



# Challenges at BIMSTEC

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## **Highlights**

The Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC) summit in Kathmandu this week, which Prime Minister Narendra Modi is scheduled to attend, will be another milestone for India after the BRICS-BIMSTEC Outreach Summit hosted by it in 2016, as the grouping has gradually emerged as a key vehicle to take forward India's regional, strategic and economic interests.

## **Stagnation of SAARC**

- Two major factors have driven India's interests in the BIMSTEC forum.
- A key reason for India to reach out to its BIMSTEC neighbours has been the stagnation of the South Asian Association for Regional Cooperation (SAARC).
- This limited both the scope of India's growing economic aspirations as well as the role it could play in improving regional governance.
- Two recent instances underscore its failed attempts.
- At the 18th SAARC Summit in Kathmandu, in 2014, India proposed the SAARC Motor Vehicles Agreement. However, this could not progress due to resistance from Pakistan.
- This compelled Bangladesh, Bhutan, India, and Nepal (BBIN) to sign the BBIN Motor Vehicles Agreement in 2015.
- Pakistan also opted out of the ambitious SAARC Satellite project proposed by India, leading to a change in its name to the South Asia Satellite.
- There is a tendency in some quarters to see India's interests in BIMSTEC as part of its strategy to isolate Pakistan and position BIMSTEC as an alternative to SAARC.

The above instances suggest otherwise.

- The main motivation for India to push BIMSTEC is thus not Pakistan; rather, it is in the country's interest to ensure that the region does not lag behind and that an unstable neighbourhood does not drag its growth.
- India's desire to link South Asia to the economically dynamic Southeast Asia is also part of this strategy.
- The rationale behind making the BIMSTEC mechanism work is to reassure South Asia that the region can work together to achieve common goals with India playing its due role.

## **A few challenges**

- India is currently the largest contributor to the BIMSTEC secretariat's budget. India's annual contribution was Rs.2 crore (or 32% of the total secretariat budget) for 2017-18.
- With the secretariat planning to strengthen its capacity by increasing human resources

and the number of officials representing each member state, India may need to consider allocating more resources.

- India's generosity would be a key test of its commitment to the subregional grouping.
- Another issue would be for India to counter the impression that BIMSTEC is an India-dominated bloc, a problem that it faced for a long time in SAARC where the smaller neighbours were worried that closer integration might lead to India's domination.
- Today, most of the smaller neighbours are more willing to engage so as to benefit from India's economic rise.
- Nonetheless, for internal political reasons, the same issue may re-emerge and pose hurdles in the progress of BIMSTEC.
- To moderate such suspicions, India will need to show sensitivity to the concerns of smaller neighbours.

### **The China question**

- Another strategic challenge for India is that China has long desired to be part of the SAARC grouping.
- Some SAARC members also have their own interests in bringing China into the equation: they want it to balance India's dominance.
- China has observer status in SAARC. When this was given, it only increased the demand to make China a full member of SAARC.

India will have to carefully navigate the emerging regional geopolitics, as many of the elements that made SAARC hostage to political rivalry and turned it into a defunct mechanism can re-emerge in BIMSTEC.

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