

THE DILEMMA OF "INSTITUTIONAL HOLLOWING-OUT" IN REGIONAL ECONOMIC INTEGRATION: A COMPARATIVE INSTITUTIONAL ANALYSIS OF SAARC AND PEER ORGANIZATIONS

O DILEMA DA "VAZEAMENTO INSTITUCIONAL" NA INTEGRAÇÃO ECONÔMICA REGIONAL: UMA ANÁLISE INSTITUCIONAL COMPARATIVA DA SAARC E DE ORGANIZAÇÕES SEMELHANTES

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Abstract

The study explores the lack of structural integrity of the South Asian Association for Regional Cooperation (SAARC) through the comparative analysis of a document of the most significant legislative and functional frameworks over 1985-2024. The research reviews the guiding documents including the SAARC Charter and SAFTA Agreement, when compared to the Charter of ASEAN and its Economic Community Blueprint and the treaties and institutional policies of the European Union. The analysis of the concept of hollowing-out of institutions can demonstrate the gap that exists between formal institutional mechanisms of the SAARC organization and their practical work. The results indicate that the institutional framework of SAARC is scarce in terms of enforcement mechanism, operational capacity as well as fragmented governance. Conversely, ASEAN has been exhibiting an evolutionary institutionalization, whereas the EU bears witness to an institutionalized stage of political and functional integration. Suggestions made are legal change, increased secretariat independence and reduced political involvement in regional cooperation.

Resumo

O estudo explora a falta de integridade estrutural da Associação Sul-Asiática para a Cooperação Regional (SAARC) através da análise comparativa de um documento dos quadros legislativos e funcionais mais significativos entre 1985 e 2024.

A pesquisa analisa os documentos orientadores, incluindo a Carta da SAARC e o Acordo SAFTA, quando comparados com a Carta da ASEAN e seu Plano Diretor da Comunidade Econômica e os tratados e políticas institucionais da União Europeia. A análise do conceito de esvaziamento das instituições pode demonstrar a lacuna que existe entre os mecanismos institucionais formais da organização SAARC e seu trabalho prático. Os resultados indicam que a estrutura institucional da SAARC é escassa em termos de mecanismo de aplicação, capacidade operacional e governança fragmentada. Por outro lado, a ASEAN tem exibido uma institucionalização evolutiva, enquanto a UE testemunha um estágio institucionalizado de integração política e funcional. As sugestões feitas são mudanças legais, maior independência do secretariado e redução do envolvimento político na cooperação regional.



Keywords: SAARC. ASEAN. Regional Integration. Institutional Hollowing-out. South Asian Free Trade Area (SAFTA).

Palavras-chave: SAARC. ASEAN. Integração regional. Esvaziamento institucional. Área de Livre Comércio do Sul da Ásia (SAFTA).

1 INTRODUCTION

1.1 Background

Economic integration in developing countries is increasingly becoming considered a strategic tool in cutting down trade barriers, quickening economic growth, and strengthening institutional robustness. Positive examples of regional entities such as European Union (EU), ASEAN, and SAARC provide a range of institutional orientations to promoting cooperation within member states (Jia *et al.*, 2022). In particular, EU and ASEAN are unique in their achievement of successful institutional consolidation in the form of coordinated policy, implementation of binding agreements and management of intra-regional conflicts. Conversely, SAARC has continually struggled with issues of institutional inefficiencies and political deadlock, greatly hampering its effectiveness as a forum of the region (Aryal & Bharti, 2023). This divergence can be explained as the matter of institutional hollowing-out, which is the wearing away of institutional capacity in whole despite the existence of formal structures. It reflects a discrepancy between the institutional form and substance in operations. It describes the situation in which institutions are accorded the surface legal, structural trappings such as charters, secretariats, and summits but lack the necessary functional power, political will, and enforcement antennas that they need to render the intended services. Consequently, institutions produce symbolic policies which results in fewer concrete achievements (Liaqat & Khalil, n.d.). SAARC exemplifies this phenomenon. The longevity of SAARC and the presence of formal accords such as SAFTA have not stopped the organization from having consecutive delays in summits and the under performance of its trade and cooperation platforms. The Islamabad summit in 2016 had to be cancelled because of political tensions between India and Pakistan and such delays had been made in 2005 and 2014 (Maheen Zahra-Malik, 2016). These circumstances are an indication of SAARC's

hidden structural faltering and ailing institutions, which weakens it in promoting regional integration activities.

1.2 Problem statement

Although established to foster economic and political cooperation in the region, SAARC has done very little to achieve pragmatic goals. SAARC is different from such institutions as ASEAN or the EU because it does not have an effective dispute resolution mechanism, a supranational governance, or mandatory laws (KILELE, 2022). India-Pakistan political differences have led to summits being postponed and cancelled, an effect which has hampered moves towards meaningful regional communication. The end result is that SAARC's effectiveness is debatable with minimal actual world effect. Ranging from SAFTA to SAARC's agreements, implementation mechanisms have been stunted thus widening the divide between the wires intended and the outcome in the field (Raihan, 2017). These institutional shortcomings underscore the immediate need to reframe SAARC's role in the international trade in light of its present difficulties in sustainability and popularity.

1.3 Aim and research objectives

The study aims to investigate the institutional architecture of SAARC and attempt to determine the degree of institutional hollowing-out through a comparison with ASEAN and the EU. The analysis of the legal instruments, the organizational framework, and the official statement will be selected as the direction of the research with the assistance of documentation analysis.

1.3.1 Research objectives

1. To examine the legal and institutional design of SAARC in comparison to ASEAN and the EU using documentation analysis.
2. To analyze how the institutional problems of SAARC can encapsulate the properties of institutional hollowing-out in regional integration arrangements.

1.4 Significance of the study

The contributions of this research to the study on regional integration are seen to focus on the strength of institutions and to operate in developing regions. In contrast to most prior analyses that focus on the economic indicators and goods trade, this study focuses on the pivotal role of regulations and institutional architecture in promoting cooperation. The analysis will be based on the documentation released between 2000 and 2023, such as the summit declarations, trade agreements, and charters given the longstanding political challenges and institutional lethargy. Through analysis of SAARC against a lens of more successful regional bodies like ASEAN and the EU, this study adds a more nuanced view of what it takes to succeed or fail in the institutional regional integration (Paudel, 2023).

2 LITERATURE REVIEW

2.1 Comparative regionalism: SAARC, ASEAN, and the EU

Comparative regionalism research specialises in comparing structural, political, and economic characteristics of various blocs of regions in order to gauge the degree of success and integration institutions. The European Union (EU) is the 3rd party that is now taken as a model for successful regional integration owing to its supranational institutions, legally powerful structures, and harmonized legislations (Sahasrabuddhe, 2023). Comparatively, SAARC and ASEAN structure their activities on intergovernmental principles whereby national sovereignty is maintained with reference to collective governance and making decisions by unanimous consent rather than by and majority where sovereignty is emphasized over institutional authority. According to Khan and Khan (2021), ASEAN's success lies in its consensus-building and slow integration model while SAARC still suffers major fragmentation in spite of not having dispute resolutions systems and a political cooperation between the members. As noted by Bettani and Ahmed (2023), divergent trends in regional security and trade cooperation can be easily observed by comparing the ASEAN's solid consensus-based policies and the fragmented cooperation of SAARC, especially in the shadow of the large India-Pakistan rivalry.

While SAARC is unable to properly mobilize its normative frameworks, the ASEAN has demonstrated resilience through its collective identity and adaptable institutions. As Trailović (2021) noted, although ECO and SAARC have similar situations of institutional fragility, ECO's broader invocation in participating in trade facilitation efforts makes it more economically effective. Such analysis shows that structure and functioning of the institutions play a huge role in stability and sustainability of the region over time.

2.2 Institutional hollowing-out and weak legal mechanisms in SAARC

The “institutional hollowing-out” expression describes those institutions which seem to operate formally, but, in reality, they have little effective work. SAARC's hollowing-out is epitomized by limited practical results of its symbolic get-togethers, scattered gatherings, and ineptitude in executing agreements such as SAFTA. Khan, Iqbal, and Jan (2021) see the problem from the viewpoint of neo-realism as India's hegemony and other state-centered power asymmetries block the way of SAARC to become an effective regional player. They argue that a political distrust, in combination with non-binding pledges, had led to SAARC's ineffective legal instruments. This opinion corresponds to the inter-regionalism of Hamanaka (2023) in the Global South; the value of layer-cake institutions, i.e. multi-layered governance systems that do not compromise regional integration at the expense of national sovereignty, and open legal rules of good cooperation highlighted. Hamanaka argues that ASEAN has developed strong internal systems for managing different conflicts and the enforcement of rules unlike SAARC which has yet to attain this level of institutional strength. Absence of an effective enforcement system makes legal systems useless which cannot be translated into practical regional policies. El Maaly and Chiekh (2022) argue according to their meta-analysis of 136 regionalism comparisons, institutional flexibility and comprehensive regulation are essential for driving regional achievement, both of which are particularly lacking in SAARC. For this reason, SAARC's institutional framework sustains an ongoing incongruence between form and substance while providing additional support for the hollowed out regionalism description.

2.3 Political constraints and India's role in regional integration

The area, where SAARC acts, is marked with huge fragmentation. The two-sided image India has had as the pillar yet a possible obstacle has majorly influenced the development of SAARC. Sharma (2025) stresses that, strategic and geopolitical interests of India lean towards its regional commitments and this leads to mistrust in the weaker member states. India's perennial quarrels with Pakistan on key issues such as Kashmir have led to boycotts of summits, suspended cooperation, and stalled the flow of multilateral deliberation. According to Sahasrabudde (2023), there is a very uneven influence among the member countries of SAARC because of India's pivotal position in SAARC's institutions. India, while enjoying significant economic and demographic clout, has not exercised a regular role in leadership in creating a regional solidarity. Instead, the policies of India are often pursued without the collective consultation, which leads to higher antagonism and the division of smaller states. In contrast, Sarker *et al.* (2019) discussed that the ASEAN exhibits a more balanced political power and decision-making that is based on consensus, wherein even the smaller nations are able to be actively involved. In addition, the lack of political will to eliminate political bias from regional forums is a critical factor hindering the development of SAARC. Khan and Khan (2021) point out that securing regional integration becomes possible when multilateral approaches will be emphasized, upheld legal standards, and political conflicts will be depersonalized. Absence of these elements in SAARC limits its potential to an effective regional entity.

2.4 SAARC's Response to shared regional challenges

The institutional frailty of SAARC can also be gauged in the country's capacity to counter collective threats such as public health crisis and environmental catastrophe. Haque and Islam (2022) review the limited action of SAARC in the face of COVID-19 challenges. The SAARC Parliament could have utilized its power to monitor health actions and vaccine distribution, but it was limited only to a symbolic COVID-19 emergency fund. Independent approaches were preferred by most member states as opposed to collaborative regional deeds. This inaction highlights basic institutional

obstacles, among them a narrow mandate, lack of funds, and slow bureaucracies. Bettani and Ahmed (2023) pointed out the ASEAN's institutional setup is in a better position to produce swift and cooperative results in crisis time. El Maaly and Chiekh (2022) argue that the ability of regional bodies to control cross-border crisis is an excellent guide to regional maturity and internal legitimacy. In addition to climate change and public health, SAARC has failed in other transboundary concepts such as migration, terrorism, and trade discontinuances, which is another indication of its failure to work as a united policy machine. The low SAARC contribution to solving the regional health or climate issues indicates the particular shortcoming of member trusts, indicated by low levels of dedication to collective methods of funding, moveable attendance of the meetings, and absence of observance to the recommended arrangements. Therefore, SAARC's inability to function as a united individual under crises points to its institutional deterioration and lack of policy coordination.

2.5 Prospects for institutional reform and strategic reorientation

Although heavily criticized, several scholars identify potential of SAARC to reform and realign its strategic approach. According to Trailović (2021), devoting SAARC's energies to practical cooperation issues (such as energy, education, and disaster risk reduction) might allow SAARC to improve its institutional profile and foster incremental trust. The geopolitical situation facing SAARC may consider incremental progresses as a more suitable model than drastic or flamboyant change like radical reform. According to Bettani and Ahmed (2023), bestowing observer or dialogue status to China or any other foreign power would provide SAARC with the diplomatic weapons to overcome political stalemates. China's emerging dominance in South and Southeast Asia would make it an important variable to sustain stability and partnerships in regional diplomacy and economic relations. In spite of such argument, there are conflicting views from experts as to whether such dependency can actually cause more agitation than alleviate it. Sharma (2025) has a guarded hope, which calls for the establishment of enforceable mechanisms by SAARC that is independent of bilateral interference. Sharma suggests introducing a regional tribunal or arbitration body based on EU systems to provide legal support to the cooperation of SAARC. In addition, Sahasrabuddhe (2023)

suggests that SAARC's constitution must be amended to emphasize on institutional autonomy and non-politicized leadership choices. Therefore, although the political and legal inertia exists, a transition into functional institutional innovation and enforcing mechanisms can nonetheless clear the path to a stronger SAARC.

2.6 Conclusion of literature review

Most of the sources concur on the critical weakness of SAARC's institutional flaws largely caused by political imbalance, lack in the use of binding legal authority and symbolic rather than fundamental cooperation within the region. The experience of ASEAN and EU shows that getting integrated aspires resilient institutions, the capacity to make collective decisions, and depoliticized policy processes. The process of institutional hollowing-out is the exact description of the present situation of SAARC, which embodies all the appearances of a regional body, but lacks the structures for cooperative outcomes. Furthermore, the failure of SAARC to combat crises such as the COVID-19 pandemic effectively indicates the larger problem of institutional inertia and bad leadership. Other experts play up the importance of incremental advances and functional coordination, but these things are not accomplished without changing the mindset of governance in the region and consolidating the rule of law. Thus, the literature reflects a considerable urge to subject the institutional design of SAARC, especially its legal regime and structural effectiveness to critical inquiry as a precondition of successful regional integration.

2.7 Literature gap

Although comparative regionalism has attracted a lot of academic attention, SAARC studies often emphasize political tensions, economic shortcomings, and normative standards established by ASEAN and the EU (Khan & Khan, 2021; Sahasrabuddhe, 2023). However, an important gap exists in legal-institutional research that examines the underlying structures of SAARC as affected by institutional hollowing out. Science has been highlighting the ineffective nature of the SAARC several times (Khan *et al.*, 2021; Winand, 2024) Few research studies have been able to give holistic

documentation-based analysis of its founding texts, declarations; and operational protocols (Sharma, 2025). Besides, scholars have not paid sufficient attention to whether the institutional frameworks of SAARC are enforceable, authoritative, and comprehensive as compared to ASEAN and the EU. This gap needs to be addressed in order to know not only why SAARC failed to integrate, but also to suggest legally and politically viable reforms that can revive the capacity of the institution. It is essential to note the identified gap to uncover underlying factors that lead to the weakness of SAARC's institutional structure and offer recommendations based on its legal framework.

3 RESEARCH METHODOLOGY

3.1 Research method and design

In order to accomplish the research purposes, this investigation uses a qualitative approach based on the analysis of documentation. Qualitative research is ideal for examining interpretations and norms within these treaties and declarations as the research places greater emphasis on legal and institutional analysis, which is specifically focused on comparative analysis of SAARC's structure to ASEAN and the EU. With the exception of quantitative methodologies, the analysis reported here diverges from the quantitative approach in favour of the interpretive richness and dynamic analysis that qualitative approaches can provide for the study of legal instruments, institutional actions and how policies are actually implemented in the real world (Creswell & Poth, 2016).

The epistemology and ontology on which the research is based is constructivist and relativist in nature and recognizes that knowledge and institutional meanings are socially constructed and variable. The analysis presumes that institutional structures and legal interpretations are not in themselves objective and thus are influenced by actors, discourse and geopolitical settings. Such philosophical stance fits into the methodological adherence to qualitative analysis documents that allows a thorough engagement with the documents as situated artefacts rather than objective records.

Through the documentation analysis, researchers are able to examine policy documents, treaties, communiqués, and formal reports to know the intentions, terms, and

actual operations of institutions (Yin, 2017). This research analyzes the structural specifics, the legal basis, and the institutional implementation of treaties and charters in Southeast Asia, South Asia, and European Integration institutions so as to learn about institutional hollowing-out. The hollowing-out activity of the institutions under study is drawn from interpreting the SAARC Charter, the SAFTA Agreement, summit resolutions made official, and annual reports of the SAARC Secretariat (Ahmad, 2017). These findings are drawn to the ASEAN Charter, and other integration paradigms, as well as the European Union legislation to depicting deviations in institutional structure, practice in implementation, and discrepancies in functional integration (Hussain and Ijaz, 2024). Through the use of documentation analysis, the study examines the institutional deficiencies or underperformance in relation to the set legal and institutional practices, not solely politically. All the data is drawn from public academic, legal and intergovernmental sources to ensure transparency and to respect academic standards.

3.2 Data collection

This study relies exclusively on secondary sources collected through documentation analysis. These include legal texts, regional charters, protocols, summit declarations, academic articles, policy briefs, and reports from official sources such as the SAARC Secretariat, ASEAN Secretariat, and the European Commission. These documents are selected based on their relevance to the institutional design, legal authority, and operational mechanisms of each organization under review.

For SAARC, primary documents include:

- The SAARC Charter (1985)
- The SAFTA Agreement (2004)
- SAARC summit declarations (2004–2023)
- Annual reports and publications by the SAARC Secretariat

For ASEAN and the EU, the following documents are examined:

- The ASEAN Charter (2007)
- ASEAN Economic Community Blueprint (2015)
- EU founding treaties: Maastricht Treaty, Treaty of Lisbon
- Reports from the European Commission on institutional reform and governance

Along with official sources, academic literature and comparative regionalism research is also investigated to help in offering interpretive guidelines and analytical perspectives (Hamanaka, 2023; Khan and Khan, 2021; Sahasrabuddhe, 2023). These academic sources assist in putting institutional data into perspective and determining the theoretical foundation of legal capacity and institutional erosion. Findings triangulation is also supported by reports in the think tanks, legal journals and regional policy centres.

All documents selected meet the criteria of being:

1. Publicly accessible or published by recognized institutions.
2. Relevant to institutional structure, enforcement, or legal authority.
3. Dated within the active timeline of regional operation (post-1985 for SAARC).

3.3 Data analysis method

Thematic analysis is used as the qualitative technique to analyze the collected data and reveal the trends and draw the essential themes in the complex legal and policy texts (Braun and Clarke, 2006). This method helps to generate consistent interpretations in more than two documents and enables the synthesis of structural and contextual aspects involving the design of institutions. All documents are read and re-read, to derive some common themes associated with the two purposes of the study; institutional design and institutional erosion. The coding is used by manually addressing matters in reference to the legal enforceability, supranational power, political agreement, institutional independence and compliance strategies. The themes are then coded and then classify within higher level conceptual constructs like legal formalism, political asymmetry or institutional functionality. Close attention is given in the analysis, to the different issues that are similar and how they are handled in different regions. As an illustration, how is the dispute resolution framed in the SAFTA Agreement against those of the ASEAN? Are there any legal provisions of non-compliance and are they used? Such a comparative method offers information on the institutional strength and demonstrates the levels of institutional hollowing-out of each region.

3.3.1 Themes

To operationalize the thematic analysis, the study identifies two core themes for each of the two research objectives:

Table 1

Two core themes for each of the two research objectives

| Research Objective | Theme 1 | Theme 2 |
|---|---|--|
| To examine the legal and institutional design of SAARC in comparison to ASEAN and the EU | Legal formalism vs. functional capacity | Absence or presence of enforcement frameworks |
| To evaluate how SAARC's institutional challenges reflect characteristics of institutional hollowing-out | Political fragmentation and inertia | Symbolic compliance and summit-based diplomacy |

These themes ensure coherence between theoretical assumptions (institutional hollowing) and practical document evidence, enabling a robust interpretation of institutional strength and legitimacy.

3.4 Ethical considerations

This study is not associated with any human subject, and there is also no high ethical risk. The mentioned sources are publicly accessible or published by authoritative organizations, which is how academic ethics are respected. The regional organizations are represented in a fair manner devoid of any political inclination or secretive information. Because of the interpretive quality of qualitative analysis, it is observed that individual scholarly background and regional knowledge can affect the choice of themes or interpretation. Such possible biases are addressed by systematic coding and sustained reflexivity in the analysis. The focus in the study is purely on institutional form and functionality excluding state behaviour or unverified state policy intent in question.

4 DATA ANALYSIS AND FINDINGS

This section of analysis based on findings of an in-depth qualitative review of legal and institutional frameworks of three regional organisations: the South Asian

Association for Regional Cooperation (SAARC), the Association of Southeast Asian Nations (ASEAN), and where comparison is needed, the European Union (EU). The assessment is consistent with both core research objectives and the four themes that explicit cohesion of institutions, efficiency in operations, and susceptibility to hollowing out.

4.1 Legal formalism vs. functional capacity

There is a foreseen vision for collaboration with reference to economics, culture and society, as stated by the SAARC Charter (1985) through which a legal framework is determined for the SAARC. While, the Charter presents such goals as mutual understanding, sovereign equality and collective self-reliance, it lacks concrete legal enforcement and institutional policy strategies in implementing it. Analogously, although the SAFTA agreement implemented in 2004 specifies steps for tariff-reductions, it lacks detailed provisions to establish disruptive measures or consistent provision for pursuing breaches (South Asian Association for Regional Cooperation, 2004). By contrast, the legally-binding framework in this case is provided by the ASEAN Charter (2007), which expands beyond intent overtly symbolic. It stipulates that ASEAN quells a rules-based organization, which enters the international law and has an organized system which includes the ASEAN summit, secretariat and ministerial bodies. At the same time, the ASEAN Economic Community (AEC) Blueprint ensures that ASEAN practice legal formalism by providing a detailed roadmap for economic integration tracked through goals and time-based milestones. The revised document to 2025 covers specific targets for liberalization, and regulation standardization and institutional reinforcement (Association of Southeast Asian Nations, 2007).

Comparatively, the European Union possesses the most advanced and binding legal framework among regional bodies. Though not analyzed directly through primary documents here, its functional legal architecture via instruments like the Treaty on European Union and Treaty of Lisbon has granted it legislative and judicial power through bodies such as the European Commission and Court of Justice. The Court of Justice of the EU under Article 258 TFEU has the power to bring a case against a member state that has violated EU law strengthening its powerful legal framework. Unlike

SAARC, which relies on periodic summits and voluntary compliance, and ASEAN, which operates on consensus and sectoral progress, the EU's directives are binding and enforceable across all member states. SAARC remains a largely declaratory organization with no mechanism to convert legal goals into practical governance. ASEAN balances form and function through phased planning and regional legal personality. The EU demonstrates full legal-functional alignment.

4.2 Enforcement mechanisms and compliance structures

Ensuring compliance among members is a major aspect of a regional organization that determines its effectiveness. The absence of formal enforcement tools is manifested in the case of SAARC. Despite having clauses on dispute resolution, they have not been utilized in reality and are mostly not practiced (Mukherjee, 2018). The sanctions, compulsory arbitration and judicial review are not offered by the organization, which makes adherence to it entirely voluntary (South Asian Association for Regional Cooperation, 2004). A soft emerging enforcement system is in place in ASEAN. Some of the institutional structures that facilitate the enforcement of the ASEAN Charter include the dialogues, review structures, and the consensus-based processes (Cho 2010). The Charter strengthens the commitment of member states to the implementation of ASEAN agreements and allows the ASEAN Coordinating Council and Secretariat to control and prescribe measures (Sundram, 2025). In ASEAN, soft enforcement is carried out as peer pressure, mutual inspection, declaration in the form of public statement leading to normative enactment over and above legal enforcement. The ASEAN also encourages so-called soft enforcement process, which is founded on informal forms of coercion such as peer pressure, consultation, pledge. Even though this model has not been legally binding, it has been applied effectively on the spheres of trade, disaster response and health cooperation. Haque and Islam (2022) also confirm that the soft enforcement adopted by ASEAN creates a normative space under which conformity and cooperation by degrees can be created, which is a quite elastic variant of the hard and fast regulation procedures. This falls in line with the ASEAN Way that lays stress on non-interference, consensus and sovereignty. Alternatively, instead of binding, ASEAN implements by insisting on compliance, using occasional ministerial meetings, the technical working

groups and monitoring of the progress, particularly within such initiatives as the ASEAN Economic Community (AEC) Blueprint. Also, reporting and review systems are provided in the AEC Blueprint to make sure that states move towards the economic commitments. In spite of the fact that ASEAN does not have such a judicial enforcement as the EU does, its multi-layered compliance approach that incorporates both high-level policy and bureaucracy proves institutional maturity (Association of Southeast Asian Nations, 2007). EU compliance regime is based on the formal legal procedures. In case of breach of EU law by member states, the European Commission can prosecute infringement procedures which can be decided by the Court of Justice and fines imposed. This process guarantees the homogeneity as well as integrity of EU legal commitments something which is absent in both SAARC and ASEAN. SAARC is based on diplomacy and not force. ASEAN provides a soft enforcement, which is institutionalized, as it is based on internal monitoring and review. Compliance in the EU is maintained by formal legal punishment and central authority.

4.3 Political fragmentation and institutional inertia

The political tension between India and Pakistan is one of the issues that have not been resolved yet and this is the primary factor that can explain the institutional inertia of SAARC. These tensions have caused the cancellation or postponement of several times the summits and the delay of the progress in the regional projects. Even though the SAARC Charter stresses on mutual respect and cooperative relations, it does not offer any mechanisms of contingency in order to protect the institutional functioning against the bilateral confrontations (South Asian Association for Regional Cooperation, 1985). This politicization compromises its capacity to serve as a regional entity. In contrast, ASEAN functions on a principle of non interfering and consensus as mentioned in the ASEAN Charter. Although this model has its limitations, it can also help insulate bilateral tensions that cause a derailment of institutional processes. The openness of the "ASEAN Way" enables the organization to pursue functional collaboration - particularly in trade, education and health spheres and deal with political sensitivity. The frequent high-level meetings and working groups of ASEAN contribute to the institutional momentum even during the periods of the diplomatic friction (Association of Southeast Asian Nations,

2007). The structure of the EU is made in a way such that it allows multi-tiered governance, whereby the European Parliament, Council, and Commission are involved, thus making sure that no single member can take a decision hostage. It has institutional procedures that are enshrined in law and political conflicts are solved in an institutionalized manner either in a dialogue or a legal procedure. SAARC is plagued by regular political interference lacking institutional cushions. The informal diplomacy and non-binding involvement of ASEAN help the association to avoid conflict (Van Cleynenbreugel, 2019). The legal-political integration in the EU is neutral to the political asymmetry and safeguards continuity of operations.

4.4 Symbolic regionalism and summit-based diplomacy

In the SAARC Charter, the heads of state play a leading role in making decisions as they hold a meeting every year at summits. There is however a tendency that these meetings are more of a ceremony, with little institutional continuity or follow-up of implementation. Most of the initiatives undertaken by the SAARC have been aspirational with little implementation being made because of poor bureaucracy and lack of resources to run the secretariats (South Asian Association for Regional Cooperation, 1985). On the other hand, ASEAN supplements the summit diplomacy with technical and sectoral mechanisms. There are more than a thousand ministerial and technical meetings every year as per the AEC Blueprint, which gives ASEAN the opportunity to make steady progress behind the headlines move. The cooperation across borders in functional areas such as transport connectivity, food security and disaster management has been effective, especially when there is uncertainty in the geopolitical arena (Association of Southeast Asian Nations, 2007). The EU is a good representation of legislative regionalism. The summits of the European Council tend to produce formal legislative propositions which need to be implemented by the Commission and Parliament with the aid of special agencies and bureaucracies to carry them out. This system makes sure that decisions are not only made on paper but they are enforced by law and put in place in a systematic way. SAARC is characterized by rhetoric on a high plane and institutional non-implementation. At ASEAN, this is reduced by using multi-level operational bodies. The

EU incorporates summit resolutions in law and budgetary commitments and makes deliveries pragmatic.

Table 2

Comparative Institutional Features

| Theme | SAARC | ASEAN | EU |
|---|---|--|--|
| Legal Formalism vs. Functional Capacity | Declaratory frameworks, no implementation tools | Legal personality with phased integration plans | Supranational legal authority with binding obligations |
| Enforcement & Compliance | Voluntary, no sanctions | Internal monitoring, weak legal tools, soft enforcement mechanisms | Formal legal sanctions via courts and Commission |
| Political Fragmentation & Inertia | High; bilateral disputes obstruct function | Managed via diplomacy and sectoral pragmatism | Institutional buffers ensure continuity |
| Symbolic vs. Practical Regionalism | Summit-centric with low execution | Balanced diplomacy and technical implementation | Legislative enforcement of summit outcomes |

4.5 Summary

Through analysis of documentation, it can be seen that SAARC, even with its formal obligations, does not have the institutional design and implementation structures that it requires to become a significant regional institution. Its legal frameworks are mostly proclamatory and its operations are susceptible to the political instability. Where the EU is more integrated, ASEAN has succeeded to be a rules-based organization that imposes its norms through the daily tools and an institutional complex, which is closely integrated. The EU is presented as the best case of the legal-functional regional integration that work on the basis of the rule of law binding legislations and the hierarchies with independent accounting. This comparative evaluation shows that despite the possible utopia of intentions, there are no enforceable legal mandates and conflict avoidance structures that render regionalism an exercise in rhetoric. The ASEAN provides a flexible model of the gradualist approach (incrementalism) and soft power institutionalism. The legalism of EU, which is more difficult to imitate, is a classic case of supranational integration. The policy implications are that SAARC has to be able to create a credible dispute resolution mechanism, the powers and budget of the Secretariat must be strengthened, and the operational agenda must be decoupled with bilateral

political issues. These results form the basis of the discussion part that follows and critically acknowledges institutional hollowing, legitimacy and viability of reforms based on these comparative lessons. The findings collectively lay out a critical foundation for the next chapter where the implication of institutional hollowing, legitimacy issues and the possibilities of regional reformation are examined using the lens of these comparative findings.

5 DISCUSSION

This discussion section gives a critical analysis of the documented findings, and places them in the current debate on regional integration and institutional theory. Analysis of the available academic literature brings light on how institutional designs, political situations, and enforcement measures influence the development of regional organizations. The discussion considers the loss of institutional coherence on the part of SAARC as compared to the ASEAN's flexible regionalism and the EU systematic legal integration thus achieving the two major objectives of this research.

5.1 Institutional design and the gap between legal form and function

The results indicate that the institutional design of the SAARC is one that is characterized by legal formalism and lacks the functional capacity. This is exhibiting the region that Börzel and Risse (2012) define as the so-called form-function disjuncture typical of most regional bodies in the Global South. The SAARC Charter (1985) and SAFTA Agreement (2004) express the desires of cooperation, however, without enforcing mechanisms, institutional independence, and legal measures of adherence. Such empty institutional structure is consistent with the view of El Maaly and Chiekh (2022), who contend that most integration schemes of the developing regions are typified by symbolic regionalism, in which the legal frameworks are on paper, but have not been put into practice. On the contrary, ASEAN has increasingly assumed a semi-institutionalized structure over time with the ASEAN Charter (2007) codifying its legal personality and the ASEAN Economic Community Blueprint (2007) a staged, goal-oriented manner of integration. Although this is not directly investigated in primary

materials in this research, the example of the European Union is an illustration of legal-functional coherence. In the institutional architecture of the EU, there are supranational institutions which are the Commission and the Court of Justice, who make laws binding and enforce them equally. These comparative findings emphasize the institutional success that is determined not with the formality but flexible, achievable, and work organization.

5.2 Political context and institutional inertia

Persistent political fragmentation is a critical impediment to the functioning of SAARC and it is most often experienced in the form of the India-Pakistan conflict that paralyzes summits and prevents any form of consensus. This aligns with the findings by Khan *et al.* (2021) who say that the failure of SAARC has deep foundations in the regional security dilemma and the prevalence of national interests over the collective ones at the expense of the collective interests. The fact that the organization has been relying on summit diplomacy, and has little institutional depth or follow-up systems, places it particularly at risk due to bilateral wrangles. On the other hand, ASEAN has been moderately successful because it has adopted the principle of non-intervention and gradually developed the trust through functional cooperation in low-politics sectors (Sahasrabuddhe, 2023). The flexibility within its internal structure and the layered institutional structure enable it to keep on developing in a situation of political tensions. Although ASEAN is yet to overcome the hurdles of consensus-based governance, its ASEAN Way is an attempt at realistic strikes between sovereignty and regionalism (Ha, 2023). The political asymmetries in the EU are dealt with by the multi-tiered governance and legal frameworks, under which the institutional functions are not derailed because of the political differences. This political immunity is lacking in SAARC, where depoliticization of the enforcement institutions does not exist and it leads to inertia at the institutional level. Unless SAARC implements a strategy that would counter geopolitical competition, Sharma (2025) observes that its ability to provide regional forms of public good will continue to be crippled. Thus, these processes of the formation of autonomous technical institutions in SAARC can help to avoid the political stalemate the conservation of policy.

5.3 Compliance, enforcement, and institutional credibility

The authority of a regional institution is in its feasibility to provide compliance and execute collective determinations. The fact that SAARC uses voluntary compliance which is reflected by the fact that non-compliance is not penalized in the framework of SAFTA is a big source of weakness to the legal legitimacy of the organization. Khan and Khan (2021) also state that this lack of institutional coercion is one of the biggest factors why the agreements adopted by SAARC have hardly passed the declamatory phase. The ASEAN provides a dynamic vision of the soft enforcement whereby compliance is framed through peer review, technical working groups and blueprint based progress control. Although it is not a binding tool in the courts, these mechanisms provide moral and procedural tools that compel member states to meet common interests (Haque and Islam, 2022). An example is the AEC Blueprint which sets up objectives over time that are periodically reviewed during intergovernmental consultations. This is in contrast with the binding legal tools and judicial power systems that the EU has. EU institutional predictability and regulatory coherence are improved as the European Commission and the Court of Justice of the European Union make sure that there is homogeneity in the application and enforcement of the law. This kind of institutional maturity as noted by Hamanaka (2023), is developed through decades of internalization of norms and legal alignment zones where the SAARC is still vastly underdeveloped. The policymakers should take into consideration the presence of a peer-based surveillance standard and soft enforcement as a moderating measure to the enforcement of the law in South Asia.

5.4 The symbolism trap and the limits of summit diplomacy

One of the major themes that come out of the data is that SAARC is stuck in symbolic regionalism, in which institutional presence pertains to such summits and declarations, but practical results are only infrequently achieved. Although there has been a steady stream of meetings at the summit level, realisation of projects like the regional visa schemes or the energy cooperation has been halted. The absence of effective secretariat, standing technical organizations or functional agencies seriously restricts follow up (South Asian Association to Regional Cooperation, 1985). Though similarly

dependent on summits, ASEAN is supplemented by extensive ministerial, bureaucratic and technical-level involvement, so that the decisions undergo filtering down to policy action. The thousands of meetings that ASEAN-related bodies hold on a yearly basis enable regular development, capacity building, and exchange of information. This multi-layered structure will render ASEAN more resilient and responsive to new challenges. Conversely, the EU codifies summit decisions by taking legislative action, policy tools and budgetary allocations. Consequently, its summits are not figurative but legally binding meetings (Association of southeast Asian Nations (ASEAN., 2025). The approach of SAARC that used too much diplomacy without institutional implementation of the same strengthens the perception of the organization as a politically limited and technically incompetent organization. In order to turn symbolism to substance, SAARC has to invest in technocratic secretariat, which will have authority to implement summit mandates and monitor deliverables.

5.5 Revisiting the concept of institutional hollowing-out

The operations of SAARC are indicative of hollowing-out of institutions, i.e. appearance of structure that is not turned into reality of effectiveness. No good thing comes out of this Charter, free trade, repetitive summit resolutions when it comes down to proper practicalism because there is no core mechanism, independent body and strategic independence at SAARC. It correlates with the grave evaluation provided by El Maaly and Chiekh (2022), in which the authors reveal that a significant percentage of the emerging local entities is occupied with the diplomatic practices but not functioning as effective entities. Albeit not having immunity to constraints, ASEAN has over time worked with institutional loopholes manifested through reinvigorated legal framework, jointly worked out policy making, and expediency-oriented cooperation programs. Through the regional trade projects like RCEP, ASEAN demonstrates that it is adaptable to the new geopolitical and economical reality, in other words developing institutional framework. Having the sovereign power under supranational control, the presence of affirmative and homogenous law, the EU is one of the main examples of institutional power and a policy-making product. As highlighted in the review, the lack of speed in the performance of SAARC cannot just be attributed to political tensions, but also to the

initial weaknesses of the institution structure and law. It cannot impose commitments nor can it provide ongoing efforts to integration due to lack of strong institutional infrastructure and similar normative basis. The ASEAN is the missing element between the integrity of the sovereignty of the states and the functional collaboration, whereas the EU is the example where legal and political unity can be defined. SAARC reform is not merely the matter of politicians INPUT (Lamichhane, 2016). This involves complete restructuring of the legalistic system through establishing action-performing norms, arbitrating dispute institutions and empowerment of governance of secretariat. Unless SAARC can confront its structural weaknesses, it will always fight with an uphill battle, and failure to stay in line with its rivals will continue to be the order of the day.

The comparative lesson is clear: regional integration cannot be merely political, but should be deeply institutionalized. ASEAN reveals capabilities of adaptable legal systems to adjust according to the regional realities, and the EU reveals the potential of legally enforced institutions to develop long-term cohesion. The stagnation of SAARC draws the lesson that relying on the form, in the absence of the functions, is risky. The policy areas to be reformed include: institutional redesign through the granting of autonomy to the SAARC Secretariat, the establishment of dispute-resolution procedures and timeline establishment. Future work needs to examine the extent to which bottom-up regionalism, through civil society, trade associations, and other non-state actors, might supplement top-down institutional reform and create bottom-up pressure to ensure the institutional accountability. SAARC will be rendered irrelevant in a competitive regional order without radical structural change.

6 CONCLUSION AND RECOMMENDATIONS

By analysing legal texts like the SAARC Charter, SAFTA Agreement, ASEAN Charter, and ASEAN Economic Community Blueprint, with which this study reviewed the structural and institutional restrictions of the South Asian Association for Regional Cooperation (SAARC) as compared to ASEAN and European Union, the same have been reviewed. It reveals through the analysis that despite having a formal institutional setup, SAARC suffers institutional hollowing-out; it has only an appearance level legal

structure, which is incapable of providing operational power as well as enforcement and political independence to facilitate effective integration. reply

In order to overcome its institutional inertia and to keep its place of prominence in the midst of rapid geopolitical change, SAARC has to enact focused reform. Adoption of legally enforceable frameworks within the trade and cooperation pacts would be beneficial for the member states as to be able to perform their obligations. Funding the secretariat will empower it to be stronger, freer, and have more power to fund itself to lead more effectively in coordinating activities and implementing strategies. SAARC also needs to establish self-governing technical commissions in other fields like energy, disaster relief and education which are not politically inclined. This is because such institutions facilitate collaboration beyond the political aspect and contributing to building trust among the members. It should be marked by a strict system of evaluation and monitoring which will make sure that the steps are made towards achieving transparency and managing progress and regular interactions between the regional sectors should be supported by regular sectoral interaction aimed at achieving measurable results. In the context of modeling non-rapid institutionalization of ASEAN and certain flexible cooperation, SAARC stands in a perfect situation to strengthen the functional involvement of politics non-cooperative regions, one step at a time. The future of the SAARC however, is in the capability of the organization to go beyond its current driven, talk oriented model into the rules-based, technicist regional organization. The only hope of its future is radical reform of its institutions with a political will to enforce the reform, or it will end as a mere figurehead, incapable of achieving the Charter economic and political promise. With the collective risk of climate change, trade inequality and technological unequalness, regionalism has turned out to be a necessity in industry.

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Authors' Contribution

All authors contributed equally to the development of this article.

Data availability

All datasets relevant to this study's findings are fully available within the article.

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