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# **INDIA-BIMSTEC RELATIONS**

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ABSTRACT: BIMSTEC came into existence in 1997 with the primary goal of improving connectivity between South Asia and Southeast Asia. The organization holds immense potential with various opportunities like easy facilitation of people-to-people connections and its advantageous geographical location. However, despite these advantages, BIMSTEC faces substantial challenges, notably political instability and the ongoing struggle to establish free trade within its framework. In this paper, we draw the conclusion that the effectiveness of this organization hinges on the concerted efforts of member countries to address these challenges. By tackling issues such as political instability and actively working towards the realization of free trade agreements, BIMSTEC can ascend to a higher level of influence and impact in the region. Additionally, we propose the idea that India, being a prominent member, should assume the role of a "big brother." By taking on a leadership role and fostering collaboration among member nations, India can play a pivotal role in steering BIMSTEC towards overcoming its challenges and realizing its full potential as a catalyst for regional connectivity and cooperation.

#### **FORMATION:**

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a regional multilateral organization that brings together nations in the Bay of Bengal region. India is a leading proponent of the formation of BIMSTEC in 1997 through the Bangkok Declaration. The main focus of to formation of BIMSTEC is to boost the connectivity between the countries of South Asia and Southeast Asia. Initially, it was formed through four member states, BIST-EC (Bangladesh, India, Sri Lanka and Thailand). The first summit declaration held was on 31 July 2004, in Bangkok, Thailand. It now comprises seven countries: Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan, and Nepal. Now, it constitutes a new regional organization that brings together 1.8 billion people that constitute 22 percent of the total population with an amalgamated GDP of \$3.6 trillion. India's Look East Policy and Thailand's Look West policy are the result of the BIMSTEC. BIMSTEC institutional evolution has been gradual. With the formation, it focuses on six sectors (trade, energy, tourism, technology, transport, and fisheries), and expanded in 2008 to many sectors such as: agriculture, public health, and climate change. It focuses on counter terrorism and enhances economic integration among member states. The 3<sup>rd</sup> BIMSTEC summit in 2014, the BIMSTEC secretariat was established in Dhaka, Bangladesh. Its formation aimed to create rapid economic growth, cooperation, and security among nations. Each country has given

some responsibilities to achieve the objectives of the organisation, such as: India (security), Bangladesh (trade, investment, and development), Bhutan (environment and climate change), Myanmar (agriculture and food security), Nepal (people-to-people contact), Thailand (connectivity), and Sri Lanka (science, technology, and innovation).

India's Act East Policy gave more importance to the Southeast Asian countries, which is why the BIMSTEC was formed in 1997 but it came into effective existence after 2014. In the URI attack on India in 2016, India boycotted the SAARC organization and focused on BIMSTEC. BIMSTEC is seen as an alternative platform of SAARC. India prioritized BIMSTEC over SAARC to fulfill its national interest. India has placed a strong emphasis on the BIMSTEC organization to foster confidence among its neighbouring countries.

#### INSTITUTIONAL MECHANISM OF BIMSTEC:

- 1. BIMSTEC Summit: The supreme body of decision-making at BIMSTEC. It is held on every two years, and hosted by member states holding its chairmanship. All decisions were taken on the basis of consensus.
- 2. Ministerial Meeting: It comprises ministers dealing with foreign relations of member states. Its main function is to coordinate between the BIMSTEC countries, and organize the summit every two years.
  - 3. Senior Officials Meeting
  - 4. BIMSTEC Working Group
  - 5. Business Forum and Economic Forum

# **BIMSTEC's Reinvigoration:**

India plays a significant role in strengthening connectivity in the Bay of Bengal region. India takes many initiatives to collaborate with BIMSTEC to advance regional cooperation among the Bay of Bengal region. The first step taken by India to hold first joined BRICS-BIMSTEC summit in Goa in 2016, to agree on 16 sectors to take concrete action on movement of Vehicular Traffic, Trade Facilitation, Coastal shipping agreements, centre for transfer technology, and many others. In 2016, India marked a milestone in connecting coastal services between Bangladesh. The coastal service is not only important to India, but Nepal and Bhutan also connect with Southeast Asia through this. In June 2017, India delivered six cargos worth US\$1.29 million to Myanmar foe the Sittwe project under the Kaladan multi-modal Transport project. The project develops the transport connectivity between Myanmar and Northeast India. Through this project, the distance will be reduced from Kolkata to Sittwe. One more aim is to build this port to prevent the Chinese expansionist policy in the region of Southeast Asia. The first BIMSTEC annual Disaster Management exercise was held in New Delhi, India, on October 10-13, 2017. After the Outreach summit, the 4th BIMSTEC summit was organized in Nepal in 2018, in which member states agreed on the dynamic, result-oriented and effective organization. In this summit member countries enhance the rediscovery of old routes to connect the all member states. BIMSTEC member countries enhance trade between countries, counter terrorism, and reduce the impacts of climate change. In this declaration, they unanimously committed to fight not only against terrorists but also against terrorist organization and states. They cannot specify any country name, but indirectly, they considered Pakistan a terrorist country. One of the most important areas of energy cooperation has been significant progress, and all the member states signed a memorandum on BIMSTEC Grid Interconnection. The MoU will facilitate the promotion of efficient, economic, and secure operation of the power system and will also sign on power exchange through cross-border interconnections. It can solve the problem of electricity shortage in BIMSTEC countries. They also emphasize the production of solar electricity. BIMSTEC member states agreed to boost trade under the free trade agreement of the forum. In August 2017, the BIMSTEC Transport Infrastructure and Logistics study (BTILS) Ministerial Meeting convened in Kathmandu, with financial support from the Asian Development Bank (ADB). The meeting, funded by ADB, outlined a comprehensive plan for monitoring and implementing 165 projects focused on enhancing connectivity within the BIMSTEC region. In September 2020, India hosted a virtual summit to discuss the combined efforts to tackle the pandemic. This is the first comprehensive combined effort taken by BIMSTEC countries in the health sector. During this period India not only provided vaccines but also PPE kits and other essential supplies to enhance its healthcare capabilities. However, member states have adapted to the new circumstances, addressing shared concerns and continuing efforts to strengthen regional ties. In the COVID-19 period, India not only vaccinated its people but also followed the policy of 'vasudhaiva kutumbakam' and provides the vaccine not only to the neighbourhood but also to the BIMSTEC countries. This shows that India follows a humanitarian strategy. Through this, India not only helps the neighbours but also changes the perspective. In 2022, Narendra Modi attended 5<sup>th</sup> virtual summit BIMSTEC on March, 30 hosted by Sri Lanka. In this summit, BIMSTEC members not only focused on economic cooperation but also considered that the health sector is an important sector to build a stronger relationship between the BIMSTEC countries. In this summit, member countries sign a BIMSTEC charter. Through this, the main outcome of this charter is that member countries are expected to meet every two years once. Through this BIMSTEC, countries want to strengthen the relationship between member countries.

#### **WAY FORWARD:**

To strengthen the BIMSTEC organization, it should work toward enhancing trade facilitation, reducing barriers, promoting economic integration and creating peace among countries. There are many opportunity, such as free trade agreement, to boost regional trade integration.

#### 1. ECONOMIC COOPERATION:

In this region, the market is very large, but due to a large population's lack of skills, using it to its full potential is challenging. To expand the vast economic opportunities in this region, the focus should be on skilled workers because of the abundant availability of resources in this area. Here, huge variations in population, size, and resources the strong indicators of their progress. During the global economic slowdown, the BIMSTEC countries maintained their growth around 6 percent per annum. The economic growth rate is better that of other countries in the time of turbulence. However, they cannot utilize its full potential due to lack of communication, lack of people-to-people contact, tariff and non-tariff barriers, and information gaps. To cover these barriers, a focus on intra-regional trade must be promoted. Therefore, they should promote integration economic cooperation to expand for the common benefit of people. BIMSTEC's biggest task is to improve the connectivity between the member states. The main agenda of the BIMSTEC is to enhance the connectivity. India has taken steps regarding PM Narender Modi's 'Act East Policy' in this policy such as the Kaladan Multi-model Transit Transport Project, which connect India to Eastern Asia. However, merely idealistic policies are not enough; states should focus on people-to-people connections to build emotional ties. Here, India takes the initiative to offer free visas on the arrival of business visitors.

#### 2. MULTI-DIMENSIONAL CONNECTIVITY:

BIMSTEC realizes this connectivity is not just transport or infrastructure but is a much wider concept. It includes physical and digital connectivity. In these areas, some steps are taken, but they are inadequate. They should reconsider these steps and go deeper to build stronger relations. Connectivity would lead to greater people-to-people connections and also focuses on business linkage as an important dimension. India should emphasize technological collaboration within BIMSTEC, due to this prosperity and peace stable in this region, and they can believe in each other like they are not neighbors but brothers. This includes joint research and development projects, information technology collaborations, and efforts to bridge the digital divide among member countries.

#### 3. FREE TRADE AGREEMENT (FTA):

The BIMSTEC region accounts for around 22 percent of the total world population and contributes about US\$ 3.6 trillion to the world's GDP. One of the basic features is that it bridges South Asia and East Asia, which are two regional organizations, SAARC and ASEAN. These two regional organizations are sufficiently among the member countries for economic cooperation; moreover, they also share a common border providing a condition for economic cooperation. However, the major problem with that is border dispute among the countries. The progress to data on signing the FTA has been slow. The initial data was proposed back in 2002, and the agreement was completed in 2006 but covered not only trade in goods but also services and investment. However, over the past one and half decades, several conferences, meetings, and negotiations have not been able to reach consensus and finalize the trade agreement. Still FTA remains on the agenda of the BIMSTEC. The BIMSTEC FTA could provide greater access for India, Bangladesh, Nepal, and Bhutan to Myanmar and Thailand. The BIMSTEC FTA is important for enhancing the potential of this region. To achieve this important point, it is necessary to combine efforts by the BIMSTEC nations.

#### 4. ENERGY SECURITY:

Energy security is important for BIMSTEC region, energy is important for not only regional poor people but also this is important for globally. The important areas are climate change, environment, power, urban poor development and agriculture. The world electricity consumption is 3000 unit but South Asia region is below to the world average, in this area Bhutan is developed but Myanmar has low per capita electricity consumption. Due to seasonal differences in this region, electricity is an important role. If you not work on electricity you can trade only in some season not in every season that's why electricity is an important component to boost the connectivity in this reason. To reduce the differences in region every nation takes some steps to build the connectivity, cooperation and fraternity in this region like Nepal can import power in dry season and export in wet season. For example, India can use solar power in day and for night they get hydro power from Nepal and Bhutan to stabilize the power system. Here India leadership is important due to large population, large area and high potential to use resources. If this region uses hydro power and solar power they also can reduce the Co2 emissions. The region emits less than of 2 tones of Co2, which is greater than world average. Moreover climate change is a big issue in these countries so Co2 emission is a biggest threat in South Asia. Here policies formulation is not adequate but also implication of these policies is important not only this region but also for global level.

#### 5. PEOPLE TO PEOPLE CONTACT:

Geographical contiguity and access to the ocean should have been the greatest asset to the BIMSTEC countries such as India, which share its border with Nepal, Bhutan, Bangladesh, and Myanmar and through ocean Indian connectivity with Thailand and Sri Lanka. Myanmar is the only land border country of India that joins India with Southeast Asia. Regional integration is not only possible with inter-government interactions but also efforts with people-to-people and business-to-business, which is the most important component of the regional integration. To build regional integration, without civil society, it remains incomplete. To promote the regional integration, educational cooperation is foremost important to create the mindset of people regarding the BIMSTEC region. Exchange not only student but also teachers and professors are important. Through this not only interaction between academics and students but they also understand the perspective of each country and remove the prejudices made on the utopian hypothesis. They can also understand the Indian perspective, which is India not against the any country in the South East Asia. However, India faces a significant challenge through the influx of refugees, which poses a substantial threat to the security of its borders. Not only academic exchange but also tourism is another component to build the connectivity between the BIMSTEC countries. BIMSTEC can build strong connectivity through the focus on tourism. Currently, robust Air connectivity is lacking. It is crucial to take steps not only to address air connectivity but also to facilitate free travel visas, similar to that in EUROPEAN countries. This brings better connectivity and better tourism. It enhances the exchange of knowledge to promote the regional integration.

#### **CHALLENGES:**

#### 1. SLUGGISH PACE:

BIMSTEC grapples with a sluggish pace, impeding its potential for regional cooperation. Political differences, bureaucratic hurdles, and economic disparities hinder swift decision-making and collaboration. Insufficient infrastructure development, compounded by cultural and linguistic diversity, contributes to lethargic progress. To overcome this, member nations must streamline processes, prioritize investments, and enhance diplomatic ties. A concerted effort to address these challenges is crucial for BIMSTEC to realize its vision of seamless regional integration and shared prosperity within the Bay of Bengal region.

### 2. TRADE

Trade challenges persist within BIMSTEC due to various factors. Tariff and non-tariff barriers hinder the smooth flow of goods and services, affecting economic integration. Disparities in trade policies and regulations among member nations create complexities. Inconsistent infrastructure and logistical gaps pose obstacles to efficient trade routes. In addition, differing taxation systems and currency issues contribute to trade challenges. To overcome these hurdles, BIMSTEC nations must work collaboratively to streamline trade policies, enhance infrastructure, and foster greater economic harmonization, thereby promoting a more seamless and beneficial trade environment within the Bay of Bengal region.

#### 3. POLITICAL INSTABILITY:

Political instability hampers the progress of the BIMSTEC, posing significant challenges. Varying political climates among member nations create uncertainties, which impact collaborative decision-making and regional cohesion. Internal conflicts and governance issues hinder the effective coordination and implementation of joint initiatives. Volatility in political environments may lead to policy inconsistencies, complicating the organization's objectives. Myanmar, Sri Lanka, Bangladesh, and Nepal face the problem of instability in their

respective countries, which creates hurdles in the BIMSTEC region. In the year of 2024, the age of election that can create stability in this region is also a question mark. The first election in Bangladesh indicates the stability that can be created in this region.

#### **CONCLUDE:**

Over the years, BIMSTEC has addressed various sectors, including trade, energy, tourism, technology, transport, fisheries, agriculture, public health, and climate change. The institutional framework, which consists of summits, ministerial meetings, senior officials meetings, working groups, and economic forums, reflects a commitment to fostering collaboration and addressing regional challenges. As a leading proponent of BIMSTEC, India has played a crucial role in strengthening connectivity in the Bay of Bengal region. Initiatives such as the BRICS-BIMSTEC summit, the Kaladan multi-modal Transport project, and the annual Disaster Management exercise showcase India's commitment to advancing regional cooperation. However, despite the progress made, BIMSTEC faces several challenges. A sluggish pace, trade barriers, and political instability among member nations hinder the organization's full potential. Overcoming these challenges requires streamlined processes, prioritized investments, and enhanced diplomatic ties among member nations. Looking forward, BIMSTEC should focus on enhancing trade facilitation, reducing barriers, and promoting economic integration. Opportunities such as free trade agreements and increased regional trade integration should be explored. In addition, a concerted effort is needed to address energy security, multi-dimensional connectivity, and peopleto-people contact for comprehensive regional integration.

In conclusion, BIMSTEC holds the potential to be a transformative force in the Bay of Bengal region. By overcoming challenges and leveraging opportunities, member nations can work together to create a more connected, prosperous, and peaceful community, realizing the shared vision of seamless regional integration within the BIMSTEC framework. IJCR

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