



**KAMARAJ IAS ACADEMY**  
Only IAS Academy by Grandson of "Perunthalaivar Kamarajar"

# BIMSTEC: An Alternative for SAARC

Published On: 08-12-2022

**In News:** Reviving SAARC in the current scenario is too idealistic. so the next best scenario is to look at other regional instruments such as BIMSTEC. December 8 is commemorated as SAARC Charter Day. It was on this day, 37 years ago, that the South Asian Association for Regional Cooperation (SAARC), an intergovernmental organisation, was established by Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka to promote economic growth in South Asia. Afghanistan acceded to SAARC later.

## What is SAARC?

SAARC stands for South Asian Association for Regional Cooperation It is regional intergovernmental organization and geopolitical union in South Asia. Founded in Dhaka in 1985. The organization promotes development economics and regional integration. SAFTA : South Asia Free Trade Agreement was launched in 2006.

## Few Points on India- SAARC Relationship?

Going by government data, assistance fell from ₹5,928.6 crore for 2013-14 to ₹3,483.6 crore for 2017-18; but Maldives has been an outlier, despite the dip in ties. Reasons are many.

In Afghanistan, India has shifted to work on small development projects (SDPs) rather than the ambitious highways, dams and big building projects that were started in 2008-09. In Bangladesh, the main grant for land acquisition for the Akhaura-Agartala rail "last link" project has now been completed.

In Bhutan, which has always received the largest share of Indian assistance, the assistance required for major hydroelectric power plants like Punatsangchu 1 and 2 and Mangdechu has been disbursed 75-90% while Indian assistance to Bhutan's 11th five-year plan (2013-2017) has been handed over nearly fully.

In Sri Lanka, the decline was explained by delays in land acquisition for 15,000 homes to be built by India in the plantation areas, though the work on 45,000 homes in the north and east of the island has been completed.

## Why BIMSTEC is alternative for SAARC?

### 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).

The main motivation for India to push BIMSTEC 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.

Stagnation of SAARC limited both the scope of India's growing economic aspirations as well as the role it could play in improving regional governance. However, India did not stop its efforts in revitalising the SAARC grouping when opportunities emerged.

### Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthy Colony, Anna Nagar, Chennai, Tamil Nadu 600040  
Phone: 044 4353 9988 / 98403 94477 / Whatsapp : 09710729833

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. The 19th SAARC summit was a scheduled diplomatic conference which was originally planned to be held in Islamabad, Pakistan, on 15–19 November 2016, but got cancelled after an attack on an Indian army camp in Kashmir. Even at the initial stage, India was not interested to take part in SAARC summit in Islamabad due to continuous cross border terrorism. Afghanistan, Bangladesh and Bhutan also declared their reluctance to attend the meeting. Nepal blockage (Due to new constitution; By Madhesis) is not in the spirit of regional cooperation.

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.

### **What are all the Challenges?**

- India is currently being the largest contributor to the BIMSTEC secretariat's budget contributed 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 sub regional 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.
- A strategic challenge for India is that China has long desired to be part of the SAARC grouping. Some SAARC members also want it to balance India's dominance. China currently has observer status in SAARC.