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## **Bimstec Vs Saarc: Alternative or Opportunity for Regional Cooperation**

**ORIGINAL ARTICLE**



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### **Abstract**

*The deadlock in the SAARC has aggravated after series of terrorist attacks in India that has pushed India to look towards the grouping of the BIMSTEC. This was clearly visible in India's action when Prime Minister Narendra Modi invited the members of the BIMSTEC in its swearing-in-ceremony in its second term which witnessed a deviation from 2014 swearing-in-ceremony in which SAARC members were invited. It meant that Pakistan, Afghanistan and Maldives would not be part of the ceremony in the second term. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, with absence of Pakistan, has provided India with an opportunity to re-examine and re-evaluate its relations with the neighbours of South East Asia and South Asia and its hopes for regional integration. It complements with India's Act East Policy and its Neighbourhood First Policy. The question arises whether BIMSTEC replaces SAARC or complements the process of regional integration.*

*The paper has been divided into different sections. The paper discusses and analyses reasons for failure of SAARC as a regional organisation. The paper also focusses on the reasons for India's shift towards the BIMSTEC. The paper analyses the debating question whether BIMSTEC can replace SAARC in the near future or it is a new chapter in the arena of regional cooperation in South Asia.*

### **Key Words**

*SAARC, BIMSTEC, Regional Cooperation, South Asia, South East Asia, Regional Integration*

### **Introduction**

The South Asian Association for Regional Organisation (SAARC) has recently focussed on issues of disability, youth, nutrition and elderly with the voice of Secretary General about these issues at different international forums. It celebrated its 40<sup>th</sup> anniversary in 2024 guaranteeing its commitment for regional integration and connectivity. However, if compared with other regional organisations like The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), BRICS and Association of South East Asian Nations (ASEAN), its success rate is very low due to political tensions, least economic integration with low intra-regional trade among member countries and the current situation with the membership of Afghanistan. The deadlock in the SAARC has aggravated after series of terrorist attacks in India that has pushed India to look towards the grouping of the BIMSTEC.

The invitation of the BIMSTEC members in the swearing-in ceremony by the Indian Prime Minister Narendra Modi in his second term demonstrates a shift from his previous stand when the SAARC members were invited in 2014 during his swearing-in ceremony. This signifies a major strategic shift in India's policy towards East and its Neighbourhood First Policy and from the groupings of the SAARC to the groupings of the BIMSTEC. A renewed push in BIMSTEC can be witnessed when India hosted its outreach summit in 2016 alongside BRICS summit in Goa. The talks during BRICS meet have a new dimension to India-BIMSTEC relations (Dutta 2019). The PM of India said during the Kathmandu's SAARC summit in 2014 that, "opportunities must be realized through SAARC or outside it" and "among us all or some of us" (Desai 2019).

## **Rationale and Scope of the Study**

The study makes an attempt to examine the significance and importance of SAARC and BIMSTEC for regional cooperation and regional integration in South Asia. An emphasis has been on the India's position concerning these two regional groupings and the choice that India makes in its foreign policy concerning the two groupings. It assesses the challenges, experience and strategies of India to address the central question how regional groupings have acquired much significance in the current period. The paper analyses whether BIMSTEC can be an alternative for SAARC or BIMSTEC is an opportunity for enhancing the regional cooperation in South Asia and acts as a bridge between South Asia and South East Asia that is between SAARC and ASEAN. The study would help present the significance of regional cooperation for India and how regional groupings can be made more effective in the current situation of multipolar world.

## **Objectives**

The study will be undertaken with the following objectives: 1) To analyse the reasons for India's shift in its policies towards SAARC. 2) To focus on the importance of BIMSTEC for India. 3) To investigate whether BIMSTEC can replace SAARC as a regional grouping in South Asia. 4) To examine BIMSTEC as an opportunity to connect SAARC and ASEAN.

## **Research Methodology**

The methods used in the proposed study is descriptive, analytical and statistical and is based on empirical review of the data and literature collected from both primary and secondary sources. The primary sources include the documents and reports from the government departments of India, BIMSTEC, and SAARC. It also includes articles from academic newspapers. The secondary sources would include the relevant books, articles and also journals from different publications.

## **SAARC: Issues and Challenges**

The SAARC suffers from several challenges and one amongst such challenge is the problem between India and Pakistan. India had to recourse to BBIN (Bhutan, Bangladesh, India and Nepal) agreement in 2015 in place of SAARC Motor Vehicle Agreement and the SAARC Satellite was renamed as South Asia Satellite after Pakistan's withdrawal (Jacob 2016). The cross-border terrorism is a major concern for India but Pakistan has failed to address these issues (Ahmed 2016). The political issues among the member countries have led to the suspension of 11 summits. (Ahmed 2017). Indian Ambassador to Oman, UAE and Saudi Arabia, also discussed about the ineffectiveness of the SAARC. He said, "So, the invitation to BIMSTEC leaders for the swearing in ceremony indicates that India is now shaping an alternative regional engagement platform because SAARC has no basis to go forward... it is regrettable but it is a fact of history, it (SAARC) is not going to go anywhere for the time being" (The Economic Times 2019). Even after the implementation of SAFTA in 2006, the intra-regional trade among the SAARC countries is less than five percent (World Bank 2020). The balance of power in the region is asymmetrical with India being ahead of other members in terms of Gross Domestic Product (GDP), military power, population and territory. There has been suspicion and mistrust among the members with India playing 'Big Brother role'. The lack of trust among the member countries especially

Pakistan has resulted in several stalling of projects (Mandana 2014). The members are opting for bilateralism as an easier option compared to a grouping at different levels of functioning (Thapar 2006).

### **BIMSTEC: Importance and Significance for India**

BIMSTEC consists of all major countries of South Asia except Maldives, Pakistan and Afghanistan and has emerged as a natural platform for regional integration in South Asia. The chances of economic cooperation were explored by Thailand in 1994 in a desire to connect South Asia and South East Asia (Mehta 2002). It was originally called BIST-EC that is Bangladesh, India, Sri Lanka and Thailand Economic Cooperation (Sharma and Rathode 2015). BIMSTEC has become popular as it connects the littoral countries of Bay of Bengal and the ecologies of Himalayas. BIMSTEC has relevance in terms of geography, economy, regional integration, maritime security, connectivity and strategic. It comprises of 22 percent of world’s total population and is world’s largest bay. The GDP of BIMSTEC has been around 3.8 trillion USD. Every year, one fourth of the World’s traded goods cross the bay (BIMSTEC 2022). It has emerged as the route for 25 percent of the world’s trade. The regional cooperation has been identified in 14 sectors and divided with different countries (shown in Table 1). It can be seen that India has been handling important sectors like Transport and Communication, Tourism, Environment and Disaster Management and Counter Terrorism and Transnational Crimes.

**Table 1: BIMSTEC Sectors and Lead Countries**

<b>Sectors</b>	<b>Lead Countries</b>
Trade and Investment	Bangladesh
Technology	Sri Lanka
Energy	Myanmar
Transportation & Communication	India
Tourism	India
Fisheries	Thailand
Agriculture	Myanmar
Cultural Cooperation	Bhutan
Environment and Disaster Management	India
Public Health	Thailand
People-to- People Contact	Thailand
Poverty Alleviation	Nepal
Counter Terrorism and Transnational Crime	India
Climate Change	Bangladesh

*[Source: BIMSTEC website (2022)]*

The BIMSTEC helps India in boosting its blue economy<sup>1</sup> and guaranteeing maritime protection by providing solutions to issues such as averting trafficking of women and drugs, illegitimate fishing and misfortunes across maritime and illegitimate and irregular migration. BIMSTEC also is in harmonious with the Security and Growth for All in the Region (SAGAR)<sup>2</sup> initiative of India. It means that every boat would rise with the rise in the tides. The boats symbolise regional countries and rising tide symbolises togetherness. The Sittwe Port of Myanmar is closer to North Eastern States of India than the state of Kolkata. It would also help India in integrating with the ASEAN’s Master Plan of Connectivity 2025<sup>3</sup>. India has made investments in India-Myanmar-Thailand Trilateral Highway, the Kaladan Multimodal Transit Transport Project and the BIMSTEC Motor Vehicle Agreement. The absence of China and Pakistan means few obstacles in achieving regional integration objectives through BIMSTEC.

BIMSTEC would also help Thailand in achieving its Look West Policy. It enhances the connectivity with the ASEAN countries for the smaller countries like Bangladesh, Nepal and Bhutan. BIMSTEC provides

various opportunities for trade development. The intra-BIMSTEC trade of Myanmar is around 36.14 percent of its total trade. The intra-BIMSTEC trade of Nepal and Sri Lanka's is around 59.13 percent and 18.42 percent. The intra-BIMSTEC trade of Bangladesh is 11.55 percent (Jha 2015). India wishes to utilise the maritime routes in terms of both national, regional and sub regional contexts. It wishes to develop its North Eastern region both in terms of economic and regional development.

The BIMSTEC is relevant for its connectivity. The four states of India are adjacent to Bay of Bengal like Andhra Pradesh, Orissa, Tamil Nadu and West Bengal that comprises of one-quarter of India's population. The North Eastern regions of India would find connectivity to Myanmar, Thailand and Bangladesh through Bay of Bengal. The PM of India refereed BIMSTEC as a natural platform that would help in achieving its foreign policy objectives of Act East Policy and Neighbourhood First Policy. China has shown its active presence in Bay of Bengal Region and Indian Ocean region through its submarines and ships and as such the significance of the BIMSTEC increases to much extent for India. It would also help India in responding to China's belt and road initiative in BIMSTEC region as China is keen on developing infrastructure through its Belt and Road Initiative (BRI)<sup>4</sup> project in South Asia and South East Asia.

### **Is BIMSTEC a Substitute for SAARC?**

According to the reports of the World Bank (2022), the South Asian region has the potential to double its trade engagement which cannot be done through SAARC providing an opportunity for BIMSTEC. India's trade with BIMSTEC countries has shown a growth of 10.4 percent annually (World Bank 2017). The fourth BIMSTEC summit of 2018 has emphasised on finalising the Free Trade agreements among the countries (Desai 2019). There have been instances which demonstrates the rejuvenation of BIMSTEC between 2016 and 2018 (Bhatia 2018). Some scholars believed that the BIMSTEC was formed to keep Pakistan away from hurdling regional integration. However, Former PM of India Manmohan Singh has clarified this by saying, "we are not trying to isolate any country. Pakistan is not linked geographically to the Bay of Bengal and it is as simple as that" (TOI 2004). S. Jaishankar, the External Affairs Minister said that India can see mix of "energy, mindset and possibility" in BIMSTEC (Chaudhary 2019). Ranil Wickremesinghe, former PM of Sri Lanka said, "SAARC is deadlocked. While BIMSTEC is not a substitute for SAARC, it is, nevertheless, a starting point for integration" (Meera 2020). Jaishankar once said during the Ramnath Goenka Lecture that as India aspires to become major power in future, it cannot "continue with unsettled borders, an unintegrated region and under-exploited opportunities" (MEA, 2019).

BIMSTEC's relevance can be witnessed in 2004 when Manmohan Singh said "We consider our participation... as a key element in our Look East policy and long-standing approach of good neighborliness towards all our neighbours by land and sea. The challenge before us is to transform the richness of our human and natural resources into cooperative regional activities promoting development, enhancing prosperity and the wellbeing of our people and ensuring our collective security in all its multifarious dimensions" (MEA 2004). The BIMSTEC summit of 2017 witnessed Prime Minister looking forward to it as he said, "It is a natural platform to fulfill our key foreign policy priorities of Neighbourhood First and Act East", as it provides connectivity to Great Himalayas and the Bay of Bengal along with South East Asia and South Asia. The members share historical, geographical and cultural linkages.

At present, India's foreign policy revolves around two important imperatives (Bhatia 2020). First, it tries to cooperate with major powers of the world as it aspires to become one in the future. Second, it tries to have peaceful and positive ties with immediate neighbours. There have also been several positive inclinations towards SAARC. Sri Lankan Prime Minister Mahinda Rajapaksa also requested to continue with the process of regional integration. He said, "We have already gone a considerable distance in building SAARC and that should be continued" (Haider 2020). Bangladesh and Nepal have been unhappy with the slow progress of BIMSTEC and BBIN, and they still hope for revival of the SAARC. There is need of political will among member countries of both BISTEC and SAARC. India could find ways with some flexibility to engage Pakistan

in SAARC summit to be held in Islamabad. India has invited Prime Minister of Pakistan, Imran Khan for next Sanghai Cooperation Organisation (SCO) summit. According to C. Rajamohan (2004), the Bay of Bengal community needs to complement the efforts of SAARC that wish to promote free trade area in South Asia. The charter of the BIMSTEC also says that it is a bridge between SAARC and ASEAN. The process of regionalisation in SAARC over many years have been much stronger compared to works under BIMSTEC. The SAARC has its own importance and significance though India has shown a shift in its policies towards regional integration by putting SAARC on hold at one side and enhancing regional integration through BIMSTEC on the other. The India-ASEAN relations have been based on 3-Cs that includes Connectivity, Commerce and Culture. The same pattern needs to be followed for BIMSTEC as well as SAARC which would help in its revival and success.

## Conclusion

The problems of the unjust economic world order and structural shortcomings are overcome through regional arrangements. BIMSTEC and SAARC are the invention in this course. SAARC is a regional organisation as it consists of countries from a particular region that is South Asia, whereas BIMSTEC is inter-regional organisation as it comprises of countries from both South Asia and South East Asia. These regional groupings complement and harmonise each other if seen in terms of their goals and objectives. Through BIMSTEC, the SAARC countries gets an opportunity to connect with the ASEAN members. There is always possibility of SAARC survival as its meetings have been postponed but not cancelled. The success of BIMSTEC adds a new chapter for regional cooperation in the regions of South Asia. The SAARC was a product of cold war era as it was established in 1985 whereas BIMSTEC was establish in 1997 post-cold war era. There is lack of trust among SAARC members whereas in BIMSTEC a cordial relations can be seen among the members. The SAARC suffers from regional politics whereas the objectives of BIMSTEC is to improve economic and technical cooperation. There is dominance of one power India in SAARC but in BIMSTEC the balance of power is maintained with India and Thailand being its members. It can be said that BIMSTEC cannot occupy the place of SAARC but it adds a new chapter to the process of regional integration in South Asia. It wishes to develop cooperation with other developing countries and also with other regional and international organisation that has similar aims and objectives (SAARC Charter 2022).

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