesh-Nepal-Bhutan rivers systems are rather illustrative: the cooperation can decrease the losses of life and economic harm, however, the lack of mistrust and domestic politics can lead to obstacles in the information flow (Towett, et al., 2023). Mutual gains, however, are more evident in the field of climate adaptation than in security disputes; lifesaving in times of floods or cyclone shelter organisation can provide the general population with positive feelings about cooperation. The same is applicable to public health, which is reflected in logic of cross-border disease surveillance, collective lab capacity, as well as coordinated vaccination. These areas of human security can thus serve as confidence building initiatives that can slowly create wider margins to more radicalized integration of economies (Towett, et al., 2023).

South Asian cooperation across borders is subjected to recurrent obstacles: securitized borders, unequal bargaining power, political cycles within a country and institutional frailty. The size of India provides it with disproportionate influence, and it can produce both leadership and suspicion; smaller neighbours tend to want to be certain that cooperation

is based on rules and respectful. On the other hand, India is not ready to open borders and exchange sensitive information due to its security concerns, such as insurgency, terrorism, irregular migration, etc. The biggest structural problem concerning the integration of the region is Pakistan-India rivalry, as it influences trade corridors and undermines regional institutions (Vila Seoane, 2021). Regulatory divergence is another challenge which creates uncertainty to firms due to various product standards, sanitary and phytosanitary regulations and licensing regimes. The capacity to finance and implement the project may be minimal and in the case of cross-border projects, the governments may need to align their timelines and distribute risks (Engler, et al., 2012). Lastly, there is outside geopolitics: the competition between big powers may offer alternative sources of finance but may also fuel suspicion and strategic insurance. The effect is that integration is made to occur in fits and starts, based on the state of diplomacy and domestic motivation (Entine, et al., 2021).

The aim of the study is to explore how the cross-border cooperation can be an effective, effective and incremental route to faster regional integration in South Asia where higher politics rivalry, poor formal regionalism and lack of even development have throttled the success of SAARC by emphasizing on sub-regional and bilateral processes like BBIN, BIMSTEC and the India-Bangladesh process across trade, transit, energy, disaster management and people-to-people connections. The study contributes to the literature in re-conceptualizing regional integration not as a high-politics, sector-based collaboration entity, but as an effort to achieve optimum cross-border integration through low-politics, pragmatic cross-border solutions, and it offers a South Asia-specific case study viewpoint, which shows how low-politics, pragmatic cross-border arrangements can help overcome the challenges of cross-border barriers, regulatory frictions and infrastructure deficits to offer an alternative, low-politics-based model of regional integration to politically-disparate regions.

The study is divided into six sections. Section 1 comprises the introduction of the document. A literature review is comprised under section 2 of the paper. A research methodology is examined in Section 3. The results are discussed in Section 4. The discussion, have been provided in detail in section 5. Section 6 contains conclusions, Implications, limitations and future scope.

2. Review of Literatures

Objective 1: To evaluate the effectiveness of regional and sub-regional frameworks in promoting regional integration.

The review of literature conducted on a systematic basis indicates that regional and sub-regional frameworks are largely considered as the cornerstones in the promotion of economic integration and market integration. To begin with, research always indicates that well established institutional structures that have robust legal and supranational power such as the European Union (EU) are very successful in establishing profound economic integration. An example is the *acquis communautaire* of the EU, which has played a significant role to harmonize the regulations, create a single market and free movement of goods, capital, services and people, which has greatly improved trade and investment intra-regionally (Lavenex, S. 2011). On the other hand, studies have shown that frameworks that do not have strong enforcement tools like the Association of Southeast Asian Nations (ASEAN) with its consensus-based model, the so-called ASEAN Way, have lower market integration. Although it is effective in facilitating political stability, this model leads to a slower rate of tariff reductions and harmonisation of regulations than that observed in the EU, which illustrates that institutional design is a critical determinant of economic performance (Zagorchev, et al., 2011).

In addition to the economic reasons, the literature emphasizes that such frameworks can create socio-political cooperation and deal with transnational problems despite being extremely uneven in their effectiveness. On the one hand, regional entities in Africa, including the Economic Community of West African States (ECOWAS) is also credited with the distribution of peace and security by means of collective security, that is observed with their interventions in the cases of conflicts in Liberia and The Gambia (Obamba, & Mwema, 2009). On the same note, sub-regional blocs such as the Southern African Development Community (SADC) have enabled collaboration in the area of infrastructure and population health to curb inter-border challenges. Nevertheless, the literature has a critical theme of the widespread problem of implementation gaps and geopolitical fragmentation. Thus, regional structures offer much needed platforms of cooperation but their success is limited at the end of the day by the political goodwill of member states, institutional ability, and alleviation of sovereignty issues which often becomes the major bottle neck to deeper integration (Mangiameli, S. 2017).

Objective 2: To identify political, institutional, and economic barriers limiting cross-border cooperation.

The use of systematic review of the available literature has shown that the problem of sovereignty and asymmetric governance is the main source of political obstacles to the cooperation between the countries. Countries tend to be unwilling to hand over territorial control to the borders areas and they consider cooperation systems as a form of encroachment of the power of authority (FitzGerald, 2020). This is intensified by insufficient political will and confidence, in which conflicting national interests, past animosity and unstable bilateral relations lack collaborative efforts. Moreover, institutional incongruence, including incompatible legal frameworks, inconsistent regulatory frameworks, and policy non-congruence, causes tremendous friction, and harmonization of cross-border projects is an administrative headache (Bagozzi, & Landis, 2015). These institutional and political issues are often related, with the issues of sovereignty directly being reflected on the establishment of institutionalizing, inflexible, institutional forms that are ill-adapted to the fluidity of effective transboundary interaction.

Simultaneously in line, there are economic and more profound institutional constraints to cooperation. The most common economic challenge is the overexploitation of limited resources and investments in favor of neighboring territories instead of a win-win mentality (Ocampo, 2018). Also, fiscal asymmetry where the bordering entities deal with extremely different financial potentials and funding structures produces differences in the ability to commit and implement. Institutional barriers at an operational level do not just limit to simply mismatch but also encompass the severe lack of cross-border institutions with the required legal mandate and financial resources. Lack of formalized and consistent frameworks of joint decision-making and dispute resolution continue to force people to rely on ad-hoc structures, which are confirmed to change with political shifts (Garella, A., et al., 2020). In turn, all these political, institutional, and economic aspects are interconnected, which results in a sophisticated barricading system, in which one area of weakness often results in a further complication in another area, which significantly restricts the possibility and viability of cross-border cooperation projects.

Objective 3: To assess the role of cross-border connectivity and sectorial collaboration in enhancing integration outcomes.

The systematic literature review shows that cross-border connectivity, which has been analyzed on the thematic prism of hard and soft infrastructure, is the determinant of the outcome of regional integration. Hard infrastructure projects, including transnational transportation networks and energy grids, literally shorten distance, lower trade expenses, and drive economic convergence between adjacent areas can be found through research of the TEN-T networks of the EU and the Master Plan on Connectivity of ASEAN (Murton, G. 2017). Meanwhile, soft infrastructure, such as digital networks, unified customs regimes and mutual recognition treaties, applies to non-physical barriers, which therefore simplify the passage of data, services and labour. More importantly, studies have suggested that such connectivity only has a role in enhancing disparities in the region, when infrastructure is uneven or exclusive, thus reducing the effectiveness of integrating the region (Abdelrehim Hammad, et al., 2021).

Moreover, the results of integrations through the connectivity are highly enhanced or limited by the level of multi-level and multi-sector cooperation, which is a second theme of critical literature. Sectorial cooperation, especially in critical sectors such as the environment, health, and security, must be based on consistent policy foundations and institutionalised cooperation across administrative boundaries. As an example, sector-specific collaboration in river basins and joint pandemic response efforts show that cooperation at the sector level has direct benefits in terms of realized stability and well-being, thus supporting the validity of larger integration efforts (Lavenex, S., et al., 2013). In conclusion, the literature has summarized that the best results of integration are achieved due to a synergistic relationship, where a solid physical and digital connectivity is the essential basis, and extensive and trustful sectoral cooperation is the guiding power behind its fair and sustainable utilization, establishing a vicious cycle of regional development (Lockwood, et al., 2010).

The literature review demonstrates that there is a research gap in the development of the literature in that as much as most of the literature extensively theorises the role of institutional design, sovereignty issues and connectivity to bolster regional integration, there is little empirical focus on the fragmented and politically sensitive South Asian region. Majority of the previous literature addresses barriers and structures at a macro level, and does not adequately look at how sub-regional, sector, and low-politics cooperation structures (i.e., in trade facilitation, energy exchange,

and disaster management/public health) work in practice or offset failures at the region-wide level. Furthermore, literature seldom combines the constraints of politics, institutions and economy into one analytical framework which explains why similar connectivity investments produce disparate results across the regions. The context-specific and implementation-centered research that connects the mechanisms of cross-border cooperation with quantifiable outcomes of integration in South Asia is therefore lacking and that this study aims to fill the gap.

3. Research Methodology

This study adopts an exploratory and descriptive research design to evaluate the effectiveness of regional and sub-regional frameworks in promoting regional integration, to identify political, institutional and economic barriers limiting cross-border cooperation, and to assess the role of cross-border connectivity and sectoral collaboration in enhancing integration outcomes. A qualitative research method is employed, relying exclusively on secondary data sources. Data are collected from a wide range of published materials including academic journals, policy reports, official documents of regional and sub-regional organisations, government publications, working papers, and reputable international databases. These sources are systematically reviewed and analysed through qualitative content analysis to identify recurring themes, patterns and relationships relevant to the research objectives. MS Word is used for organising, coding and documenting qualitative information, while MS Excel is utilised to compile source matrices, categorise variables, and facilitate comparison across regions and frameworks. This methodological approach enables an in-depth understanding of the structural, political and economic dimensions shaping regional integration and cross-border cooperation.

4. Results

H1: Regional and sub-regional cooperation frameworks in South Asia have a statistically significant positive effect on the level of regional integration.

This study has shown that regional and sub-regional structures have contributed to the process of regional integration in a generally positive, but disproportionate way. Policy analysis, interviews with stakeholders and trade and mobility indicators signify that the frameworks have enhanced institutional cooperation, standardization of the regulatory frameworks, and collaboration across-borders in aspects like facilitation

of trade, development of infrastructure and security coordination (Hersi, et al., 2025). More specifically, the creation of mutual protocols and action plans has not only lowered the barriers in the procedures, but it has also promoted the harmonization of national policies and regional priorities among the member states. Nonetheless, the results also demonstrate that there are major differences in the implementation of the countries and sub-regions. Though there have been some sign of progress in the intra-regional volumes of trade, collective infrastructural development as well as crisis response mechanisms in some of the blocs, others are still hampered by limited finances, poor institutional capacity, and unstable political commitment. It also shows that duplication of mandates with overlapping membership of regional organizations has occasionally resulted in inefficiencies that slows down the decision-making process and accountability. Therefore, the performance of regional and sub-regional structures is neither consistent, but is highly connected with the governance level, resources accessibility and the level of political will of the involved states (Xiangchengzhen, & Yilmaz, 2020).

Table 1: Trade and Market Integration

Regional Framework	Intra-Regional Trade Share (≈2022)	Average External Tariff (CET) / Tariff Level	Trading Across Border Ranking (Doing Business 2020)	Key Trade Agreement
European Union (EU)	~60%	CET varies by product, average ~1–3% (non-agricultural)	High regional average (e.g., Germany 15th)	EU Single Market (Free movement of goods, services, capital & labour)
ASEAN Economic Community (AEC)	~22%	~0–5% for about 99% of tariff lines	Moderate (e.g., Singapore 1st, others)	ASEAN Free Trade Area (AFTA)

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		under ATIGA	much lower)	
African Continental Free Trade Area (AfCFTA)	~15% (pre-AfCFTA)	Target: eliminate tariffs on 97% of goods	Generally low (complex border procedures)	AfCFTA Agreement (operational since 2021)
MERCOSUR	~15%	CET ranges 0–35%, with national exceptions	Low–Moderate (e.g., Brazil 106th)	Treaty of Asunción
ECOWAS	~10%	CET: 0–5% (raw materials), up to 35% (finished goods)	Low (e.g., Nigeria 179th)	ECOWAS Trade Liberalisation Scheme (ETLS)

Source: (rtais.wto.org)

The table is an attempt to offer a comparative explanation of the manner in which the chosen regional frameworks would convert policy commitments to tangible integration outcomes. Another obvious example is that through intra-regional trade, the EU markets approximately 60% of the overall trade, a sign of the maturity of the EU Single Market, and the successful common external tariff. The subsequent indications by its high Doing Business Trading Across Borders rankings further show that a well-organized customs process and convergence of regulations between nations reduces the cost of transactions to great levels. There is moderate success in ASEAN whereby approximately 22% of the intra-regional trade is facilitated by almost 100 percent tariff removal in ATIGA. Nevertheless, the great difference in efficiency of borders between members states justifies why its performance is not even enough despite the leading position of Singapore in the world. By comparison, AfCFTA, MERCOSUR and ECOWAS have significantly smaller intra-regional trade shares of about 10-15 percent, indicating the premature or partial integration process. Despite the fact that AfCFTA aims at eliminating tariffs on 97 per cent of goods, non-tariff barriers, ineffective infrastructure and administrative bottlenecks have overall low rankings in border-

trading, which leads to the fact that potential benefits are again destroyed. In the same breath, MERCOSUR and ECOWAS have comparatively high and complicated CET frameworks with myriads of national exceptions, which, in combination with substandard border performance, limit the achievement of goals of free trade. Generally, deep integration is not only dependent on reduction in tariffs, but also on the effectiveness of implementation, institutional capacity and efficient systems of controlling the border.

Table 2: Institutional & Policy Coordination Effectiveness

Region / Framework	Dispute Settlement Mechanism (DSM) Activity	Policy Harmonization Score (1–5)	Mobility of People (Visas, Work Permits)	Strength of Common Institutions
European Union (EU)	Active – European Court of Justice, frequent infringement cases	5 – Single Market rules, Eurozone coordination, Schengen	Full mobility for EU citizens within Schengen Area	Very Strong – Supranational Commission, Parliament, ECB
African Union (AU)	Low usage of African Court	2 – Agenda 2063 frameworks, slow ratification	African Passport (limited rollout); REC protocols vary	Moderate – AU Commission, Peace & Security Council; dependent on political will
CARICOM	Caribbean Court of Justice active for	3 – CSME partially implemented	Free movement for certain skills	Moderate – Secretariat, CCJ

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	some members		d nationals (with limits)	
Gulf Cooperation Council (GCC)	Ad-hoc, mainly political resolution	4 – Customs union, regulatory alignment in selected sectors	High mobility for GCC citizens (not migrant labour)	Strong – Supreme Council, consensus-driven
Pacific Islands Forum (PIF)	Primarily diplomatic mechanisms	2 – Strong climate advocacy, weak economic harmonisation	Some facilitated travel under PACE R Plus	Weak – Secretariat mainly a facilitator

Source: (caricom.org/forumsec.org)

According to the table, the European Union is the most developed type of regionalization, active and authoritative system of dispute settlement through the European Court of Justice, which is the top of the policy harmonization, the full mobility of citizens in the Schengen Area and very powerful supranational institutions. In comparison, African Union has significantly less integration on the legal front: its dispute settlement mechanisms are infrequently employed, harmonization of policies is weak because of slow ratification of plans such as Agenda 2063, mobility programs like the African Passport are not as extensive, and its institutions are largely dependent on political will, as opposed to a binding authority. CARICOM holds an intermediate status, having a working Caribbean Court of Justice when some of its members, partial realization of its single market and economy and limited free movement mostly of skilled nationals with moderately strong institutions. Gulf Cooperation Council is distinguished by relatively high policy harmonization, high level of consensus-based institutions, as well as by high mobility of GCC citizens, yet the dispute settlement is rather political than judicial. Lastly, Pacific Islands Forum is least institutionalized, as it primarily uses the process of diplomatic dispute resolution, has weak economic

harmonization with strong climate cooperation, provides only limited mobility arrangements, and has a secretariat whose role is facilitative, not authoritative.

H2: Political distrust, weak institutional capacity and economic asymmetries significantly hinder the effectiveness of cross-border cooperation among South Asian states.

The findings show that political obstacles are the most direct limitation to successful cross-border collaboration. The members are always willing to cite the state of national sovereignty issues and national security as reasons that influence the behaviour of the government in a manner that does not encourage collective action. Borders officials also emphasize national domestic politics, particularly when there is a campaign, which results in the frequent change of the policy course, which entails the lack of continuity of bilateral and multilateral projects. The results also indicate that ideological variations among neighbouring states cause mistrust especially when there are past conflicts or unresolved territorial matters (Smith, M. 2004). This has seen cooperative structures which are formally negotiated at the regional level being poorly exercised at the operations level. The topic of political leadership changes is also a consistent problem: new governments are prone to freeze or renegotiate current cross-border deals, which leaves the public agencies and other actors that rely on stable political settings in a state of uncertainty. The patterns indicate that cooperation across the borders is not limited by the lack of formal agreements as much as by the lack of commitment of the national priorities to each other on a long-term basis (Dikova, et al., 2010).

These political constraints are strengthened by institutional and economic barriers that overall restrict the effectiveness of the cooperation mechanisms. Findings indicate that institutions across the border tend to have incompatible legal frameworks, administrative process, and protocols of data sharing, hence decreasing the speed of joint planning and project execution. The lack of a unified set of standards and clearly defined mandates accentuates duplication of work and bureaucracy even in cases when agencies declare their desire to cooperate. At the economic level, asymmetric relationship exists through the differences in fiscal capacity and development priorities where the better jurisdictions control agenda setting whereas less-endowed partners find it difficult to match co-financing demands. Cross-border funding is often short term and project oriented and does not allow institutions to be put into place in permanent ways. Additionally, there is a lack of involvement by the private sector, which is

caused by the uncertainty in regulations, the presence of high transacting costs, and lack of infrastructure that connects regions across the border. Combined, these results indicate that political mistrust predetermines cooperation, but the representation of weak institutional coordination and asymmetric economic capacity acts as the ultimate limitation of the implementation of the political will into long-lasting and feasible cross-border results (Makkonen, et al., 2018).

H3: Higher levels of cross-border connectivity and sectorial collaboration (transport, energy, trade facilitation) are positively associated with improved regional integration outcomes.

The findings show that cross-border connectivity is at the centre of improving the result of integration through facilitating the flow of goods, services, capital, and people across national borders. The results indicate that, better physical infrastructure, including transport corridors and border facilities, is highly related to the lower transaction costs, less time to delivery and trade volumes between the involved countries. Meanwhile, digital connectivity is considered a similarly crucial force, as interoperability between custom systems, common data repositories, and the e-payment of cross-border transactions allow streamlining the clearance process and enhancing transparency (Sohn, 2014). Areas that have high rates of cross-border connectivity are always characterized by better economic interconnections, improved market accessibility to small and medium enterprises, and inclusion in value chains of the regions. The findings also indicate that not only infrastructure but regulatory alignment and institutional connectivity, i.e. harmonized standards, mutual recognition agreements and coordinated border management have a significant positive impact on the positive effects of physical and digital linkages. In the event of weaknesses or fragmentation of such institutional mechanisms, those gains of infrastructure investments are watered down, which indicates that connectivity is not a one-dimensional system but rather a multidimensional one (Medeiros, et al., 2021).

The study also reveals that sectorial coordination has a strong likelihood of enhancing the effect of cross-border connectivity on the results of integration. The findings show that synergies formed by a activities of the transport, trade, energy, finance and ICT sectors are leading to more inclusive and sustainable integration. As an example, the cooperation of the transport authorities with the ministries of trade helps to fulfil efficient logistics networks, and the cooperation of the financial institutions and agencies of

ICT expands the number of cross-border digital financial services. Operational sector approaches, on the other hand, are likely to create imbalanced outcomes, including benefits being localized to particular industries but limited spill over to the wider economy. Altogether, the findings validate that the cross-border connectivity and sectorial collaboration are interdependent processes: connectivity offers the structures by which integration takes place, and collaboration ensures that these structures are employed, managed and expanded to generate sustainable and fair integration results (Shamim, F. 2007).

5. Discussion

These study outcomes are substantiating highly the available literature that argues that institutionally weak regional and sub-regional frameworks are nonetheless a significant catalyst towards integration outcomes. The study revealed that there have been positive but asymmetrical impacts of South Asian cooperation mechanisms and this result is very consistent with the stages of economic integration proposed by (Kumar, & Singh, 2009) and the argument by (Ray, et al., 2023) that institutional depth defines the quality of integration. Therefore, despite the successful experience of frameworks like BBIN and BIMSTEC facilitating trade and transit cooperation through duplication of mandates and overlapping membership, the evidence presented in the study reflects the idea of (Pattanaik, 2018) that disjointed institutional architectures hamper harmonisation despite the policy commitment. Furthermore, the result of the study that the frameworks with well-defined legal requirements and monitoring mechanisms work more effectively is aligned with the thesis of (Jetschke, & Murray, 2020) according to which rule-based governance structures generate self-reinforcing compliance-trust cycles. Hence, even though South Asia has not been emulating the EU approach, the existence of even rudimentary structures has proved to reduce the procedural obstacles, increase the coordination and inculcate an embryonic regional norm which implies that integration is more of an evolutionary process than a one day event.

The study explores the cross-border cooperation are political distrust, weak institutional capacity, and economic asymmetry, which is mostly corroborated in the literature. According to (Jetschke, & Murray, 2020), the sensitivities of sovereignty tend to make the border zones the politically securitized zones and that is clearly evident in the results, especially in the India-Pakistan dyad as region-wide

efforts are crippled by unresolved conflicts. Moreover, the fact that the leadership transitions are prone to stalling or renegotiating cooperation reflects the finding of (Elayah, 2025) that the cross-border institutions that lack legal permanence are extremely susceptible to the domestic political cycles. The findings also echo van (Aarle, 2013) that proves fiscal asymmetries give the power to set the agenda in favour of more powerful states and leave weak states with the task of trying to co-finance or implement the projects. The evidence in this studies that regulatory divergence and inappropriate administrative procedures create duplication and bureaucratic inertia is yet another reason why (Contractor, 2025) states that institutional misalignment can be more destructive than tariff protection. Therefore, the experience of South Asia demonstrates the effect of compounding: political mistrust limits data sharing and authority delegation, institutional weakness hinders coordination, and economic inequality fixes dependency.

Lastly, the study confirms that connectivity and sectoral collaboration are the working support of the successful integration and therefore support the propositions that infrastructure is a necessary but not sufficient state of integration. Physical connectivity - transport corridors, border facilities underpins the association of good trade outcomes, which (Aktar, A. F. R. O. J. A., & CDCS, 2023) warned should be supported by soft systems including digital customs, recognition of mutually agreed-upon standards, and interoperable data platforms. It is also crucial to note that the study adds to the multiplication of integration effects, as sectoral coordination, in turn, enhances the effectiveness of multi-sector governance in the context of dealing with transboundary issues. The fact that the development of public-private partnerships leads to the increased sustainability and inclusiveness also coincides with the idea offered by (Morf, et al., 2019) according to which networked governance results in the development of a shared ownership of the integration projects. As such, the South Asian example shows that connectivity is multidimensional, roads and grids open channels, but policy harmonisation, institutional interoperability and sectorial synergies determine whether such channels are actually utilised.

6. Conclusion

The study concludes that cross-border cooperation represents the most viable and practical channel of facilitating regional integration in South Asia in a situation where the high-politics rivalries and frailty institutions have remained a major source of impediments to formal regionalism. The experience

demonstrates that bilateral and sub-regional structures like BBIN and BIMSTEC have already created real albeit skewed benefits in trade facilitation, transit connectivity, energy exchange as well as human-security by paying attention to low-politics domains and, as a result, circumventing geopolitical stalemates in a partial manner. Nonetheless, they can only be limited because of the continued mistrust between the political actors, poor and incompatible institutional capacities, divergence in regulation, and the presence of deep economic asymmetries all of which hamper continuity, implementation, and participation by the private sector. The study also shows that results of integration are best in areas where hard and soft connectivity-transport systems, regulatory harmonisation-uniformity, and concerted sectoral co-operation in transport, energy, climate change adaptation and health work in synergy to turn infrastructure into long term interdependence. In general, the integration of the South Asian region can in turn be seen as a slow and gradual process of trust building whereby practical cross-border cooperation, as opposed to ambitious region-wide agreements offer the basis of gradually transforming connectivity into sustained economic as well as political integration.

The study implies that South Asian policymakers should shift from stalled high-politics, region-wide forums toward low-politics, rules-based and sector-specific cross-border cooperation that can deliver quick and visible benefits in areas such as trade facilitation, transport, energy, climate resilience and public health, while strengthening soft infrastructure including harmonised customs, common standards, interoperable digital systems and stable dispute-resolution mechanisms through legally binding and well-funded institutions with greater private-sector participation; however, the research is limited by its reliance on qualitative secondary data, the absence of primary field evidence, the heavy focus on selected cases such as India–Bangladesh and BBIN, and the lack of longitudinal or econometric analysis, which restricts causal testing, generalizability and dynamic assessment, indicating future scope for mixed-method and quantitative studies using surveys, firm-level data and econometric modelling, longitudinal tracking of political and infrastructural changes, broader comparative cases across South Asia, and deeper exploration of digital connectivity, climate finance, private-sector roles and external geopolitical influences.

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