



8 – December 2022

BIMSTEC & SAARC

Significance for Prelims: SAARC and BIMSTEC

Significance for Mains: Issues associated with SAARC & BIMSTEC and way forward.

News: Failure of the South Asian Association for Regional Cooperation (SAARC) increased the importance of the Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation (BIMSTEC).

Importance of SAARC:

- **To serve India's national interests:** South Asia is India's neighbourhood, and SAARC is the only intergovernmental organisation with a pan-South Asia reach.
- It can help the current government to capture its 'neighbourhood first' policy.
- India can judiciously employ SAARC to serve its interests in the South Asian region.
- **SAARC can bolster India's soft power in the region:** Inception of regional institutions like South Asian University (SAU) would heighten stability in the region.

Failure of SAARC:

- South Asia remains an extremely poor and least integrated region in the world.
- **Very low intraregional trade and investment in South Asia** compared to the Association of South East Asian Nations (ASEAN) and Sub-Saharan Africa.
- **Obstructionist attitude of Pakistan within SAARC:** Pakistan repeatedly blocked several initiatives like motor vehicles agreement.
- **Deepening hostility between India and Pakistan:** The absence of regular SAARC summits made the organisation rudderless and practically dead. **For Example,** No SAARC summit has taken place since 2014.

The promise of BIMSTEC:

- **Excellent BIMSTEC Charter:** BIMSTEC charter is better than the SAARC Charter. For Example, Article 6 of the BIMSTEC Charter talks about the 'Admission of new members to the group but SAARC Charter is silent on this. This helps the countries such as the Maldives to get admission into BIMSTEC.

Some issues associated with BIMSTEC:

- **Absence of flexible participation scheme:** ASEAN Charter contains a flexible participation scheme, which is absent in BIMSTEC Charter. The 'ASEAN Minus X' formula is a flexible scheme that allows two or more ASEAN members to initiate negotiations for economic commitments. So, no country has veto power to thwart economic integration between willing countries.

Way Forward to improve BIMSTEC: Amendment in the BIMSTEC Charter by the gradual and incremental expansion of binding commitments to other members.

- **Devise flexible 'BIMSTEC Minus X' formula:** India and Bangladesh or India and Thailand can conduct their ongoing bilateral free trade agreement (FTA) negotiations under the BIMSTEC umbrella.
- Member countries should raise the stakes of BIMSTEC so that it should not end up as another SAARC. **For Example,** A high-quality FTA for deep economic integration.
- Stronger roots in BIMSTEC: India should also explore other ways to move successful SAARC institutions, such as South Asian University (SAU), to BIMSTEC.

Conclusion:

- BIMSTEC will help to usher in a new era of prosperity and peace in the South Asian region by erecting a new South Asian regional order based on incrementalism and flexibility.

SAARC, an intergovernmental organisation:

- It is established by Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.
- Later Afghanistan acceded to SAARC.
- It aims to promote economic growth in South Asia.
- SAARC Charter Day is commemorated on 8th December.

About BIMSTEC: Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation

- BIMSTEC is a multilateral, regional organisation composed of 7 members.
- **Member countries:** Bangladesh, Bhutan, India, Nepal, and Sri Lanka, Myanmar and Thailand.
- Official headquarters of BIMSTEC is located in Dhaka and Sri Lankan diplomat Sumith Nakandala was appointed as its first Secretary General.
- Current Chair of BIMSTEC is Sri Lanka.
- BIMSTEC is a sector-driven organisation unlike SAARC or ASEAN. It means that the goals or areas of cooperation are divided between members. **For Example:** Initially, India was responsible for areas like transportation, tourism and Counter-Terrorism.
- **Current Status:** During the current summit i.e. fifth summit decision was taken for complete reorganisation of cooperation activities into seven pillars instead of 14 sectors.
- **In its Fifth summit,** BIMSTEC adopted a formal document or organisational architecture in the form of the BIMSTEC Charter. Adoption of masterplan for transport connectivity in the Bay of Bengal region at the recent summit.
- **India's role:** India is aspiring to be BIMSTEC's security pillar through counter Terrorism and Transnational Crime (CTTCC), Disaster Management, and Energy.

Concept of a new regional economic order by Julien Chaisse and Pasha L. Hsieh: It is a process through which developing countries search for a trade-development model based on incrementalism and flexibility. The weakening of multilateralism put the onus on regionalism to deliver prosperity in the South Asian region. The new regional economic order is different from Washington Consensus's neoliberal model.

Further reading:

1. ASEAN

Prelims:

Q. Which of the following country is a member of both SAARC and BIMSTEC?

- (a) Maldives
- (b) Sri Lanka
- (c) Myanmar
- (d) Afghanistan

Mains:

Q. Compare and contrast Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation(BIMSTEC) with South Asian Association for Regional Cooperation(SAARC).

Source: The Hindu

Article: BIMSTEC as key to a new South Asian regional order

Sharad

