

Are regional groups out of steam?

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The post-World War II era, characterised by a “cold” war between the two superpowers of the time—the United States (US) and the erstwhile Soviet Union saw some of the most devastating effects a bipolar world order can have. While the absence of a “hot” war or direct military confrontation between the two superpowers was an excellent facet of international politics, proxy wars in theatres as far as Southeast Asia or in Central and Southeast Asia had devastating effects and multiple countries across the globe suffered. The end of the Cold War with the collapse of the Soviet Union not just saw the rise of multiple poles of power, the examples of which range from India to Brazil to China to Japan but also the emergence of many regional groups, vying to address some of the most pertinent issues facing the world order.



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Examples of regional groups include the Group of 7 (G7), the Asian Development Bank (ADB), the Association of South-East Asia Nations (Asean), the South Asian Association for Regional Cooperation (Saarc), the African Development Bank (AfDB) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec), among a long list of others. Irrespective of the composition of these groupings, these organisations have been vital in championing interests of members in various jurisdictions they are found. However, one drawback of these organisations is that the will of the most economically and militarily developed member of the group often gets enforced as the common voice of the group. With this emerged the question of the efficacy of regional groups. Also, in several groups, political differences between member-States often leads to a paralysis of the organisation.

While Saarc remains as one of the biggest examples of a regional organization that failed, Asean remains a successful example of a regional grouping. Where the Saarc fails owing to political reasons, the Bimstec appears as a ray of hope. Despite the fact that Bimstec has been extremely slow in taking off, as it was formed in 1997 and the first summit took place only in 2004, the grouping has identified some of the most pressing issues facing the Bay of Bengal region, and an example of this is in the form of the Memorandum of Understanding (MoU) that was signed between the member countries in 2018 on the establishment of the Bimstec grid interconnection. This MoU facilitates cooperation towards the implementation of grid interconnections for the trade in electricity with a view to promoting rational and optimal power transmission in the Bimstec region. Amidst the global energy crisis that is emerging because of the prolonged Russia-Ukraine crisis in the West, arrangements such as this MoU become important. Also, the Bimstec is undertaking a series of steps to leverage the blue economy, given the fact that these countries are in a region that can leverage this facet of trade and economic relations. Amidst slowing global growth rates, finding newer arenas of cooperation to drive growth become important.

However, to the extent which potentials can be turned into realities remains a question, which adds to the doubts around the efficacy of regional organisations. Here, a quick look at what are considered successful examples of regional organisations becomes pertinent. The European Union (EU) and the Asean as stated previously are considered among the perfect examples of regional organisations. However, Brexit happened, and EU members currently remain divided on issues around how to tackle rising Chinese ambitions. While some EU members would want economic relations to strengthen in the hopes that they can avoid spiralling Gross Domestic Product rates through international trade, other are more cautious of the ways in which China leverages its economic supremacy over partner trading countries to seek political advantages. When China downgraded its diplomatic relations with Lithuania in 2021, when the latter refused to give into political diktats of Beijing, there was no unified condemnation from the EU. It took a year for the EU to request the World Trade Organization (WTO) for two panels against China against the economic coercion it was undertaking against Lithuania. As seen in this case as well in the slow take-off of the Bimstec, decisions take time to fructify in regional organisations. Even Asean countries are divided over how to tackle the rise of China, even though several members have sovereignty related disputes with China.

If even the most successful regional organisations get so mired in delays and controversies, do their existence really matter is a constant question. While regional organisations may take time to take decisions, they are the best groupings to understand regional challenges since they inhabit the regional geographic space. Also, if decisions in regional organisations take time to fructify, decisions in bigger, international organisations take further time. The best bet to understand unfolding challenges in a particular regional space and to address them based on needs of capabilities of member states remain the strongest points of regional organisations. Regional organisations despite complications are here to stay.

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