

Enhancing Cooperation Within BIMSTEC

This editorial is based on <u>"BIMSTEC After the Colombo Summit"</u> which was published in The Hindu on 02/04/2022. It talks about the key highlights of the fifth summit of the BIMSTEC grouping and its significance.

For Prelims: BIMSTEC, SAARC, Indo-Pacific, Bay of Bengal, India's Neighbourhood, Rohingya Crisis, FTAs, BCIM, Blue Economy, First and Act East Policies.

For Mains: India's Relations with BIMSTEC countries, Regional and Global Groupings - BIMSTEC: Significance of the Grouping, Issues.

The economic and strategic significance of the Bay of Bengal is growing rapidly with a re-emergence of the idea of the 'Indo-Pacific' region.

The recently held <u>fifth summit of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)</u> has advanced the cause of regional cooperation and integration.

As the BIMSTEC turns 25 this year, it needs single-minded focus and cooperation among the member countries to make visible progress across sectors such as security, trade, connectivity and innovations.

Why is BIMSTEC Significant?

- The <u>BIMSTEC</u> has **huge potential as a natural platform** for development cooperation in a rapidly changing geopolitical calculus and can leverage its unique position as a pivot in the Indo-Pacific region.
- The growing value of BIMSTEC can be attributed to its geographical contiguity, abundant natural and human resources, and rich historical linkages and a cultural heritage for promoting deeper cooperation in the region.
- The Bay of Bengal region has the potential to become the epicentre of the Indo-Pacific idea, a place where the strategic interests of the major powers of East and South Asia intersect.
 - It serves as a **bridge between two major high-growth centres of Asia** South and Southeast Asia.

What are the Highlights of Colombo Summit?

What is The Colombo Package?

■ The Summit resulted in a package of decisions and agreement which includes the grouping's charter. The charter, adopted formally, presents **BIMSTEC** as "an inter-governmental"

organisation" with "legal personality."

- The charter defines BIMSTEC's purposes, enlisting 11 objectives with key focus on the acceleration of "the economic growth and social progress in the Bay of Bengal region", and promotion of "multidimensional connectivity".
 - The grouping now views itself not as a sub-regional organisation but as a regional organisation whose destiny is linked with the area around the Bay of Bengal.
- The second element of the 'Colombo package' is the decision to re-constitute and reduce the number of sectors of cooperation from the unwieldy 14 to a more manageable seven. Each member-state will serve as a lead for a sector:
 - Trade, investment and development (Bangladesh)
 - Environment and climate change (Bhutan)
 - Security, including energy (India)
 - Agriculture and food security (Myanmar)
 - People-to-people contacts (Nepal)
 - Science, technology and innovation (Sri Lanka)
 - Connectivity (Thailand)
- The countries also adopted the Master Plan for Transport Connectivity applicable for 2018-2028 which was devised and backed by the <u>Asian Development Bank (ADB)</u>.
 - It lists 264 projects entailing a total investment of \$126 billion; projects worth \$55 billion are under implementation.
- The package includes three new agreements signed by member states, relating to mutual legal assistance in criminal matters, cooperation between diplomatic academies, and the establishment of a technology transfer facility in Colombo.

How is the Summit Significant?

- BIMSTEC has special significance for India as the Bay of Bengal region is integral to India's <u>'Neighbourhood First'</u> and <u>'Act East'</u> policies which can accelerate the process of regional integration.
- The adoption of the Charter at this summit promises to re-energise the 25-year-old grouping at a time of growing global uncertainties.
- It is expected to help impart a more connected vision to the seven-member organisation.
- The summit's decision for **India to lead the 'security pillar'** out of the seven designated pillars of the revived BIMSTEC, has **given India's regional aspirations a new orientation**, away from the **stalemated_SAARC** that has been unable to meet since 2014.

What are the Roadblocks to Smooth Multilateral Cooperation?

- Bilateral Issues between Members: One of the major obstacles to enhanced cooperation among the countries is the <u>Rohingya crisis</u> that has weakened bilateral Bangladesh-Myanmar ties, with Dhaka seeking full repatriation of the refugees and <u>Naypyidaw disinclined to respond</u> positively to international pleas.
- Inadequate Focus on Economic Cooperation: A quick look at the unfinished tasks and new challenges gives an idea of the burden of responsibilities on the grouping.
 - Despite signing a framework agreement for a comprehensive <u>Free Trade Agreement</u>
 (FTA) in 2004, BIMSTEC stands far away from this goal.
 - Of the seven constituent agreements needed for the FTA, only two are in place as of now.
- Unfinished Projects: The general formulations of the Colombo Declaration instil little confidence about prospects of early progress.
 - Despite talks for the need for expansion of connectivity, much of the work is unfinished when it comes to finalising legal instruments for coastal shipping, road transport and intra-regional energy grid connection.
- Role of BCIM: The formation of another sub-regional initiative,
 the <u>Bangladesh-China-India-Myanmar (BCIM) Forum</u>, with the proactive membership of China, has created more doubts about the exclusive potential of BIMSTEC.

What Can Be The Way Forward?

- Multilateral Discussions: Given the complexity of domestic and geopolitical factors, this sphere
 will require sustained bilateral and group-level discussions to prevent problems such as
 the Rohingya crisis from becoming impediments to the smooth delivery of economic and
 security outcomes.
 - India too will have to ensure equally sustained political engagement with partners such as Nepal, Sri Lanka and Bangladesh to prevent any domestic political spillover from affecting bilateral and group-level working relationships.
 - India and other members will also need to be astute in managing Myanmar's engagement until the political situation in the country becomes normal.
- Boosting Connectivity and Cooperation: For India's vision to bolster trade connectivity in the grouping, an FTA spanning the maritime resource-rich members such as Myanmar and Sri Lanka could bring dramatic gains for all members.
 - A 'coastal shipping ecosystem' and an interconnected electricity grid, in addition to the adopted Master Plan for Transport Connectivity, have the potential to boost intraregional trade and economic ties.
 - Also, BIMSTEC needs to generate additional funding and push for timely implementation of the projects.
- Lessons From Past: Having walked away from mega trade blocs such as the <u>China-led RCEP</u>, India's willingness to explore an FTA within the framework of a near-home regional grouping may provide greater accommodation for multi-party interests.
 - The security- and trade-related lessons from the troubled SAARC experiences also ought to serve BIMSTEC well in the long run.
 - Unlike SAARC, which is burdened by India-Pakistan hostilities, BIMSTEC is relatively free of sharp bilateral disagreements and promises to provide India with a co-operative sphere of its own.
- India as the Torchbearer: For the revived grouping to realise its trade and economic potential, India will have to take a leadership role in assuaging any apprehensions among the smaller members of intragroup power imbalances and strive to facilitate greater cross-border connectivity and flow of investments by lowering barriers to the movement of people and goods.
 - Even at the summit, India was the only country to offer additional funding to the Secretariat and also to support the Secretary General's proposal to establish an Eminent Persons Group (EPG) for producing a vision document.
 - Other countries need to emulate this sincere matching of words with action.
- Others Areas of Focus: BIMSTEC should focus more in the future on new areas such as the <u>blue</u> <u>economy</u>, the <u>digital economy</u>, and <u>promotion of exchanges</u> and links among <u>start-ups</u> and <u>Micro, Small and Medium Enterprises (MSMEs).</u>

Drishti Mains Question

"The quest for economic growth and the development of the BIMSTEC region can be achieved with enhanced cooperation among the member countries. India has a key role in making the BIMSTEC more vibrant, stronger and result-oriented". Comment.

UPSC Civil Services Examination, Previous Year Questions (PYQs):

- Q. India maintained its early cultural contacts and trade links with Southeast Asia across the Bay of Bengal. For this pre-eminence of early maritime history of Bay of Bengal, which of the following could be the most convincing explanation/explanations? (2011)
- (a) As compared to other countries, India had a better ship building technology in ancient and mediaeval times
- (b) The rulers of southern India always patronised traders, Brahmin priests and Buddhist monks in this context
- (c) Monsoon winds across the Bay of Bengal facilitated sea voyages

(d) Both (a) and (b) are convincing explanations in this context

Ans: (d)

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