

SAARC and BIMSTEC

Understanding their Experience in Regional Cooperation

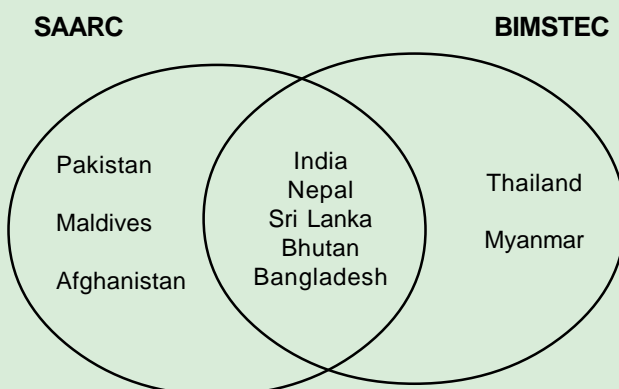
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Introduction

Cooperation among countries of a particular region(s) for creating an exclusive economic group, or pursuing a broad based agenda within that group has become the norm of the day. Both political and economic factors influence the formation of such groups. Even among those groupings which claim to focus solely on the economic agenda, there is a definite influence of political and other strategic factors. While formation of such regional groupings are not a new phenomenon, there has been proliferation of late, as they are an effective vehicle to address the challenges – social, economic, political – faced by nations which respect no national boundaries and can be dealt with through a coordinated effort only.

Both South Asian Association for Regional Cooperation (SAARC) and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) are forms of regional arrangements in Asia. While BIMSTEC was established in 1997 with a clear economic agenda, SAARC had its origin much earlier in 1985 that included economic agenda later though both are influenced by politico-strategic factors. Five of the members – India, Nepal, Sri Lanka, Bhutan and Bangladesh – are common to both the groupings (see Figure 1).

Figure 1: Countries of SAARC and BIMSTEC Groups



The common perception regarding SAARC and BIMSTEC is that they failed to contribute to an effective and meaningful cooperation. The projects and programmes agreed on paper have not been translated into concrete action plans and activities on the ground. It is not that the member countries are not aware of the benefits of regional cooperation: speeches of their leaders as well as the summit declarations are a testament to the mature understanding that they have regarding the benefits of regional cooperation. Further, the detailed roadmaps for regional cooperation drawn out on various socio-economic-political issues are an ample proof that the academia and the policy makers of the member countries have realised the need to work together with greater seriousness. They have spelt out the costs of non-cooperation as well.

Despite their many shortcomings, both SAARC and BIMSTEC have an indisputable relevance: they have set in place a mechanism that did not exist earlier, and which by their very presence play a critical, positive role, especially when the region faces difficult tense situations.

This paper examines the significance of economic cooperation between the two regional organisations – SAARC and BIMSTEC. It observes that though both have an undeniable relevance, they have failed to implement the elaborate programme of regional cooperation agreed upon. To understand their non-performance, one needs to look beyond Indo-Pak differences to the many layers of mistrust which exist. Since effective economic cooperation and integration can take place only when transport and communication infrastructure exist, bringing down the tariff barriers alone is not sufficient.

This paper argues that adopting the less formal process of sub-regional cooperation would give positive results as the focus is on specific projects covering smaller growth-oriented zones with emphasis on infrastructure which increases connectivity and reduces costs of transporting goods and people. Despite the obvious apprehensions, the paper concludes that to sustain the social and political transformations taking place in a member of countries, regional cooperation could become an effective means to achieve rapid development for political, economic and social stability.

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Motivating Factors to Form Regional Groups

The economic agenda in regional groupings primarily involves the removal of trade impediments. Depending upon the level of integration, the regional economic arrangements take a variety of forms. The principle ones are the preferential trading arrangements (PTAs), free trade area (FTA), customs union, common market and economic union. Adoption of economic agenda in the regional arrangements in recent times is the result of the compulsion of globalisation wherein member countries are carrying out unilateral liberalisation of their economies.

Such arrangements have a clear outward looking orientation and do not follow a policy of import substitution but of export oriented industrialisation; they look for faster growth in international trade and increase in foreign direct investment (FDI); the members of the regional groupings do not owe their allegiance to one grouping only in a watertight arrangement, rather they are part of more than one grouping at a time; they aim not just at reduction in tariffs but much deeper integration to break down all barriers within the region and look upon it as a tool of integration into the world economy.

Through these arrangements member countries are ensured of secure, predictable and large economic space so necessary to meet the challenge of globalisation. Two third of international commerce takes place under regional trading arrangements, and of this 50 percent is under PTAs.

Characteristics of Sub-regional Cooperation

Another important form of regional economic cooperation is sub-regional cooperation, which is considered as less formal arrangements. It is generally a case of market, as opposed to institutional integration. In sub-regional cooperation, the member countries rely on non-official institutions that provide public and quasi-public goods that reduce transaction costs associated with international movement of goods, services and other production factors. On the other hand, institutional integration is characterised by legal arrangements that promote preferential trade among members. For example, the Greater Mekong Sub-region (GMS) comes under the category of sub-regional cooperation. The GMS programme devised economic corridors wherein a network of roads was built to connect the region and reduce costs of transporting goods and people.

Further, these corridors also focused on interconnections for power transmission and telecommunication links. The transport and communication infrastructure played an important role in economic integration. While these are referred to as hard issues, GMS later also looked into simplifying customs procedures, transparency in customs clearance, promoting tourism and single visa system etc., which are referred to as soft issues. This process has helped in regionalism as a whole.

Various studies on sub-regionalism bring out its important features. First, implied in sub-regional co-operation is geographical proximity. It may be part of a regional organisation or acquire the form of inter-regional cooperation and provide linkage between two different regions. Second,

there is a controlled regional development strategy as there is a focus on smaller growth-oriented zones within a broader region so as to enhance their competitiveness and promote their exports in the global market. Member countries focus on specific projects in core economic areas, which will be supportive of and complementary to their national plans making best use of neighbourhood synergies. This becomes a meaningful exercise because there are economic commonalities in natural resources, problems of development etc.

Third, there is a sense of unanimity, willingness and urgency in promoting development and prosperity. Last, in some instances such an approach can also be helpful in restraining extra-regional influences and interventions to a certain extent. Further, assisting each other through such cooperation is mutually beneficial, as the consequent development will prevent spillover of unrest and mass economic migration across international boundaries to neighbouring countries, which are comparatively better placed economically and socially. However, regional economic arrangements and sub-regional cooperation are not exclusive forms of regional cooperation. They are different approaches which criss-cross each other towards the same goal of economic development.

SAARC

Cooperation among the peoples of South Asia goes back to centuries. However, it is only in 1985 that this was institutionalised with the formation of SAARC. Initially, it had seven members – India, Pakistan, Bangladesh, Nepal, Sri Lanka, Maldives and Bhutan. At the 14th SAARC Summit held in New Delhi in April 2007, Afghanistan was welcomed as the 8th member. SAARC was formed when the world was dominated by the cold war politics of the two super powers. Further, bilateral relations between India and its neighbours were also going through a difficult phase. Some countries were of the view that the forum would further the hegemonistic domination of India over the region's states in an institutionalised manner.

Others felt that the association would be used by the smaller neighbours of India to put collective pressure on it on matters affecting them collectively and individually. But, after two decades and 14 summits there is clarity that regional cooperation assists not only in socio-political-economic stability in the region but also within their respective countries. Change in perceptions in the 1990s has been positively influenced with the emergence of a multi-polar world along with globalisation and liberalisation in the economic arena.

The central and key component of the SAARC process is the integrated programme of action (IPA) encompassing the areas identified for cooperation, which are pursued through the technical committees (TCs). Over a period of time, the number of TCs has been changed as per the requirement. The current areas of cooperation are: Agriculture and Rural Development; Health and Population Activities; Women, Youth and Children; Environment and Forestry; Science and Technology and Meteorology; Human Resources Development; and Transport.

SOME OF SAARC'S ACTIVITIES

Areas of cooperation

- Agriculture and Rural Development
- Health and Population Activities
- Women, Youth and Children
- Environment and Forestry
- Science and Technology and Meteorology
- Human Resources Development
- Transport.

Regional Centres

- SAARC Agricultural Information Centre (SAIC), Dhaka
- SAARC Meteorological Research Centre (SMRC) Dhaka
- SAARC Tuberculosis Centre (STC) Kathmandu
- SAARC Documentation Centre (SDC) New Delhi
- SAARC Human Resources Development Centre (SHRDC) Islamabad
- SAARC Coastal Zone Management Centre, Maldives
- SAARC Information Centre, Nepal
- SAARC Energy Centre, Pakistan
- SAARC Disaster Management Centre, India

Working Groups on

- Information and Communication Technology
- Biotechnology
- Intellectual property
- Tourism
- Energy

Economic Activities

- Committee on Economic cooperation
- Finance Ministers Mechanism
- Standing Group on Standards
- Group on Custom Cooperation
- SAFTA Committee of Exports

Security Issues

- The police Conferences
- SAARC Regional Convention on Suppression of Terrorism and its Additional Protocol
- Convention on Narcotics Drugs and Psychotropic Substances

People to people contact

- South Asian Association for Regional Cooperation of Architects (SAARCH)
- Association of Management Development Institutions in South Asia (AMDISA)
- SAARC Federation of University Women (SAARCFUW)
- SAARC Association of Town Planners
- SAARC Cardiac Society
- SAARC Diploma Engineers Forum (SDEF)
- SAARC Teachers' Federation (STF)
- Foundation of SAARC Writers & Literature (FSWL)
- Federation of State Insurance Organisations of SAARC Countries (FSIO)
- Radiological Society of SAARC Countries (RSSC)
- SAARC Surgical Care Society (SSCS)
- South Asian Regional Association of Dermatologists, Venereologists and Leprologists (SARAD)
- South Asian Free Media Association (SAFMA)
- SAARC Chamber of Commerce and Industry (SCCI)
- SAARCLAW
- The South Asian Federation of Accountants (SAFA)

Other Activities

- SAARC Decade on Poverty Alleviation (2006-2015)
- SAARC Development Fund (with three windows-social, economic, infrastructure)
- SAARC Chairs, Fellowship and Scholarship Scheme
- Establishing South Asian University
- Establishing SAARC Food Bank
- South Asia Growth Quadrangle (SAGQ)

Further, high level Working Groups have also been established to strengthen cooperation in the areas of information and communications technology (ICT), biotechnology, intellectual property rights (IPRs), tourism, and energy. There are also SAARC Regional Centres spread out in the member countries to promote regional cooperation. SAARC has also put in place institutional arrangements for cooperation in combating terrorism and trafficking in narcotics though problems remain with regard to implementation of these mechanisms. Other organs of SAARC include: SAARC Development Fund; SAARC Food Bank; an elaborate social agenda; 2006-2015 has been declared as the SAARC Decade on Poverty Alleviation and there is in place an elaborate mechanism to implement the SAARC programme in this critical area.

SAARC also has a wide network of activities facilitating people to people interaction. In order to facilitate closer and more frequent interaction and cooperation among the peoples of the region, the SAARC Visa Exemption Scheme was initiated in 1988 and became operational on March 01, 1992. There is interaction across the region among professional bodies, the private corporate sector, civil society groups and creative artists to promote socio-economic and cultural development in South Asia. SAARC has granted formal recognition to these bodies under two categories: SAARC Apex Bodies and SAARC Recognised Bodies.

Though economic growth is a Charter objective of SAARC, cooperation in the core economic areas among SAARC Member Countries was initiated only in 1991 following the Study on Trade, Manufactures and Services (TMS). Presently, there are various processes taking place in SAARC promoting cooperation in the field of trade, economy and finance. Committee on Economic Cooperation looks into the overall coordination of cooperation in economic areas.

The South Asian Preferential Trading Arrangement (SAPTA) was signed on April 11, 1993 and entered into force on December 07, 1995. Four rounds of trade negotiations that have taken place covering over 5000 commodities have yielded mixed results. The agreement on South Asia Free Trade Area (SAFTA) was signed on January 06, 2004 and entered into force on July 01, 2006. However, concluding these agreements have not been an easy process at all. There is a huge unofficial trade taking place in South Asia, and it is expected that the formulation of an FTA will change this scenario. The member countries have also committed to cooperate in trade, finance and investment to establish an integrated South Asian economy eventually leading to a South Asian Economic Union.

Sub-regional Cooperation in SAARC

Sub-regional cooperation was not envisaged at the time of formation of SAARC. Later, there was a lot of reservations expressed when it came up for discussion. Finally, at the 9th SAARC summit held in Maldives in 1997, there was agreement for sub-regional cooperation. The South Asia Growth Quadrangle (SAGQ) consists of Bangladesh, Bhutan, India and Nepal. The countries concerned stressed

that sub-regional cooperation would help in evolving solutions to the development needs of their particular area and accelerate sustainable economic growth. They agreed to follow a project led approach. However, no progress has been seen on the ground.

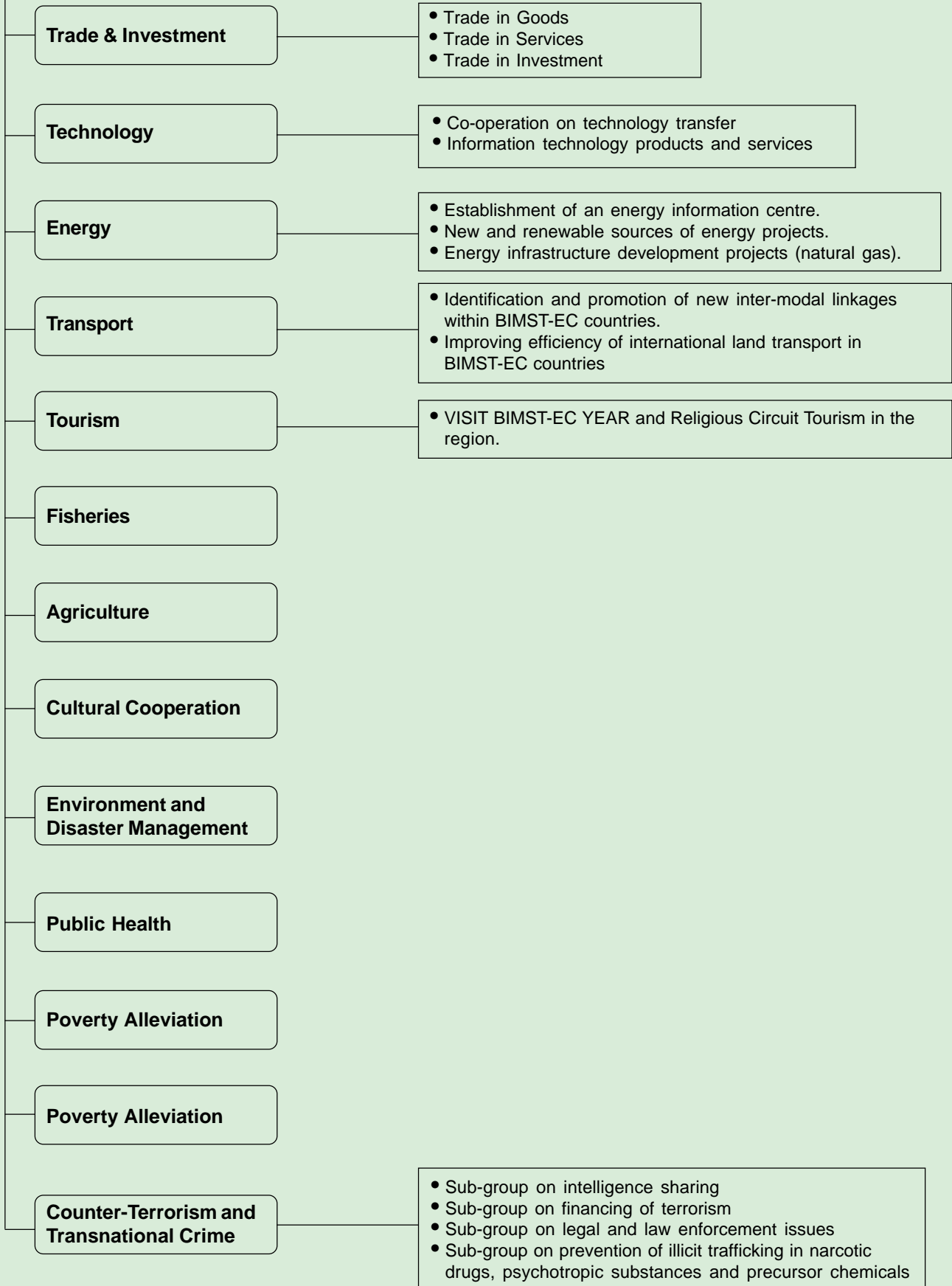
More recently, at the request of SAGQ, Asian Development Bank (ADB) launched the South Asia Sub-regional Economic Cooperation (SASEC) programme in 2001. This programme provides a forum for the four countries to discuss, identify and prioritise sub-regional cooperation projects in the six identified priority sectors such as energy and power, environment, trade and investments, transport, tourism and ICT. ADB has approved regional technical assistance grants (RETA) whose overall goal is to accelerate pro-poor economic growth of participating SASEC countries and thereby achieve poverty reduction in the sub-region. Also, RETA aims to identify and prioritise sub-regional projects in the SASEC member countries, and cross regional projects with other South Asian and GMS countries in close coordination and cooperation with SAARC and BIMSTEC.

RETA is a core sub-regional programme to promote project based cooperation, which includes providing a forum for dialogue and interaction and preparing background and issue papers. Some of the projects identified for the members of the SAGQ are the South Asia sub-regional economic cooperation information highway project; South Asia sub-regional economic cooperation tourism development project (Sri Lanka is also included in this project); and the South Asia economic cooperation transport logistics and trade facilitation project. Besides, various meetings have taken place, background papers and issue papers have been prepared, and pre-feasibility studies were conducted. Soon these will be implemented on the ground where the real problems will be encountered and the real benefits reaped.

BIMSTEC

Unlike SAARC, the formation of BIMSTEC in 1997 was influenced, first by the compulsion of globalisation wherein countries were looking for new markets and economic spaces; and second, to avail the opportunities provided by the end of cold war which had brought in new strategic considerations. BIMSTEC is a direct result of India's Look East Policy and Thailand's Look West Policy. Unlike SAARC, it had a clear economic agenda and as it links countries of South Asia and South East Asia, it is also referred to as sub-regional cooperation. BIMSTEC provides a unique link between South Asia and Southeast Asia bringing together 1.3 billion people - 21 percent of the world population, a combined GDP of US\$750bn, and a considerable amount of complementarities. A study shows the potential of US\$43-59bn trade creation under BIMSTEC FTA. When BIMSTEC was formed it had four members – Bangladesh, India, Thailand and Sri Lanka. In 1998, Myanmar joined and later in 2003, Nepal and Bhutan also became its members.

Some of BIMSTEC's Activities – Sectors and Sub-sectors



For India, the economic prosperity expected to arise out of BIMSTEC would bring in stability and peace dividends in the insurgency infested North East region which is also beset with drug trafficking and small arms. Through BIMSTEC, such issues could be approached collectively.. Further, India's relations with Myanmar can be further strengthened to combat China's growing influence in that country. For India and other members of BIMSTEC, it becomes an apt vehicle through which politico-economic-strategic link with Southeast Asia can be further strengthened. For Nepal, Bhutan, Bangladesh and Sri Lanka, it is also a forum where India's overpowering presence can be minimised by the presence of Thailand and give them more foreign policy options.

In 1997, BIMSTEC adopted the mechanism of sub-regional cooperation by deciding to co-operate in six areas with each member country playing a lead role in planning and implementing programmes in their specific areas. The six areas were: trade and investment; technology; transportation & communication; energy; tourism; and fisheries. These sectors were further divided into sub-sectors with each sub-sector having a chair country responsible for co-coordinating activities of that sub-sector reporting to the lead country. The members also indicated to discuss issues relating to promote intra-regional cooperation on elimination of non-tariff barriers (NTBs), market access issues, services and PTAs, among others.

In 1998, the BIMST-EC Business Forum was formed to enhance private sector cooperation among member countries in the identified sectors and sub-sectors. In 1999, the BIMST-EC Economic Forum was established with representative groups of both the public and private sectors to discuss matters pertaining to achieving the objectives of the group and make recommendations to be taken up at the ministerial meetings each year. In November 2003, the BIMSTEC- Chamber of Commerce and Industry was launched to sustain regular interaction between the business communities, thereby institutionalising private and public synergy process.

The member countries also offered training scholarships in technical areas to emphasise on human resources development. As early as 2001, the member countries decided that year to be 'Visit Tourism Year' for the region, but it got implemented after being postponed time and again on 2004 only. The various meetings in the six core areas and their sub-sectors till 2004 have taken place at the ministerial level and among senior officials only. These meetings among the officials resulted in reports spelling out projects, which could be undertaken leading to greater development of the region. Areas have been identified and studies either carried out or commissioned, but on the ground not much progress has been made.

In 2004, BIMSTEC held its first summit in Thailand where it was rechristened as Bay of Bengal Initiative for Multi-sectoral Technical and Economic Co-operation. It also marks a period where serious critical rethinking began regarding the performance of the grouping. While economic issues continue to occupy prime space, the agenda has expanded

to include issues of social concern too, thereby providing a holistic approach to development. People to people contact has taken priority and it has been proposed that this should take the form of exchange programme of student and faculty, parliamentarians, media persons, sports persons and artists in performing arts. The leaders also called for broadcasting the BIMSTEC member country television programmes, holding film festivals, art exhibitions and other mass media productions

The July 2004 summit committed itself to expand into the areas of culture, education, public health, protection of biodiversity and traditional knowledge, rural community development, small and medium size enterprises (SMEs), construction, environment, ITC, bio technology, weather and climate research, natural disaster mitigation and management. Member countries decided to cooperate in the areas of public health for combating threats like malaria, tuberculosis, polio and HIV/AIDS.

More significantly, the member countries talked of the grave concern at the continuing threat of international terrorism and transnational crime that has been affecting the economic and social progress of the region. BIMSTEC member countries also called for customs expert group of facilitation of intra-regional trade, need for more institutionalised banking arrangements and taking measures relating to trade facilitation.

BIMSTEC member countries agreed to establish the BIMSTEC FTA Framework Agreement in order to increase trade and investment among member countries and attract outsiders to trade with and invest in BIMSTEC. It was agreed that once the Trade Negotiating Committee (TNC) concludes negotiations on trade in goods, it would then proceed with negotiations on trade in services and investment. BIMSTEC FTA was to be implemented by July 2006, but that did not happen. Some studies reveal that a BIMSTEC FTA would be advantageous to India.

However discussions are still taking place to settle certain finer issues regarding product coverage of negative list, principle of reciprocity, rules of origin (RoO) and distribution of products over the normal track elimination and normal track reduction. In August 2006, BIMSTEC members decided that the areas of cooperation should be expanded to 13 sectors from the six originally agreed upon. They new areas are: agriculture; cultural cooperation; environment and disaster management; public health; people to people contact; poverty alleviation; counter-terrorism and transnational crime.

Reasons for Limited Success

SAARC has done a commendable job by putting in place an elaborate institutional structure, which is permanent in nature. Apart from the summit meetings which tend to get the obvious media attention, there are a number of other parallel meetings among officials and non-governmental organisations (NGOs) taking place at various levels. During the time of difficult bilateral relations, SAARC provides a critical meeting ground and an opportunity too, for informal

parleys on the bilateral issues to ease the tensions. Had SAARC not been there, chances are that such important informal interactions on the sidelines would not have taken place. Over the years, there have also been innumerable interactions among the various civil society groups, so much so that either official or unofficial, some SAARC meetings would take place almost every day. SAARC has provided roadmaps for development on every important issue one can think of.

However, steps have not been taken to seriously implement them. There is no effective mechanism to evaluate and do the follow on whether decisions, action plans and agreements have been implemented. It is stressed that the SAARC Development Fund needs to be operationalised and the SAARC Food Bank utilised. The slow progress on economic issues is seen from the fact that the economic agenda itself was taken up only in 1991 and SAPTA came into force in 1995. There is a general consensus among the political class and the academia that SAARC needs to move from declaration to an implementation phase.

BIMSTEC's political, economic and strategic relevance, on the other hand, for all the member countries, more so for India cannot be doubted. Its agenda over the years resemble very much like that of SAARC having moved away from the focused programme of sub-regional cooperation to a broad based all-comprehensive agenda. Starting with six areas in 2006 it expanded to 13 sectors. Apprehensions were expressed by some members that the organisation risks becoming irrelevant as high potential projects agreed upon were not implemented. The success that were spelt out after seven years into co-operation at the summit meet in 2004 were regarding the launch of BIMSTEC tourism year 2004-05; launch of BIMSTEC chambers of commerce; holding of the first BIMSTEC youth football tournament; establishment of BIMSTEC centre in Bangladesh and establishment of biomass gasifier plant in Myanmar. This is not much to speak of by any measure.

Member countries of both the groupings are aware that the whole process of not only regional cooperation but even national socio-economic development plans could remain ineffective and be hostage to an inability to implement the economic programme and respond effectively to issues, especially those, which have a transnational character like terrorism, illegal migration, drug trafficking, spread of small arms, etc. Why then does co-operation not take place? For, in not doing so the region as a whole, and not just one or two countries, will lose.

There is an opinion among some of the member countries that the Indo-Pak differences have resulted in slow progress in SAARC. If that were to be the only reason then organisations like BIMSTEC where Pakistan is not a member should have seen implementation of the regional programme agreed upon. Similarly, sub-regional co-operation in SAARC in the form of Bangladesh Bhutan India Nepal Growth Quadrangle (BBIN-GQ) should also have been a success. That this has not happened clearly brings out that there are many layers to the trust deficit in SAARC of which Indo-Pak differences is but one of them. These have resulted

in apprehensions that some members will benefit more than the other and as a result lead to some sort of domination; or that sovereignty will be compromised in projects which promote regional economic cooperation.

All countries of BIMSTEC and SAARC are presently going through important socio-political transformations. This process has given rise to many dissident groups also. In the past too, state authority has been challenged through violent means by non-state actors who had access to arms. Thus, on issues like terrorism and those linked with separatism and extremism, there is deep suspicion that the non-state actors are on many occasions being supported morally or politically or in other ways covertly or overtly by one or more of the member countries or some groups and religious organisations within these countries itself. These influential groups also obstruct efforts towards greater economic cooperation. There is however a denial of such activities by the member countries. It is these suspicions – real and imaginary – that further compound the problem.

Five of the members of BIMSTEC had been members of SAARC too. In this context, the enthusiasm for BIMSTEC was slightly misplaced and unrealistic given the inability of SAARC to bring to light the programmes agreed upon. The addition of Myanmar and Thailand could not have negated the friction the five South Asian countries have among each other, which in fact had made SAGQ too remain ineffective.

Lack of connectivity has also obstructed cooperation. Think tanks working on both the groupings have identified that improved transport logistics is a necessity to take advantage of geographical proximity and benefit from regional integration as well as globalisation. Thus, they emphasise that both the groupings need to focus first on infrastructure projects even before embarking on programmes of free trade.

Way Ahead

Difficult bilateral relations give rise to suspicions – real and imaginary – that obstruct constructive regional cooperation. The views of some of the member countries that bilateral differences need to be recognised, addressed and sorted out for effective regional cooperation has relevance. The most practical methodology would be one where sincere efforts are invested in parallel processes of regionalism and positive bilateralism.

To sustain the crucial socio-political-economic transformations taking place in most of the member countries, two factors become important: a peaceful neighbourhood and rapid visible economic development to uplift the marginalised masses who are playing a significant role in bringing the change. Despite the apparent pessimism, SAARC and BIMSTEC might be looked upon as one of the vehicles for socio-political stability and rapid economic progress. For, otherwise, there is a risk of losing the historic gains made through these transformations.

The unique characteristics of the process of sub-regional cooperation hold promise for both the groupings in terms of formulating projects and implementing them. ADB's

programme of SASEC through regional technical assistance grants (RETA) which proposes to identify cross regional projects in close cooperation and coordination with SAARC and BIMSTEC hold some hope of meaningful result-oriented cooperation in the future. Such a programme could also factor in the experiences and lessons of Association of Southeast Asian Nations (ASEAN) in sub-regional cooperation. Private entrepreneurs of the member states should jointly invest in the region so that nationality which carries with it the baggage of pre-conceived notions of trust or distrust does not become an issue preventing implementation of projects.

An important area of focus for both the groupings is energy security, as uninterrupted supply is necessary for both the manufacturing and service sectors to achieve high levels of economic growth. Both SAARC and BIMSTEC have their respective plans charted out with regard to energy cooperation. In view of the potential for energy cooperation, an energy ring has been conceptualised in SAARC. This will facilitate and promote trade in energy in South Asia. The ring would consist of transnational lines for trade in electricity, gas and oil.

There is also proposal for all important tri-nation gas pipeline project to carry Myanmar gas to India through Bangladesh. Some have suggested that the energy demand-supply sectors in Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal and Bhutan offer a potential for regional resource cooperation, which can go beyond export-import trade relations and link the region in a Bay of Bengal Energy Community and thus contribute to the process of regional integration.

A stronger intra-regional trade is contingent upon an improved transport network, i.e. harmonisation of national railway networks, construction of all weather roads to allow large trucks to move through and between all countries and modern ports for the facilitation of sea trade. There is also a need to reduce bureaucratic delays and paperwork involved in travelling and trading between member countries; standardising trade rules and products; developing national financial sectors; and establishing more efficient means of cross border communication. The burgeoning informal trade will also be tackled through this way. If there is no connectivity – whether physical or digital – there cannot be any effective globalisation, or even regional cooperation.

Conclusion: Glimmer of Hope

SAARC in 1985 and BIMSTEC in 1997 were formed in response to different domestic and international environment. However, presently both are faced with the

same socio-economic challenges which transcend national boundaries and wherein globalisation dictates the economic agenda. Both have charted out elaborate programme of cooperation, similar in many ways, encompassing a wide range of social, political, economic and strategic issues. Five members are common to both the groupings, while Pakistan is not a member of BIMSTEC.

South Asia's presence in BIMSTEC is prominent compared to only two members from South East Asia. Naturally, if either of the groupings was to function effectively, then the other would also be influenced positively. The study has shown that both the groups have had limited success and have failed to implement the various projects agreed upon, activate effectively various regional institutions set up and bring a perceptible change to the people at large. In this background, the argument for Indian foreign policy to overlook SAARC and focus on BIMSTEC does not have any merit. Both have their undeniable relevance and one cannot be substituted for the other.

Blaming Indo-Pak tensions solely for the non-performance of SAARC is only half the truth and overlooks the many layers of mistrust which exist among the member nations. It is important to note that BIMSTEC which has experience of over a decade in regional cooperation and in which Pakistan is not a member, but India is, has also failed to show concrete benefits on the ground. Regional cooperation cannot take place in the absence of positive bilateralism. Either the later has to precede the former or both need to go in parallel processes. Even if cordial relations exist among the countries concerned, free trade and economic cooperation will only be possible when there is an improved transport network, and other crucial infrastructure facilitating effective connectivity. Given their past experience in regional cooperation, applying the principles of sub-regional cooperation will be more beneficial and result-oriented.

The paper concludes with two possible scenarios which are diametrically opposite. First, the prospects for regional cooperation in SAARC and BIMSTEC continue to be bleak as the member countries are going through important internal transformations which will affect stability within their respective countries and in the region. In such a scenario, the necessary understanding, accommodation and trust required for effective regional cooperation cannot take place. Second, regional cooperation in SAARC and BIMSTEC could actually take off as the member countries, to sustain and carry forward the transformations, need a peaceful neighbourhood and rapid economic development within their countries. SAARC and BIMSTEC could be one of the appropriate vehicles to achieve it.

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