

Energy Security: The Functional Area of Regional Cooperation for South Asia

Dhananjay Tripathi*

Abstract

Despite sharing a common culture and heritage, South Asia is one of the least integrated regions of the world. There are numerous persistent problems creating continuous hurdles for regional integration in South Asia. In this paper an effort is made to present the case for the regional integration of South Asia from the perspective of functional theory. Interestingly, some countries in South Asia are energy deficit and some have vast unexplored potential to meet these shortfalls. The pertinent issue is how to link demand and supply of energy in South Asia so that it subsequently becomes a functional area for cooperation. This paper considers prevalent models of cooperation in energy security of other regions and argues how it can be relevant to the context of South Asia. The role of various actors essential for promoting cooperation in energy security in South Asia is discussed in this paper. Also, in order to substantiate the application of functional theory, the example of the European Union's policy is briefly outlined.

Introduction: Understanding the Functionalist Approach

As understood by the functionalist school of thought, “politics need not be envisaged as a crude clash of interest, each rationally conceived and defended but may yield to problem solving. Interest need not be ‘reconciled’ if they can be ‘integrated’ at a higher level of perception by engaging the actors in a working effort.”¹ No doubt this statement appears to be positive, giving hope to those who want to bridge the division between people. The other pertinent point linked with the above statement is how to identify such “interest.” Scholars working on regional integration/cooperation always try to focus on such “interest” which can later be used as a cementing element that will ultimately constrict national boundaries. The success of regional organizations depends on how well the national interest of different countries coincides in some functional area. This has been the case with the European Union, which now is regarded as a single nation state by numerous scholars of international relations.

According to Stephanie Lawson, a prominent international relations scholar there is little doubt that the European Union (EU) is the most successful exercise in regionalisation to date and a

* Dhananjay Tripathi is Assistant Professor at the Department of International Relations, South Asian University, New Delhi. He can be contacted at: dhananjay@sau.ac.in

¹ Ernst B. Haas, *Beyond the Nation-State: Functionalism and International Organization* (Stanford: Stanford University Press, 1964).

role model for other projects around the world.² It was the brilliant idea of politician Robert Schuman to club the economic resources of Germany and France in such a way that contentious issues could be resolved amicably. French economist Jean Monnet worked on the idea of Schuman and finally Germany and France along with four other European countries³ formed the European Coal and Steel Community (ECSC) in 1951 by signing the treaty in Paris. This treaty laid the foundation for what is today known as the EU.

States sharing common interests and integration can begin with limited functions and in technical areas but it can thenceforth gain momentum. Rumanian scholar David Mitrany initially worked on the concept of shared interests for better ties and cooperation between states, was of the view that creating peace does not depend on inter-state treaties, formal agreement or organized structure. Rather it is necessary to advance pragmatic cooperation based on economic and social needs, limited to specific aspects and tasks of civil life, transport, hygiene, public health, unemployment, workers' rights, etc.⁴ Coming back to the European example it was coal and steel that acted as the primary material force for advanced pragmatic cooperation between the countries of the continent. Scholars of this school are also of the view that although it is possible to resist integration but once started it has its own dynamics. In short, the EU is the best example of regional integration but the valid question of discussion is will this experience be replicated in different regions of the world. The other relevant query is what will be the possible instrument, resource or factor, which could solidify regional cooperation in other parts of the world. In this paper an attempt is made to look into the possibility of energy security as the future apparatus for bringing together South Asian countries.

This paper is based on functionalist theory, which regards one functional area as a necessary beginning for regional integration. In this paper, the example of South Asia is considered and the functional area is assumed as energy security. An effort is made in this paper to explain why energy security is essentially linked with every country in south Asia and thus, an appropriate factor around which the argument for regional integration from the functionalist perspective can be built.

Quest for Economic Integration in South Asia

South Asia is one of the most prominent regions in the world, both for good and bad reasons. On the brighter side, South Asia has shown some remarkable trends in economic growth, particularly India even managed to maintain a high growth rate, insulating itself from the world economic crisis (see Table 1). Apart from India other countries in the region have also registered impressive economic growth.

On the darker side South Asia is home to 40 percent of the world's poor and there is a

² Stephanie Lawson, *International Relations* (Cambridge: Polity Press, 2003).

³ Belgium, Italy, Netherlands and Luxembourg.

⁴ Mario Telo, *International Relations: A European Perspective* (Surrey: Ashgate Publishing Limited, 2009).

considerable gap between economic growth and development.⁵ South Asia provides the regional context for one of the world's most intractable international disputes, the India-Pakistan conflict over Kashmir.⁶ While considering the acrimonious relationship between India and Pakistan, it is also notable that both countries have nuclear capabilities. In past, India and Pakistan had fought more than two full-fledged wars and a half-war (Kargil war). There are continuous swings in the relationship between India and Pakistan, and despite several honest efforts from New Delhi and Islamabad controversial issues have yet to be resolved.

Interestingly, South Asia constitutes an ideal grouping for economic integration. It is a huge contiguous land mass crisscrossed by mighty rivers, with a wealth of natural resources, a variety of climatic conditions, and a common history and heritage, as also a shared language, literatures and religions.⁷ South Asian enthusiasts have always indicated some of these common and possible integrating factors for the region. Contrary to this very simple picture there are a number of problems and deep divisions marring the prospect of integration in South Asia. As a matter of fact South Asia is the least integrated region in the world, where integration is measured by interregional trade in goods, capital and ideas.⁸ Even in comparison to other parts of Asia, intra-regional trade within the SAARC (South Asian Association of Regional Cooperation) countries is low (see Table 2).

The figure speaks volumes about the ground realities and also presents a bleak projection for the future. The internal trade share between South Asian countries are at the lowest level, whereas for the EU it is almost 60 percent. It is interesting to note that there are a number of treaties and

Table 1: GDP Growth Rate of South Asian Countries 2009-10 (in %)

Country	2009	2010
India	8.00	8.6
Afghanistan	20.4	8.2
Bangladesh	5.7	5.8
Bhutan	5.7	7.00
Maldives	-2.3	4.8
Nepal	3.8	4.0
Pakistan	1.2	4.1
Sri Lanka	3.5	7.6

Source: Asian Development Bank Statistics [Online: web] Accessed on 22 June 2011, URL: <http://www.adb.org/statistics/pdf/basic-statistics-2011.pdf>

Table 2: Intra-Regional Trade Share of Different Asian Regions (2002-2008) in Percentage

Year	2002	2003	2004	2005	2006	2007	2008
ASEAN	24.40	26.61	26.70	27.19	27.07	26.92	26.73
Central and West Asia	5.56	5.54	7.02	7.30	6.94	6.80	5.10
East Asia	40.93	42.80	43.59	42.97	41.98	40.90	38.73
SAARC	5.25	6.21	5.80	6.02	5.12	5.16	4.42
EU*	NA	60.3	NA	NA	NA	NA	NA

Source: Asian Development Bank Statistics [Online: web] Accessed on 22 June 2011, URL: <http://aric.adb.org/indicator.php>

*For EU [Online: web], Accessed 17 May 2012. <http://www.mofa.go.jp/region/asia-paci/growth.pdf>

⁵ Economic growth is generally measured in the terms of Gross Domestic Product (GDP) but economic development concerns the health, education, and living standards of the citizens.

⁶ Devin T. Hagerty, "South Asia in World Politics," in *South Asia in World Politics*, ed. Devin T. Hagerty (Lanham: Rowman & Littlefield Publishers, 2005).

⁷ Muchkund Dubey, "SAARC and South Asian Economic Integration," *Economic and Political Weekly*, April 7, 2007.

⁸ Sadiq Ahmad and Ghani Ejaz, "South Asia's Growth and Regional Integration: An Overview," in *South Asia Growth and Regional Integration*, eds. Sadiq Ahmad and Ghani Ejaz (Delhi: Macmillan India Ltd., 2007).

agreements between SAARC countries to promote regional integration but nothing concrete has emerged to date. The South Asian Free Trade Agreement (SAFTA) is one such agreement, which was signed in 2004 with the objective to promote regional trade by reducing unwarranted barriers. As per the official agreement SAARC countries were convinced that “preferential trading arrangements among SAARC Member States will act as a stimulus to the strengthening of national and SAARC economic resilience.”⁹ It was hoped that after SAFTA things might change and that there would be impressive economic integration but the results are abysmal.

The problem does not lie on the effort side or with the number of formal processes for thriving regional integration in South Asia but the root of trouble is deep-seated suspicion between India and Pakistan. India and Pakistan are even struggling to overcome their subjective age-old mistrust and discontents. Unfortunately a number of elements incessantly play a disruptive role in the relationship of two nuclear neighbours like the fundamentalist groups who have their own agenda to pursue. Sour relations between India and Pakistan suit the interest of troublemakers and this is the reason why a period of thaw between the two always faced severe attacks. The last was the Mumbai terrorist attacks in 2008, when the smooth sailing peace process got derailed after terrorists from Pakistan indulged in a deadly assault on the economic capital of India. The terrorist groups in Pakistan are inherently anti-India and are opposed to Indo-Pak peace. They have a wide network in Pakistan and also have factions to carry out terrorist activities inside India. After the Mumbai terrorist attacks it took almost three years for both Islamabad and New Delhi to restart their derailed dialogue process and there is no guarantee that this process will remain shielded from another such unprovoked incident. Similarly, in India there is a hawkish section that keeps on feeding anti-Pakistan sentiments. War rather than peace is their preference and for them any argument in favour of cooperation with Pakistan is not just irrational but anti-national. In brief, if not impossible, it is a herculean task to ensure a better, peaceful and stable relationship between the two nuclear neighbours only through peace treaties, and there is a need for better cooperation in some functional area.

Energy Security in South Asia

Three basic conclusions can be drawn from the above discussion. First, South Asia has witnessed impressive economic growth in the last decade. Second, regional economic integration is weak in South Asia. Third, the peace process between India and Pakistan will remain fragile and susceptible to several unpredictable conditions. In these circumstances the primary concern is to find a functional area, which will unleash the forces of integration in South Asia. Considering the overall situation, a combined endeavour to overcome the challenge of energy scarcity in South Asia can bring desired results. In this it is also a matter of fact that economic growth does burden the energy security of the region, causing uncertainty about the future. Demand for energy in South Asia will become more intense in the coming time (see Table 3) and it will probably be more than double in next 30

⁹ For details of trade agreements between SAARC countries see <http://www.saarctrade.info/>

Table 3: Long Term Forecast of Commercial Energy Demand by 2020

Item	Unit	Afghanistan	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka
Electricity Demand Forecast (2020)	MkWh	3,877	72,791	6,876	1,755,685	1,571	8,076	251,039	23,867
Oil Demand Forecast (2020)	mtoe	3.483	11.6	0.62	246.9	1.661	1.61	30.94	7.82
Gas Demand Forecast (2020)	mtoe	0.92	44.03	0.0	101.88	0.0	0.0	72.75	0.0
Coal Demand Forecast (2020)	mtoe	0.0	0.9	0.11	447.6	0.0	0.78	13.9	7.0

Source: Regional Report, South Asian Initiative for Energy [Online: Web]. Accessed 25 June 2011. pdf.usaid.gov/pdf_docs/PNADS866.pdf, p.19.

Note: mtoe: Million Tons of Oil Equivalent, MkWh= Million Kilowatt Hours.

years. During the same period Indian demand is projected more than 140 percent.¹⁰ South Asia is also a region where the majority of the population lives in rural areas and only 25 percent of them have access to electricity. This is a huge gap, hampering the potential for economic growth.

There are other such calculations of energy demand projections based on the assumption that the present economic growth will continue. Table 3 indicates the future requirement of South Asian countries in every sector of energy resources. Countries like India and Pakistan are more vulnerable and there is a compelling need to find a viable solution. What eases the situation is the abundance of energy resources in countries with less demand. This opens a gateway for cooperation in the energy sector of South Asia. Energy requirement is not only crucial but also essential for the future growth of the region and turning a blind eye towards it will only complicate the matter. At present major demand for energy in South Asian countries are fulfilled through expensive import from other regions. The dependence on imports can be reduced substantially through the interdependence of South Asian countries in the energy sector.

The Role of India

Any proposal keeping South Asia in the centre requires the proactive involvement of India. The geographical size and economic power of India make it essential to take initiatives for promoting integration in South Asia. Even in the energy sector the role of India is definitive and can bring fruitful results for the entire region. In last two decades India has registered impressive economic growth with rapid industrialisation but at the same time it is struggling to meet the mounting demand of energy for sustaining, increasing and supporting its economic growth rate. A close cooperation with other countries of the region will help India in securing its energy requirements and at the same time the poor countries of the region will also earn revenue. The case of India-Nepal and India-Bhutan cooperation in hydroelectricity is a workable model and can be imitated at the regional level. The bilateral exchange of power at the borders between India and Nepal is around 50 MW, which is expected to go up to 400 MW by 2017. As per the current strategy of Nepal its power export

¹⁰ Joseph Macmillan, "Energy Security in South Asia: Can Interdependence Breed Stability?" *Strategic Forum* (2008). Accessed June 25, 2011. se2.isn.ch/serviceengine/Files/ESDP/92396/.../EAB2F76B.../SF232.pdf

capability by 2027 will go up to 15,000 MW.¹¹ Nepal has realized a profit from the export of energy to India and in this way co-operation is mutually beneficial for both countries (see Table 4).

As per the given figures by 2005 Nepal earned 573.4 million INR and this amount is only for the fraction of supply if

we compare it with the estimated potential of power supply to India by 2017. Nepal, which is a landlocked country with limited prospects for economic growth, can do well with exporting electricity to India and this is a very good option.

The case of India-Bhutan, is one of the best examples in this region of the power trade. Bhutan was once importing electricity from India but lately there is a reversal in the role and is now exporting electricity to India. In fact, electricity is presently the principal export commodity of Bhutan and India played a vital role in the development of the hydroelectricity sector of Bhutan. From Chuka hydroelectric plant of Bhutan 84 percent of the generated energy is exported to India. The electricity from Bhutan is meeting the demand of West Bengal and Assam in India and if the work is done in a proper way this can be extended to other parts of the country. At present Bhutan is an electricity surplus country and its production is around 1.48 billion kWh and its consumption is just around 184 million kWh. This opens the possibility for the export of electricity and it amounts to about 1.296 billion kWh. Bhutan has one of the smallest economies in the world and has limited options to explore for expanding its base of prosperity. The export of energy to India has helped the Bhutanese economy and there are plenty of possibilities that energy trade in future between these two countries will witness an increase. Many of the states in North India are electricity deficit states and if Bhutan's hydroelectric potential is harnessed in a proper technological sense it will prove extremely useful.

Briefly, it can be argued that India needs to take up the issue of energy cooperation in South Asia both for its own benefit and also for giving a new life to the integration process of the region. Some regional arrangement for trade in electricity will also equally benefit countries like Pakistan and Bangladesh.

Looking into Solutions

Considering the demand and supply estimates of energy in South Asia it is clear that it can be a functional area for future regional integration. Some of the possible methods for achieving this

Table 4: Revenue generated in Nepal from the sale of electricity to India

Year	Bulk supply to India (GWh)	Revenue (in million Rs.)
1998	67.41	199.92
1999	64.16	198.15
2000	95.00	327.80
2001	126.00	396.06
2002	133.86	514.12
2003	192.2	809.0
2004	141.2	673.7
2005	110.7	573.4

Source: Nepal Electricity Authority, fiscal year 2004-2005 a year in review. As per the paper of Leena Srivastav et al., "Promoting Regional Energy."

¹¹ Leena Srivastav and Mishra Neha, "Promoting Regional Energy Co-operation in South Asia," *Energy Policy*, 35:6 (2007).

cooperation are discussed in this section.

In India there was a problem of how to distribute electricity throughout the country, and to overcome this problem the Power Grid Corporation of India (PGCI) was established in 1989. PGCI was entrusted with the responsibility for transmission of electric power across the country. Although this has not solved the power crisis in India, it is an example that can be applied at the level of South Asia. Indian Minister of State for Power K C Venugopal supported the concept of a South Asian power grid. Speaking in a round table conference he said, “SAARC power grid linking Bangladesh, India, Nepal, Pakistan and Sri Lanka has the estimated potential to install at least 100,000 MW in the region for the common use among its member states.”¹² Adding to the issue Venugopal also mentioned problems concerning cross-border trading, markets, technology and finances. This is not a maiden concept but there are functional examples of regional grids like the grid connecting Norway, Denmark, Sweden and Finland and another that connects South Africa, Botswana and Zimbabwe. SAARC can learn from these regional electric grid models to build its own grid.

In the case of Norway, Sweden, Denmark and Finland a unique system is formulated to ensure the best utilization of resources, minimizing total production costs and optimizing efficiency. There are diversified generating systems ranging from a 100% hydro system in Norway to a 95% thermal system in Denmark. Finland and Sweden have a mix of nuclear, hydro and fossil capacity. This system was achieved by ensuring that production units were used in order of increasing cost irrespective of location. Production in one country then probably does not match its consumption. This led to an optimal exchange of occasional power.¹³ In the case of Scandinavian countries political differences are not the case, and also the economic status of every country is quite good. It was an integration to maximize gains, not to make electricity a key to instrument of integration.

The other model is the South African Power Pool (SAPP), which was created in 1995 and presently has 12 members. These 12 members are Botswana, Malawi, Mozambique, Angola, South Africa, Lesotho, Namibia, Democratic Republic of Congo, Swaziland, Tanzania, Zambia, and Zimbabwe. It is interesting to note that SAPP itself was created to put energy at the centre of achieving the political objective of regional integration. When the idea of SAPP was floated several doubts were raised about its rationality and viability. The region lacks the high socio-economic profile of the Scandinavian countries. There was a question as to how the electricity would be distributed but the economic development of South Africa underwent a change. Later on, demand for electricity in the region had gone up due to energy-intensive mining, mineral smelting and energy-intensive industrial operations in South Africa, Namibia, Botswana, Zambia and Zimbabwe. The electricity generation system like in the Scandinavian countries is divergent. The current generation mix in SAPP is 74.3% coal, 20.1% hydro, 4% nuclear and 1.6% diesel and gas. The coal generation is predominantly in the south (South Africa, Botswana and Zimbabwe) and hydropower in the north in the Zambezi Basin (Zambia, Zimbabwe, Mozambique and Malawi) Congo and Cunene. The nuclear

¹² “India Call for A Robust Power Grid in SAARC Region,” *Press Information Bureau*. Accessed June 27, 2011. <http://pib.nic.in/newsite/erelease.aspx?reliid=71821>.

¹³ Ivar Wangensteen, “Cross Border Trade in Scandinavia.” Accessed June 25, 2011. <http://oldsite.nautilus.org/archives/energy/grid/abstracts/Scandinavia.pdf>

power station is in the Western Cape and most of the diesel power plants are for small isolated rural networks.¹⁴

In these two models the SAPP is close to SAARC requirements since there are many similarities between the two regions. The most striking similarity is the objective of using the energy sector for larger economic and political integration in the region. The SAARC grid will also support the integration process along with other advantages. At the official level there are available studies on how to proceed towards the trade of electricity in SAARC. According to one such report on SAARC Energy Centre,¹⁵ eight steps are suggested for giving practical shapes to electricity trade in the region. These are as follows:

1. Licensing: A uniform licensing policy needs to be adopted for the entire region for electricity generation, transmission and trade.
2. Transmission and load dispatch: There is also no uniformity in the transmission and load dispatch system, and it is essential that a single system prevail for regional trading.
3. Electricity regulatory commission: A regional electricity regulatory commission is needed to look into electricity trading as a whole in the region.
4. Electricity trade: Except for India, there is no separate agency for the trade of electricity and at the regional level one such nodal agency is essential.
5. Electricity tariff: There is subsidised electricity in every SAARC country, and for regional trade cross-border tariffs may be developed based on a transparent process of competitive bidding.
6. Dispute resolution: There is also a need for a common dispute resolution body acceptable to all SAARC countries.
7. SAARC expert group on electricity: This function as a nodal agency to carry forward all the activities related to regional electricity trading.
8. Further study: The report also highlighted the need for further study on this issue so to develop a more clear idea on the issue.

There are examples of regional grids around the world and SAARC officially supports this concept. Thus, it has both practical and theoretical approvals and it just requires the political will to implement.

Implementing the SAARC Energy Ring

This is not a new concept and was floated in 2007 during the SAARC Energy Ministers meeting at New Delhi. It proposed transnational lines for trade in electricity, gas and oil.

¹⁴ Economic Consulting Associates, *The Potential of Regional Power Sector Integration: South African Power Pool Transmission and Trading Case Study* (London: Economic Consulting Associates Limited, 2010).

¹⁵ ANM Obaidullah, *Regional Electricity Trade: Legal Frameworks of South Asia* (Islamabad: SAARC Energy Centre, 2010).

Comprehensive work was done on creating an energy ring and the final approval was given at the third meeting of energy ministers held at Colombo in 2009. The creation of an energy ring is possible because Nepal and Bhutan have enormous hydrocarbon potential. Afghanistan, Pakistan, India and Bangladesh have substantial coal resources. There are also huge untapped petroleum resources in Bangladesh, Pakistan and in India. Once this energy ring is established it will open ways for SAARC countries to establish easy energy trade connections with Central and West Asia. Regional gas pipelines and regional electric grids will help the countries of Central and West Asia link up the supply to any SAARC country utilizing the established SAARC energy ring network. This will not only make the import of energy in the region easy but will also substantially reduce the passage cost. It will also open prospects for poor countries of the region to earn revenue by providing passage routes for the import of energy resources.

Strengthening SAARC Energy Centre

The SAARC energy centre was proposed in the Dhaka Declaration of the SAARC Summit in 2005. As per the declaration, “the head of the State or Government welcomed the Joint Statement of the first SAARC Energy Ministers meeting in October 2005 in Islamabad. They agreed to the recommendation to establish the SAARC Energy Centre in Islamabad; to promote development of energy resources, including hydropower; and energy trade in the region.” It was after this declaration that the SAARC Energy Centre (SEC) was set up in Islamabad on March 1, 2006. As per the official SEC website¹⁶ the primary objective for the establishment of the Centre is to have a regional institution of excellence for the initiation, coordination and facilitation of SAARC programmes in energy. There are eight goals enunciated on the portal encompassing almost all the major points of regional cooperation in the energy sector.

As far as SEC’s official position is concerned it is well defined but not enough work has been done to activate SEC. A number of useful and purposeful studies have been carried out by the SEC and thought provoking concepts have been flashed but more has to be done on practical fronts. There is no serious work from the SAARC countries to start energy cooperation at the regional level. One institution, which has some concrete and applauding research, can be regarded as a small part of the solution but not a complete end in itself. The responsibility of the SAARC countries does not get over with the setting up of SEC because any organization is just a skeleton without proper organic functioning. SEC should focus on what are the steps taken/initiated to materialize the outputs of its research studies. How the governments of SAARC countries are advancing their programmes to fulfill the commitment for regional energy cooperation is a major point and it has to be taken seriously by the SEC. Some kind of grading or point system has to be formulated to keep an account of every major and minor step taken by the governments in regard to implementing the agenda of regional energy cooperation. An annual report of SEC with transparent grades for every country should be circulated widely. This account can be treated as a report card quantifying the intention of

¹⁶ For more information visit: <http://www.saarcenergy.org/>

every country to promote regional cooperation in energy. SEC in this regard can act as a watchdog to keep citizens of the region alert. Public pressure sometime plays a positive role in the performance of government. There is another issue worth considering for SEC and it concerns collaborating with other regional organizations like SAPP, which have knowledge and expertise in regional energy trade. SEC has enormous potential and can play a critical and historic role in driving regional cooperation in South Asia.

Role of International Agencies

International agencies also have a role in promoting regional cooperation in the energy sector at the level of South Asia. While pointing to the role of international agencies, it is necessary that a roadmap for such cooperation be formulated and finalized by SAARC countries. On a number of occasions international agencies have their own ideas with regard to solutions, which they try to pursue as a precondition for providing help and support. In the case of South Asia there are experts with adequate knowledge and they are well aware of both prospects and challenges of regional cooperation. There is no lack of concepts and ideas but the real problem is at the level of finance. Considering the economic constraints of South Asian countries it is important that international agencies fund the projects of regional cooperation in energy.

The Asian Development Bank (ADB) and the United States Agency for International Development (USAID) are actively engaged in projects related to energy cooperation in South Asia. USAID has a project titled South Asia Regional Initiative for Energy (SARI/E) which has three focused areas viz., cross border energy trade, regional energy market formation, and regional clean energy access partnerships. International agencies can also provide technical assistant teams, technical consultations and required technologies for the purpose of linking the energy resources of the South Asian countries.

Role of Civil Society

There are a number of regional non-governmental organizations (NGOs) dedicated to the cause of one South Asia. There are ample interactions between members of civil society at the South Asian level and from time to time they jointly raise issues of regional cooperation. In this regard it is important to note that after the Mumbai terrorist attacks of 2008 it was the South Asians for Human Rights (SAHR)¹⁷ which had took the initiative of inviting prominent members of Pakistani civil society to India. There are a number of NGOs which come before each official SAARC to organise a “People’s SAARC” to pursue the demand of regional integration. These are praiseworthy efforts but the problem lies with the fact that these significant gatherings generally lack a concrete agenda.

The vague conceptualization of South Asian peace mixed with rhetorical phrases cannot lead to an adequate outcome. In this it is also notable that every such meeting of the South Asian civil

¹⁷ For more details please visit the website: <http://www.southasianrights.org/>

society has set a new agenda without intense discussion on the progress of earlier resolutions adopted by them. In the case of energy security and regional integration, South Asian civil society can act as a catalyst. The members of South Asian civil society hold sway in their respective countries and are respected across borders. Energy security, its problems and prospects of regional integration are the issues that can be taken to the people at a larger level by the civil society. Governments with different political and ideological groundings might not show enthusiasm to implement its own commitment for regional integration. It is better not to presume that political parties and their functionaries will lead a campaign of educating people about the advantages of regional integration. Peace in South Asia does not substantially figure in the practical agenda of political parties, except for its vague description in their official documents. This civil society can lead the campaign from the front by zeroing in on some specific issues including one on the relevance of energy security and regional integration.

Conclusion: South Asian Reality and European Dream

The objective of this paper was to show how the European example can be replicated in South Asia. Coal and steel worked for Europe and it was discussed that energy could play a similar role in this region, which is yet to see any formidable combinations leading towards future cooperation. Although the argument is purely based on the functionalist approach we must also try to understand that Europe and South Asia are two different regions not only in the geographic sense but also from cultural, social and political assessments. Medicine that proved vital for Europe may not give similar results in South Asia but the formula is very important and gives us reason to experiment. Europe before the Second World War had already reached a formidable level of development both in the social and economic fields and this is where South Asian countries still fail to meet the required standard. No wonder, except for Sri Lanka, no country in South Asia has an appreciable record of human development (see Table 5).

The above picture unfolds many stories and the prime one is political. Since the socio-economic development of South Asian countries is far below the satisfactory level, the focus of every state is not on regional integration but on how to resolve a myriad of problems at domestic fronts. There remained internal tribulations like ethnic questions, terrorism, poverty, disparity and discrimination. All these clubbed together make South Asia a very complicated political region. Europeans after the end of the Second World War understood the devastating effects of war and instability. There was a genuine urge amongst the wider population of Europe to have peace and cordial relations between the nation states of

Table 5: Position of South Asian Countries in Human Development Index (2011)

Country	Human Development Index Rank
Afghanistan	172
Bangladesh	146
Bhutan	141
India	134
Nepal	157
Pakistan	145
Sri Lanka	97
Maldives	106

Source: Human Development Statistical Index. Accessed May 15, 2012. http://hdr.undp.org/en/media/HDR_2011_EN_Tables.pdf.

the region as to avoid any disputes in future. This urge is absent in South Asia and it will take time for people to realize the potential of regional cooperation. Thus, hope for strong regional cooperation in South Asia is a European dream but it has its limitations. There are some inherent problems in South Asia, which act as hurdles that stand in the way of formidable regional cooperation. Still the picture is not that bleak. The EU is an example but to reach the integration level of the EU every region has to devise its own mechanisms. These mechanisms must be in accordance with the socio-political and economic realities of the region.

The world had changed and every country in South Asia accommodated the international concepts of globalization, market economy and liberalization. There are tremendous debates on the advantages reaped from globalization, but governments are unwilling to change the course of current policy. Without touching the intense discourse on globalization it is interesting to note that the same governments are indifferent towards the process of regionalisation. There is no hesitation on the part of governments of SAARC countries to enter into free trade agreements (FTA) with countries and organizations which are not a part of South Asia, but a similar proactive approach is absent to boost regional trade. Energy is an important sector and every South Asian country is going to suffer if it does not have a future plan to meet the coming challenges. Regional cooperation to fulfill the energy demand is one way to address these challenges and it is an appropriate time to start working seriously on this issue. Let us hope that regional energy trade will start a cycle and afterwards other integrating factors will get attached to it.

It would be incorrect to draw a parallel between Europe and South Asia to predict that energy will be the binding factor in South Asia, but its potential cannot be ruled out. There can be a question as to why it is only energy and the simple answer is because there is a deficit in this sector and this deficit will only multiply in the future. To sum up we can quote John David Ashcroft, a well-known American legal expert, who said that, "if necessity is the mother of invention, it is also the father of cooperation." Energy security is a necessity for South Asia and cooperation is well desired. Boundaries are man-made and only by effort can we render them obsolete. In the case of regional integration in South Asia, a functional area of energy security can bring desired results.