

BIMSTEC and BBIN- India's highway to the east

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Prime Minister Narendra Modi with ASEAN heads of state

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Founded in 1985 at Dhaka, SAARC was conceived as an ambitious platform for regional cooperation in the Indian sub-continent. Arguably, the most important regional organization, SAARC, is currently moribund and marginalized. The aborted SAARC Summit in Islamabad last year, was a direct result of Pakistan's unremitting commitment to state-sponsored terrorism, directed primarily against India but also against Afghanistan and, to some extent Bangladesh. The Pakistani deep state, rooted in the country's Army, believes that its interest is best served by perpetuating hostility towards India and blocking all moves to normalize relations. Pakistan has therefore, directed its energies towards deepening its integration with China, her so-called all-weather ally, via the CPEC and blocking all intra SAARC connectivity projects and those between Central Asia and India.

Pakistan believes that this policy ensures abiding Chinese interest of using Pakistan as a proxy against India, in the perennial game of regional balancing of power. Such leveraging against India is also adopted by other countries. Though on hold currently, the USA has been coddling Pakistan with huge amounts of money and military hardware, since the heydays of the Cold War. Later events have led to Afghanistan becoming the main raison d'être for continuing such assistance, despite Pakistan growing into the epi-centre of terrorism. Intermittent, holding back of American aid has not deterred Pakistan from eschewing state sponsorship of terrorism. This carrot and stick policy has failed to achieve its goals.

India's land-based connectivity options are consequently blocked westward. India therefore, has had to make course corrections in its foreign policy to explore new options. Though not directly linked to SAARC, the Look East Policy [LEP] now renamed the Act East Policy [AEP], was a course correction that began in the early 1990s. The renewed vision to seek closer relations with countries in India's extended eastern neighbourhood was quintessentially India's response, to domestic economic challenges and the changing international order, marked by a unipolar world. Such course corrections usually occur when the international power equilibrium is disturbed by external cataclysmic events, such as the collapse of the Soviet Union or the less cataclysmic and more gradual disequilibrium created by the rise of China. When such phases of disequilibrium in the international power structure occur, it forces nations into making policy changes, to protect its perceived national interest.

The opening up of India's economy, following the economic reforms of 1991 provided the impetus for reworking India's foreign policy. India adopted two parallel new policy tracks to meet its national challenges, both economic and political, marking the beginning of the roadmap for

economic liberalization and the external policy path of the LEP, to help expand India's trade and investment with the dynamic ASEAN region. These two choices have transformed India's economy and foreign policy in the past 20 years. LEP was a logical outcome of domestic compulsions and a changed external environment.

The change of nomenclature from the LEP to the "Act East Policy" [AEP] is a recognition of the fact that India's trade has shifted eastwards – over 50% now. The logical pull factors include the Bay of Bengal littoral and Indo-Pacific region, comprising Australia, China, Bangladesh, Japan, Korea, Myanmar and the 10 ASEAN countries. The ASEAN region along with India, together comprises combined population of 1.85 billion people, which is one fourth of the global population and their combined GDP has been estimated to be over \$3.8 trillion. Investment from ASEAN into India has been over \$70 billion in the last 17 years, accounting for more than 17 percent of India's total Foreign Direct Investment (FDI). India's investment in ASEAN during the same period has been more than \$40 billion. ASEAN leaders were invited to be Chief Guests at this year's Republic Day celebrations, in recognition of this growing economic bonds.

The dormant status of SAARC and the changes underway in the regional and global landscape triggered India's initiative to invite the BIMSTEC leadership to the BRICS Summit in Goa in October 2016. This move was a much-needed boost to this organization's profile, launching BIMSTEC into a meaningful and potentially strategic role in sub-regional cooperation. BIMSTEC potential future as a bridge between SAARC and ASEAN is no longer sustainable. Its goals, therefore, are being redefined to add ballast to India's "Act East Policy".

Another logical outcome of the SAARC becoming crippled is the BBIN – the sub-regional grouping of Bangladesh, Bhutan, India and Nepal, all members of SAARC. While it is not breakaway group and is derived from various previous work on sub-regional cooperation, the BBIN can function as cohesive group, given the growing trade, economic and infrastructure connectivity that exist between these countries. The BBIN Motor Vehicles Agreement [MVA] is an instrument that was conceived to transform and facilitate trade. It has not yet been completely successful as Bhutan is worried about security and environmental fallout of such an agreement.

The urgency of promoting regional and sub-regional cooperation via BIMSTEC and BBIN has to be seen in the context of China's BRI/OBOR and the compelling strategic challenge posed by China's muscular geo-economic and geo-political interventions in Asia, particularly in India's neighbourhood. Asia is the new arena of cooperation, rivalry, contestations and also economic growth. Though maritime disputes in the South China Sea attract global attention, the Bay of Bengal has moved centre stage as the next strategic and economic arena in the Indo-Pacific region. BIMSTEC and ASEAN both have seminal roles, in re-integrating the Bay of Bengal as an economic hub and strategic space. The salience of BIMSTEC has, therefore, grown for India to secure its strategic space in the neighbourhood and the Bay of Bengal region.

The BIMSTEC countries host a population of around 1.5 billion, approximately 21% of global population, with cumulative GDP of US\$ 2.5 trillion. The annual GDP growth rate has averaged around 6%. The 4th Summit is scheduled to be held in Nepal later this year. BIMSTEC has identified 14 priority sectors and has signed an FTA (2004) and a Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking (2009). The pace of implementation has been quite sluggish so far. While India is the lead country

for four priority sectors, namely, transportation and communication, environment and disaster management, tourism, and counter-terrorism and trans-national crime, BIMSTEC has to move into areas of strategic cooperation.

The BIMSTEC agenda now includes a Mutual Legal Assistance Treaty [MLAT], Counter-terrorism, Motor Vehicles Agreement [MVA], Power Grid Connectivity, Trade Facilitation and Coastal Shipping. There are other options for BIMSTEC to integrate with maritime security initiatives, like the trilateral maritime programme with Maldives and Sri Lanka. India's SAGARMALA project, still at an early stage, can be integrated into the cooperation framework of BIMSTEC. The Government of India has announced the creation of the Sagarmala Development Company. It will be responsible for identifying port-led projects, assessing risks, structuring the bidding process, and providing equity support to states and regions.

The Asia-Africa Growth Corridor [AAGC] is another vision that can be dovetailed into BIMSTEC's Development and Cooperation Projects, Quality Infrastructure and Institutional Connectivity, Enhancing Capacities and Skills and People-to-People partnership. BIMSTEC can function as the hub for connecting Asia-Pacific and the Bay of Bengal with Africa. At some stage when tangible progress has been made, other countries in the region can be invited to join specific projects. The India-Myanmar-Thailand Tri-lateral highway project is one such initiative wherein Bangladesh, Cambodia, Laos and Vietnam can be included, making this an important connectivity corridor from India to Vietnam. A similar plan for Railway connectivity is eminently feasible. International funding agencies like ADB have worked on regional and sub-regional connectivity and new funding agencies like the BRICS Bank and the AIIB can be tapped for international funding.

India's EAM Sushma Swaraj has said that BIMSTEC was the "natural choice" for India to fulfil its foreign policy objectives in the neighbourhood towards the East. The Indian EAM also stressed that strategies to counter terrorism and violent extremism will move centre stage in BIMSTEC, given the centrality of peace and security for all round development.

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The views expressed above belong to the author(s).