

# BIMSTEC and Its Implication on North East Region of India.

Rajeanjung Kahmei,

*Research Scholar Department of Political Science Manipur University*

Submitted: 20-03-2021

Revised: 01-04-2021

Accepted: 05-04-2021

**ABSTRACT:** The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) comprises Bangladesh, Bhutan, India, Myanmar, Nepal, Sri-Lanka, and Thailand. India put forward keen attention on Northeast India to act as a bridge between South and South-East Asian countries to harness the economic potential for tangible benefits of India's landlocked North-eastern states that shared land boundaries member countries of BIMSTEC. BIMSTEC is an essential component of India's Act East Policy which can serve as an ideal vehicle for economic progress and infrastructural development in the North-eastern states of India by establishing physical connectivity with Southeast Asian countries. The dynamic shift of BIMSTEC in its structure on ensuring maritime security and connectivity enable neighbouring country like India on the India's Act East Policy more into institutionalization of linkages with the Southeast Asian countries. The decades long-neglected North East Region of India is endowed with enormous untapped natural resources and strategic geographical position which has immense potential for human resource development, sustainability and regional engagement with Southeast Asia. In term of economic, connectivity and geo-strategy, the region needs a fresh look at the relevance of BIMSTEC as regional cooperation in strengthening India's Act East Policy. In terms of economic, connectivity and geo-strategy, the region needs a fresh look at the relevance of integration in the regional cooperation as BIMSTEC. This paper critically examines the relevance of BIMSTEC in balancing with India's engagement on North East Region of India.

**Keywords:** relation, connectivity, economic, trade, cooperation.

## I. INTRODUCTION

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a regional organization comprising of seven member states: Bangladesh, India, Nepal, Bhutan, Sri Lanka, Myanmar and

Thailand. Historically, India had maintained strong and cordial relations with Southeast Asian countries in terms of civilization, ethnicity, culture, politics, trade and economics. Basically, the BIMSTEC, a sector driven cooperative alliance, differs from other regional and sub-regional groupings. The objective behind the formation of such an alliance was to harness regional resources and geographical advantages to accelerate growth through mutual cooperation in trade, connectivity, infrastructural development and security.

The disintegration of the Soviet Union within the early 1990s brought forward a replacement era of liberalization, globalization and economic integration among the developing countries. The efforts of various regional and sub-regional organizations in Asia's continent to facilitate trade, economic growth and economic integration became more visible. The early 1990's economic crisis, uncertainties, financial constraints due to the decline in foreign exchange reserve, the rising inflations, fiscal deficit, recession, low productivity, the balance of payments' dilemma and the gulf war compelled India to undergo a new economic policy to open doors for regional and global economic integration through liberalization, privatization and globalization.

The decades' long-neglected NER of India is endowed with enormous untapped natural resources and strategic geographical position which has immense potential for human resource development, sustainability and regional engagement with Southeast Asia. Look East Policy is an effort for strategic engagement, economic integration and forging security cooperation with Southeast Asia countries to counterbalance China's spheres of influence in the region. India's North-East Region is also a new strategic vision of India, strategically located as a "natural gateway" to Southeast Asia. Because of this strategic location, the region deserves serious attention in the foreign policy decisions of India. The challenges of ensuring peace and progress in the region are formidable. Improving connectivity is an essential precondition for social and economic mobility and

market integration in the region. The landlocked North East Region (NER) remained isolated and underdeveloped due to poor infrastructure, insurgencies which hampers the region from development and connectivity despite having lots of untapped natural resources.

### **BIMSTEC: A new component of India's Act East Policy**

India's membership to BIMSTEC will enhance economic growth, connectivity, security and development in India's North-East Region (NER). The geographical contiguity, strategic location, untapped resources, historical and cultural ties of the NER of India with Southeast Asia have provided a potential to develop a sustainable and visible impact on trade, commerce, security and economic prosperity. BIMSTEC will act as a bridge between India and ASEAN, taking advantage of their geographical proximity in the region whereby it would have a great potential to increase the trade among member countries. The SAARC which was formed in 1985, has failed to achieve its vast potential to facilitate economic cooperation between South Asian countries for an acceleration of trade, commerce, connectivity and various shared common interests due to political instability, mutual suspicion and hostility among member countries.

The failure of SAARC to nurture meaningful cooperation among the member states has compelled India to search for a viable option for economic cooperation and integration in the region. Despite its existence for more than three decades, SAARC, as a regional organization, has failed to bring tangible and concrete benefits to growth and development in the region. The organization's prospect was further stagnated with Pakistan's withdrawal from SAARC's satellite, unpromising SAFTA and continual political tension between India and Pakistan. In recent years, India has changed its focus from SAARC to BIMSTEC. Following the terrorist attack in Uri, the SAARC summit held in Islamabad in 2016 was cancelled after India boycotted the summit.

Thus, BIMSTEC came to being as a potential alternative to SAARC for India, as well as a strategy to isolate Pakistan and to propel its economy through meaningful cooperation with Southeast Asia. BIMSTEC is considered a highly innovative strategy that seeks to work around the currently problematic nature of regional integration in South Asia. In the case of BIMSTEC, such incidents are less likely to happen because economic interests are purely driving all BIMSTEC members rather than political interests. It is in

India's interest to expedite its trade and investment linkages with other countries in the Bay of Bengal region. By leveraging untapped resources and geographical advantages, BIMSTEC aims to bridge the divide between South Asia and Southeast Asia and enhance its capacity by playing a crucial role in promoting inter-regional exchange and regional economic integration in Asia. BIMSTEC is one of the Forum for addressing terrorism, trans-border narcotics, drug trafficking and security issues.

BIMSTEC provides an opportunity to address connectivity, trade facilitation and other economic problems facing the BIMSTEC region. BIMSTEC has an intrinsic ability to effectively resolve the challenges and spearhead the region's inclusive economic development process. The BIMSTEC leadership is keen to implement maritime cooperation wherein multi-modal connectivity issues, ensuring maritime security, combating climate change challenges, and tapping Blue Economic opportunities have been prioritized. BIMSTEC seems to be emerging as a replacement orientation for India's policy. India will be ready to make a conducive environment in its neighbourhood and its extended neighbourhood by forging a far better regional economic integration.

### **BIMSTEC and North East Region (NER) of India**

BIMSTEC is considered a potential game-changer for North East Region as the region covers ninety six per cent of India's with the BIMSTEC nation-states. The North East region shares significant rivers and waterways with BIMSTEC's members in the Bay of Bengal region, transforming its potential in strengthening intra-regional energy cooperation, infrastructure building, tourism, trade and commerce. Geographical proximity and natural ecological link of the North East region and the BIMSTEC states can foster considerable advantages and tangible benefits by close cooperation and interactions in this region. With the geostrategic advantages and credible potential of NER in BIMSTEC, policymakers have focused on BIMSTEC as an enabler to facilitate trade, commerce, connectivity and economic development for the region. NER is considered a potential economic hotspot for operationalizing India's interest in energy and maritime security in the Bay of Bengal.

BIMSTEC's success has had a hugely positive effect on the North-East Indian region's growth, transforming it from security challenges to stable gateway to India by fostering integration within the region. For the North East, it is imperative to be integrated into the BIMSTEC connectivity

framework. BIMSTEC would act as an instrument in expanding existing India- Myanmar relations and, consequently, in the NER, India's growth and progress. In the long run, BIMSTEC and India's Look East Policy will improve economic integration by overcoming the physical, political and economic barriers between the region's member states.

### **BIMSTEC: Challenges and complexities**

Despite its existence for more than three decade, BIMSTEC has yet to make any tangible benefits and progress in advancing cooperation among the member states. Like SAARC, BIMSTEC has also witnessed sluggishness in its endeavour to integrate regional and sub-regional economies. This chiefly due to the undue importance attached to national interest and sovereignty by its member countries at the cost of an open economy. BIMSTEC has expanded its cooperation areas without attaining any tangible area of success in any area of cooperation. BIMSTEC has so far made slow progress in achieving its most anticipated goal of intensifying regional economic integration. The potential of BIMSTEC, which so far remained untapped, could be revived provided that the member states come together to initiate reforms as soon as possible. The unequal size in terms of economy among the BIMSTEC members negatively impacted the smaller countries about dominance by the broader and bigger economy. It should ensure that the free trade agreement should be mutually agreed upon and acceptable, and beneficial to all member countries.

BIMSTEC has so far made slow progress in achieving its most anticipated goal of intensifying regional economic integration. The potential of BIMSTEC, which so far remained untapped, could be revived provided that the member states come together to initiate reforms as soon as possible. Despite considerable progress made by BIMSTEC in integrating itself with the global economy, no tangible progress and integration within the region could be seen. The cross-border investment and connectivity within BIMSTECs are still low; the full potential of intra-trading remained under-utilized. Connectivity between BIMSTEC members will remain low until a number of specified facilities are built, and hence intra-regional trade and cooperation among the members state remain low. The presence of a majority of SAARC in BIMSTEC might be one more reason for not securing any tangible gain in regional cooperation and engagement.

The foreseeable future will ultimately depend upon how all the connectivity projects are realized faster, and BIMSTEC becomes the inner spirit for region's economic prosperity and stability. BIMSTEC has failed to gain substantially in any cooperation area due to its multi-faceted approach instead of adopting a specific target-based approach. The asymmetries in size, population, growth, development and political attributes among the member's countries are likely to harm BIMSTEC.

## **II. CONCLUSION**

BIMSTEC will serve as an ideal vehicle for economic progress and infrastructural development in the North-eastern states of India by establishing physical connectivity with Southeast Asian countries. BIMSTEC provides opportunities to accelerate growth and development by harnessing enormous resources, economic potential, and geographical advantages. India need move towards bringing peace, prosperity and stability of the Northeast region by improving connectivity, trade, transport and tangible engagement with Southeast Asia. Due to geographical isolation from mainland India, the region remain decades-long neglected, furthermore insurgencies, inaccessible rugged terrain, lack of political commitments and ethnic diversities hamper the economic development in the region. In recent years, the NER gained prominence in India's Act East Policy and BIMSTEC due to its vast economic potential, untapped resources, and geostrategic location. The NER has the potential as a gateway to Southeast Asia, which could immensely benefit India's economy and strengthen security by engagement in shared common interests with neighbouring countries.

India's government should focus on BIMSTEC to be the springboard for growth and development of NER by enhancing connectivity, infrastructural development, trade, tourism, and human resource with South-East Asia countries. Determination and seriousness on India's side in policymakers are required to materialize BIMSTEC as a tool for enhancing economic growth, connectivity, and development in the NER of India. People hope that BIMSTEC will bring more attention to NER and remedy the region's remoteness and accelerate growth, connectivity and security cooperation, and address insurgencies' problems through human resource development and employment generation in the region. BIMSTEC needs to learn from other regional cooperation mistakes like SAARC; the member countries must abandon their narrow nationalistic

outlook and adopt a broad regional approach to augment economic integration and keep pace with global economic integration.

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**International Journal of Advances in  
Engineering and Management**  
ISSN: 2395-5252



# IJAEM

Volume: 03

Issue: 03

DOI: 10.35629/5252

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