

## **Regional organization for regional economic co-operation: An analysis on the role of SAARC and BIMSTEC**

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**[Abstract:** The importance of a regional organization is undeniable in the present age of economic globalization and an interdependent world. Common issues like trade, border disputes, illegal migration, smuggling, cross-border trafficking, terrorism etc. among nations may raise tensions within a region and instead of an international organization, a regional organization may play a vital role in the first place. Because regional organizations are established focusing on the well-being of the people of a particular region and ensuring stability, social, economic and peace within the region. As a regional organization, SAARC emerged in the late nineties of the 20th century to strengthen the cooperation of South Asian Nations. Later on, at the end 20<sup>th</sup> century some leaders of several SAARC member countries for economic progress, development and cooperation aspired for a new platform that laid the foundation of BIMSTEC. But with time, the expectations that SAARC had brewed in the minds of the people of this region started to fade gradually. SAARC's confidence-building credibility lost its charm with time as many leaders find no confidence to fulfil their desired goals.]

**Key Words :** SAARC, BIMSTEC, SAFTA, BRI, Look East Policy, Look west Policy, FTA, LDC.

### **Introduction**

Since the end of WW II, many regional organizations have flourished around the globe over the last five decades. These regional arrangements are seen in America, Asia, Africa, European continent (EU). The prime objectives of these arrangements are mainly social integration and economic interaction (BEST & CHRISTIANSEN, 2014, p. 249). The most classic example of regional integration and regional cooperation is the European Union, which has transcended the salient features of a regional organization and formed a newer type of regional governance. later in some instances sub-regional organizations or arrangements are experienced like in South Asia SAARC, in South East Asia ASEAN Regional Forum, Shanghai Cooperation Organization, Gulf Cooperation Council etc.

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within the ASIA region or continent. As a regional organization the emergence of SAARC, in the late nineties of the 20<sup>th</sup> century was viewed a promising platform for the leaders of the South Asian sub-continent and its people nearly one-fifth of the global population. But with time, the expectations that had brewed in the minds of the people of this region started to fade gradually. The confidence-building platform lost its charm with time as the leaders find no confidence in this platform. Later on, at the end 20<sup>th</sup> century some leaders of several SAARC member countries for economic progress, development and cooperation aspired for a new platform that laid the foundation of BIMSTEC. As an inter-regional organization, it included some members from ASEAN and excluded some from the SAARC region to foster economic and regional cooperation.

### **Methodology**

This paper seeks to analyze and explain the roles of SAARC and BIMTEC in the context of regional cooperation. This study also attempts to analyze how conducive economic cooperation is under the regional organization SAARC or BIMSTEC in the 21<sup>st</sup> century and discusses it from a political economy perspective. The nature of this research will be both qualitative and quantitative. To conduct the research, book, academic journals, newspaper reports, and magazine articles will be the key sources of information.

### **South Asian Regional Cooperation: the genesis of SAARC**

SAARC as a regional organization with seven member countries came into existence in the year 1985 intending to develop the overall standards of the people of the South Asian region. The key themes for the inception of SAARC in the South-Asian continent could be multifocal, which constituted political, economic and security factors. Not only these factors but also major events like the Cold war politics also compelled the founding members to think alike and search for an identity. Before the evolution of SAARC, the concept of regionalism was absent and often termed "*a region without regionalism*" (AL Hasby & Uprety, 2010b). The first summit of SAARC was held in Dhaka, the capital of Bangladesh, in presence of the then seven-country heads of the Governments. At that summit SAARC charter was approved and also a provision was made that every year the SAARC summit would take place. The chairperson would be the country where the summit would take place and it would rotate among the member states. After that summit, the head-quarter of SAARC was decided to be located in Kathmandu the capital of Nepal. Since the inception of SAARC, as an organization, it has stretched its field of cooperation in multiple areas along with some specialized bodies like Technical (South Asian Regional Standards Organization), Education (South Asian University), Dispute settlement (South Asian Arbitration Council) and, Social, Economic and Infrastructure (South Asian Development Fund). Before the commencement of SAARC, multiple reasons compelled the leaders of the region to be unified under the same platform. Amongst them, the possible key factors were like the leaders of the South Asian region did not meet often with each other, even though they had bilateral problems and issues like border problems, water sharing, economic and social problems, etc... Furthermore, both international and domestic politics created mistrust and not only that but also historical antagonism and mistrust were also key reasons behind the creation of distance among the members (SAARC countries). Another noteworthy reason was to set up a regional organization like ASEAN, which aimed to promote peace, stability, and economic growth in the region. Despite these, about fifty percent of the world's poor people's abode is South Asia and for their economic and social well-being cooperation

within the region was necessary not only to develop their standards of living but also the elimination of tensions which has long been existing since the colonial era.

#### **Achievements and failures of SAARC as a regional organization:**

The South-Asian region is accompanied by numerous problems and challenges and those have thwarted the overall progress of the region. Problems like historical animosity, irredentism, ethnic and religious conflicts within and across borders, clash of economic interests, hegemonic tendency, security threat perceptions, and interests of bigger powers slowed the overall stability and progress of the region. Despite these, asymmetric sizes of the states, power, and economic sizes are also key factors that hindered SAARC from going forward. Since its inception, a total number of nineteen SAARC summits were held to this date, and the twentieth SAARC summit conference will be held in 2022 in Pakistan. Due to several reasons (political, security threats, etc.), many SAARC summits were cancelled in the past. Despite these negativities, the efforts to bolster cooperation could not be ignored through agreements on SAPTA and SAFTA, which are purposed to serve the greater economic well-being of the SAARC region. Furthermore, under increased intra-regional trade, the member states of this regional arrangement could be the prime beneficiaries.

#### **Key achievements of SAARC in recent years**

The key objective of SAARC is to promote overall growth and cooperation in this region. In this regard to facilitate and bolster the intra-regional trade, SAPTA (the SAARC Preferential Trading Agreement) was initiated in 1993 during the seventh SAARC summit in Dhaka, and later in 2004, during the twelfth SAARC summit in Islamabad, SAFTA (South Asian Free Trade Area) agreement is signed by the SAARC nations.

#### **SAFTA Agreement under SAARC**

During the signing of the SAFTA agreement, the key goal of the signatory countries was to create an inclusive, just and equitable partnership for peace, development and prosperity and from that standpoint, the SAFTA agreement could be considered a milestone. Tariff, para-tariff and non-tariff restrictions are the key hindrances that do not allow trade within SAARC to function properly, and the SAFTA agreement's prime objective is to eliminate all the trade barriers and enhance mutual trade and economic cooperation among the contracting states. Which further would facilitate cross-border goods movement, fair competition in the trade sector and overall economic development. SAFTA agreement incorporates several articles, and in light of those trade under SAFTA and trade liberalization program, dispute settlement procedures, and safeguard measures all will be taken into account. To bolster trade in the SAC region, the countries initially were divided into two categories, LDC (Bangladesh, Bhutan, Nepal, Maldives and Afghanistan) and non-LDCs (India, Pakistan and Sri Lanka) (WTO, 2008). The SAFTA agreement entails how the existing tariff will be reduced for both the LDCs and non-LDCs. Initially the LDCs reduce thirty percent and the non-LDCs reduce twenty percent of their existing tariffs after coming into the force of the SAFTA agreement. In the second phase, in a total span of five years, the non-LDCs would reduce the tariff from twenty percent or below to five percent. Subsequently, the LDCs in a total span of eight years would reduce the tariff from thirty percent or below to five percent. Furthermore, a Committee of Experts (COE) will work to eliminate or implement necessary measures so that trade under this SAFTA agreement in the SAARC region flourishes. Moreover, the committee will also review the non-tariff and para-tariff measures regarding trade which

have been notified by the contracting members. The COE, in its regular meeting also shall examine their compatibility with relevant WTO provisions. (AL Hasby & Uprety, 2010a)

**Table 01: SAFTA agreement at a glance:**

SAARC Countries	January 1, 2006, to January 1, 2008 (1 <sup>st</sup> phase 2 years)	January 1, 2008 to January 1, 2013 (2 <sup>nd</sup> phase)	January 1, 2008 to January 1, 2016 (3 <sup>rd</sup> phase)
LDCs: (Bangladesh, Nepal, Bhutan, Maldives)	Reduce maximum tariff to 30%	1. Reduce tariffs to the 0-5% range in 5 years (Sri Lanka in six years). Recommended that reductions be done in equal instalments-at least 15% reduction each year).	Reduce tariffs to the 0-5% range in eight years. (Equal annual reductions recommended, but not less than 10%)
Non-LDCs: (India, Pakistan, Srilanka)	Reduce maximum tariff to 20%	2. Reduce tariffs to 0-5% for products of the LDCs within three years of the time frame	

**Note-** 1. These phased tariff cuts for Intra-SAFTA trade may not apply to items on each country's sensitive list.

2. Afghanistan joined SAFTA as a least-developed country.
3. Article 12 of SAFTA stated that the Maldives should enjoy its status as a least developed country through its graduation from least developed status, and also accord to it treatment no less favourable than that provided for the least developed contracting states (SAARC, 2020a).

### **Sensitive list and SAFTA**

'Sensitive list' is an important feature of the SAFTA agreement. The member states were free to maintain their sensitive list of items, including raw, semi-raw and processed goods and materials. The list of the LDCs and non-LDCs differed in numbers and compared to the non-LDCs the list of items of the LDCs was high. However, the contracting members were given a consensus that after four years of interval, all the parties would review the list of products of their respective lists. Furthermore, after reviewing parties would work on reducing the list to facilitate the trade. Surprisingly, the parties would work on reducing the list of items but not existing tariffs, which they had retained in the past. In the context of the SAFTA agreement, the sensitive list works as a hindrance, because of the sensitive list the parties try to discourage the importation of items which might be disadvantageous for their domestic items. In some cases, both the lobbyists and the bureaucratic discretion might come into play to block the importation of items, as importation might be detrimental to inefficient domestic competitors (Raihan & Selim, 2008).

**Table 02: Sensitive list of items under SAFTA agreement signatories:**

Phase –I				Phase-II (revised sensitive list)		Phase-III (Draft offer and request lists of Pakistan under SAFTA)	
Country name	Percentage %	For LDCs	For non-LDCs	Country name	Total Items	Location	Total Items
Srilanka	20.3%	1065 items for all		Srilanka	963	SAFTA region	187 items
India	16.9%	763	884	India	614	Srilanka	193 items
Pakistan	22.6%	1183 items for all		Pakistan	936	India	122
Bangladesh	24%	1249	1254	Bangladesh	993	Bangladesh	199 items
Nepal	25.5%	1301	1310	Nepal	1036		
Bhutan	3%	157 items for all		Bhutan	156		
Maldives	12.8%	1065 items for all		Maldives	154		
N.B-Afghanistan (joined as a SAARC member in 2007 not a member of WTO but signed SAFTA agreement)					850		

**Source:** Trade agreements Ministry of commerce Islamic republic of Pakistan, ([www.commerce.gov.pk/about-us/trade-agreements](http://www.commerce.gov.pk/about-us/trade-agreements))

**Other notable achievements:** Climate change and environmental protection are key concerns for countries around the globe and the SAARC region is not an exception. Bhutan's 'Gross National Happiness' concept has been regarded as a promising theme for the promotion of social progress, upholding traditional values and norms, protection of the environment and lastly good governance among the eight SAARC governments. It's undeniable that the standards of the lives of the people of the SAARC region are not up to the standard, about fifty percent of its population suffer from poverty and cannot fulfil their basic needs. In this regard, the observer members play a vital role in the development process of the SAARC region. Because the developed and strong countries provide capital, technology, education, knowledge of market creation and development etc... Welcoming these countries into the overall regional development plan could be beneficial for the residents of this region. Currently, a total of nine countries are working as observers in the context of SAARC (European Union, United States of America, Australia, Japan, Republic of Korea, China, Mauritius, Myanmar and Iran). Both Japan and China have shown their interest to work with the SAARC countries and strengthen their existing relations. Especially, Japan's willingness to cooperate in the field of social infrastructure development, and disaster prevention, and China's financial aid could be regarded as tools for the development of the SAARC region. Despite these, several agreements and conventions were signed to promote peace and development, and establishments like the SAARC food bank to ensure food security, the SAARC university for education, a metrological centre, judicial cooperation on counter-terrorism and extradition procedures, prevention of the sex trafficking, stopping drug smuggling etc... (Jiali, 2012).

### **Challenges for SAARC**

SAARC summit meetings are the highest platform where the heads of the member states meet and through these meetings, several conventions and agreements have come into effect and paved the path for cooperation. Since its inception the leaders of this regional organization cautiously set aside the contentious bilateral issues, that might affect SAARC's effectiveness. It is to be noted that often summits play a significant role in reducing tensions, as these meetings are free from bureaucratic formalities and also free from hurdles so meetings among the leaders provide opportunities to resume unmet promises or resolve tensions. However, the existing bilateral tensions among the SAARC members on several occasions were the key reasons behind the cancellations of SAARC summits. Political, bilateral and contentious security issues are key problems for cancellations of SAARC summits. The Uri terrorist attack in 2016 on Indian soil was a key reason behind the cancellation of the 19<sup>th</sup> SAARC summit. Except for Nepal, all the SAARC member countries boycott the scheduled ninetieth South Asian Association for Regional cooperation because its venue was Islamabad capital of Pakistan. India blamed Pakistan for the terrorist attack and other member states abstained from joining the summit. Tensions like this are a common phenomenon among SACs (South Asian Countries). Article I and II of the SAARC charter state that the member states will complement each other, build mutual trust, and maintain non-interference in case of internal affairs of member states. Article III of SAARC also asserts that the heads of the member states shall meet once a year or more if necessary (SAARC, 2020b). A total number of 18 SAARC summits were held in the last 37 years and some summits were postponed or delayed due to political, security, economic and members' domestic reasons. Moreover, non-traditional security issues were also to some extent responsible for the delay of summits. For an instance, the prolonged and unresolved Kashmir issue between two major economies, and nuclear power-capable nations India and Pakistan, is a big thorn in the context of the flourishing of SAARC. Smuggling in the adjacent border areas of both Bangladesh and India brewed tensions between these two friendly nations, and procrastinating promises like the water-sharing agreement of the Teesta River have given birth to thousands of questions among the general mass of Bangladesh. In the past, the demolition of the Babri mosque by the Hindu nationalists deteriorated Hindu-Muslim relations. The incident also had a negative outcome in the context of India's relations with the neighbouring Muslim countries. As a result, the SAARC summit which was scheduled to be held in the December of 1992, commenced on April 10-11 in Dhaka in the following year. Other countries of the SAARC region are no exception as they are also involved in various problems, like the civil war of Sri Lanka that occurred between the Tamils and the ethnic majority Sinhalese (Sabur & Kabir, 2000). The domestic political instability of Nepal and the recent Afghan war, cross-border terrorism etc. are the key reasons, that narrowed the mode of cooperation.

### **SAARC Summits and role of the major actors**

Both India and Pakistan are the key actors in South-Asian politics and since the independence of the greater South-Asian continent, India's intention of being a dominant actor had been opposed by Pakistan. Tensions and wars broke out between these two countries on multiple occasions. Foreign powers like Russia and the United States of America had to play the role of mediators to de-escalate their tensions. The claims over Kashmir by both parties made the relations more belligerent. Not only that, India's accusations against Pakistan for terrorist activities on Indian soil aggravated their hostility. India condemned the Pakistan government for patronizing the terrorists to

conduct atrocities like 2008's Mumbai attack, and 2016's Uri attack. Mistrust and animosity in the minds of the leaders against each other are other key reason behind the cancellations of SAARC summits. India itself is a major power in the SAARC region, however on several occasions to achieve its interest it had withdrawn itself from multiple summits. As this happened during the SAARC summit of 1999, it used a military coup in Pakistan as an excuse to refrain from joining the summit. Similarly, India did not participate in the ninetieth SAARC summit because of a militant attack on a military camp in Indian-occupied Kashmir, which was scheduled to be held in Islamabad. In 2005, India did not want to participate in the thirteenth SAARC summit because of Nepal's internal political instability and the security condition of Bangladesh. In past, India had tensions with the leaders of Sri Lanka regarding stationed Indian Peacekeeping Force in Sri Lanka, which also affected the SAARC summits. Despite these security and political issues due to weak and poor economic structure SAARC summits had been delayed or postponed. The third SAARC summit was held in Kathmandu of Nepal instead of Bhutan, because of Bhutan's weak economic condition and infrastructure (Ahmad, 2017). Since the 2014 SAARC summit, no summit has taken place on this present trade.

**Table 03: List of total SAARC Summits**

Summits	Scheduled/Expected Dates and Venue	Actual Date and Venue
First	Dec. 1985, Dhaka	Dec. 7-8, 1985, Dhaka
Second	Nov. 16-17, 1986	Nov. 16-17, 1986, Bangalore
Third	1987, Thimphu	Nov. 2-4, 1987, Kathmandu
Fourth	1988, Colombo	Dec. 29-31, 1988, Islamabad
Fifth	1989, Colombo	Nov. 21-23, 1990, Male
Sixth	Nov. 7-9, 1991, Colombo	Dec. 21, 1991, Colombo
Seventh	DEC. 1992, Dhaka	Apr. 10-11, 1993, Dhaka
Eighth	1994, New Delhi	May 2-4, 1995, New Delhi
Ninth	1996, Male	May 12-14, 1997, Male
Tenth	July 29-31, 1998, Colombo	July 29-31, 1998, Colombo
Eleventh	i) Nov. 1999, Kathmandu	Jan. 4-6m 2002, Kathmandu
	ii) 2000, Kathmandu	
	iii) 2001, Kathmandu	
Twelfth	Jan. 2003, Islamabad	Jan. 4-6, 2004, Islamabad
Thirteenth	a. Jan. 9-11, 2005, Dhaka	Nov. 12-13, 2005, Dhaka
	b. Feb. 6-7, 2005, Dhaka	
Fourteenth	April 3-4, 2007, New Delhi	April 3-4, 2007, New Delhi
Fifteenth	2008, Male	August 2-3, 2008, Colombo
Sixteenth	Sept. 2009, Male	April 28-29, 2010, Thimphu
Seventeenth	Nov. 10-11, 2011, Addu City	Nov. 10-11, 2011, Addu City
Eighteenth	i) Nov.-Dec. 2012, Kathmandu	Nov. 26-27, 2014 Kathmandu
	ii) Nov.-Dec. 2013. Kathmandu	
Nineteenth	Nov. 9-10, 2016, Islamabad	New dates are yet to be announced

**Source:** SAARC summits 1985-2016, the cancellation phenomenon, ([www.ipripak.org](http://www.ipripak.org))

### The genesis of BIMSTEC

BIMSTEC as a sub-regional organization came into existence on the 6<sup>th</sup> June of 1997 through the Bangkok declaration. BIMSTEC has comprised a total of seven countries two countries are from ASEAN and seven countries are from the SAARC region.

BIMSTEC's initial acronym was 'BIST-EC', and the key objective was mainly economic growth and prosperity within this sub-regional arrangement. However, after the inclusion of Sri Lanka (1997) and Nepal and Bhutan (2004), it was termed officially BIMSTEC. Initially, key areas of cooperation were limited to six sectors like trade, technology, tourism, transport, fisheries and energy. Later in 2008, new sectors for cooperation were incorporated like agriculture, poverty alleviation, public health, environment, climate change, people-to-people contact and counter-terrorism (BIMSTEC, 2021b).

**Table 04: BIMSTEC Sectors and Lead Countries**

BIMSTEC sectors	Lead countries
1.Trade and Investment/Sub-sector	Bangladesh
2.Technology/Sub-sector	Srilanka
3. Energy/Sub-sector	Myanmar
4. Transportation & Communication/Sub-sector	India
Tourism/Sub-sector	India
1. Fisheries/Sub-sector	Thailand
7. Agriculture/Sub-sector	Myanmar
8. Cultural Cooperation/Sub-sector	Bhutan
9. Environment and Disaster Management/Sub-sector	India
10. Public Health/Sub-sector	Thailand
11. People-to-People Contact/Sub-sector	Thailand
12. Poverty Alleviation/Sub-sector	Nepal
13. Counter-Terrorism and Transnational Crime/Sub-sector	India
14. Climate Change	Bangladesh

**Source:** BIMSTEC Mechanism, [www.bimstec.org](http://www.bimstec.org).

#### **Key achievements of BIMSTEC**

BIMSTEC as a regional organization paved a new platform for cooperation in terms of trade and technical cooperation. A total of fourteen sectors have been identified for cooperation among the member states. In 2004, an agreement was made among the member states to establish free trade area that could enhance intra-region trade. Establishing the headquarter of BIMSTEC in Dhaka, the capital of Bangladesh is considered a milestone in the context of BIMSTEC. Over the years, member states have successfully conducted summits and a total of five summits are held. Economic prosperity, climate change, partnership, connectivity, security etc. were the key agenda. Despite the summits total of seventeen ministerial meetings have been held and a key achievement of last the meeting was transport connectivity (Bhattacharjee, 2021).



**Table-05: List of total BIMSTEC Summits**

<b>BIMSTEC Summit Name</b>	<b>Date</b>	<b>Location</b>	<b>Key Agenda</b>
First BIMSTEC Summit Declaration	31 July 2004	Bangkok, Thailand	Economic and social development of the entire region
Second BIMSTEC Summit Declaration	13 November 2008	New Delhi, India	Recognizing the adverse impact of climate change on the lives and livelihoods of our populations.
Third BIMSTEC Summit Declaration	04 March 2014	Nay Pyi taw, Myanmar	Partnership for Harmony and Prosperity
Fourth BIMSTEC Summit Declaration	30-31 August 2018	Kathmandu, Nepal	Towards a peaceful, prosperous, and sustainable Bay of Bengal region
Fifth BIMSTEC Summit Declaration	30 March 2022	Colombo, Sri Lanka	1, 2. Connectivity, prosperity, and security 3. Towards a Resilient Region, Prosperous Economies, Healthy People

**Source:** [www.bimstec.org](http://www.bimstec.org)

### **Challenges for the BIMSTEC Countries**

The key axiom of BIMSTEC is to enhance cooperation among the member states and which will be based on the principle of sovereign equality, territorial integrity, political independence, non-interference in the internal matters of the member states and lastly, ensuring peaceful cooperation and mutual benefit. Like the SAARC region, the BIMSTEC region is no less an exception that is devoid of challenges. BIMSTEC countries inhibit challenges like terrorism, violent extremism, transnational crime, narco-trafficking, cyber-attacks, and high costs of trade at the border area (Laskar, 2022). In the context of trade, countries have to deal with inefficient logistics, inadequate cross-border infrastructure, heavy paper-based procedures, and restrictive policies and regulations. The scenario is even more intense for landlocked countries like Nepal and Bhutan in the case of connectivity (MEHNDIRATTA & NORA, 2022). Another key issue that has posed regional cooperation under challenge, is none other than the Rohingya crisis. Due to the Rohingya crisis thousands of Rohingya people become exodus and the bilateral relations between Bangladesh-Myanmar deteriorated because Bangladesh considers the Rohingya refugees to be a big burden for her and need to be repatriated. Furthermore, human trafficking and smuggling of drugs have increased more than before and posing Bangladesh's internal security under threat (The Daily Star, 2022). The internal political

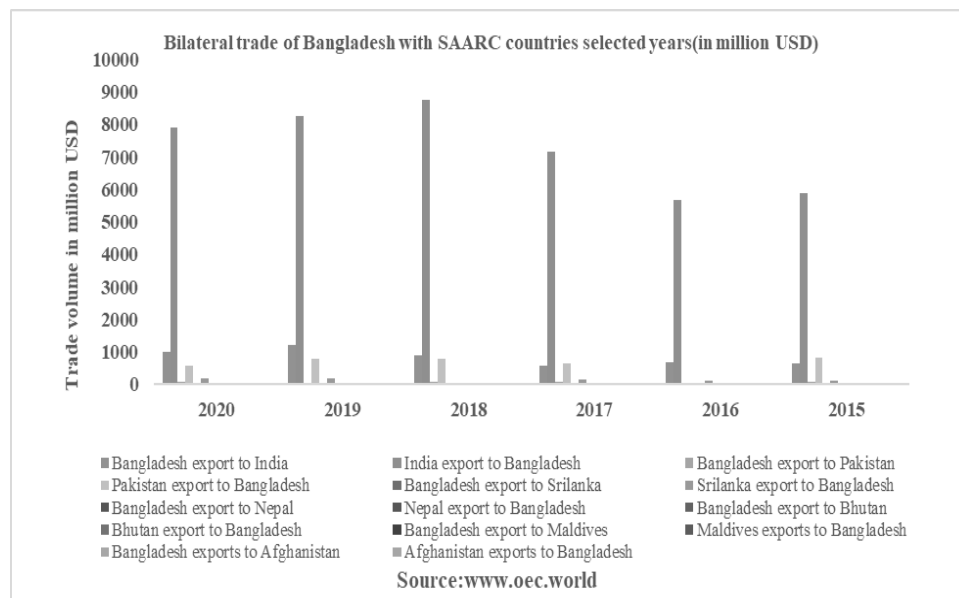
instability of Myanmar has also affected neighbouring countries like Thailand. Due to the Myanmar Junta atrocities on the ethnic minority people thousands of people have become a refugee and taken shelter in Thailand. Which has also affected the bilateral relationship between Myanmar and Thailand. As the conflict in Myanmar intensifies, illegal entry from Myanmar to Thailand increases, which further creates socio-economic and national security problems. Thailand hosts about 0.1 million refugees and the majority of them are victims of ethnic persecution and violent conflict, and most of the refugees share Karen ethnic background along with some other ethnic origins. However, in this regard, Thailand chose not to interfere in the internal matters of Myanmar but alerted its army to guard the 2000 kilometres of the border that it shares with Myanmar (Cogan, 2021). India is a major trading partner of Myanmar, but due to the Rohingya issue, India maintained a distance as the International Court of Justice sued Myanmar for the Rohingya genocide. The India-Myanmar border is considered to be the hotbed of human trafficking, illicit arms and drug smuggling route. Even in some instances, it has been reported that security forces deployed by both India (Assam Rifles) and Myanmar (Arakan Army) intruded on each other territory on several occasions. As both, countries share border areas, special arrangements for FMR have been made for the people living in both countries to maintain their ties. Under the FMR arrangement, a tribal people of Myanmar could stay in India for 72 hours and an Indian could stay in Myanmar for not more than 24 hours. However, the insurgent groups take the advantage of this FMR arrangement, when they are pursued by the Indian security forces. The insurgents take shelter, recoup, rest, and train, especially in the Chin State and Sagaing Region of Myanmar. As these insurgent groups get tacit support from Myanmar's government and are a big security concern for India. The key insecurity issues like the transfer of weapons and illicit drugs are common here and this route acts as a gateway due to poor vigilance (Das, 2018). The presence of a global actor like China in the BIMSTEC region raised concern for a major actor like India. India considers the presence of China might pose threat to its political, economic and security interests. A key factor could be China's multi-billion-dollar Belt and Road Initiative (BRI) infrastructural development project, which was initiated in 2013. However, to counter these Chinese predominancies India also has invited Japan as a strategic development partner. Aside from that, to balance Chinese overgrowing influence in the Indian Ocean region also made strategic alliances with the United States of America, Australia and Japan. The Navies of these countries also carried out a joint exercise under the banner of Malabar Exercises in the Bay of Bengal and the Arab sea. Under the BRI project, China involved itself with the strategic ports of Myanmar (Kyaukphyu), Sri Lanka (Hambantota), and Pakistan (Gwadar). Another key concerning matter is that, except for India and Bhutan rest of the countries are the signatories of the BRI project and that might overshadow India's informal dominance in the BIMSTEC region (LINTNER, 2021). India along with the BIMSTEC member states to excel in trade and connectivity are working relentlessly and agreements like BIMSTEC Coastal Shipping Agreement, and BIMSTEC Motor Vehicle Agreement are underway, and that would be beneficial for the seven littoral and landlocked countries if ratified (Bhaumik, 2021).

#### **SAARC and BIMSTEC: contradiction or complement**

SAARC and BIMSTEC are both organizations that originated intending to promote peace and stability and bring about change in the lives of billions of people. Compared to the goals and objectives of SAARC, the BIMSTEC are not indifferent and only differ from a few of the member states. The journey of SAARC started during the cold war era and the journey of BIMSTEC started during the post-cold war period. Both organizations also

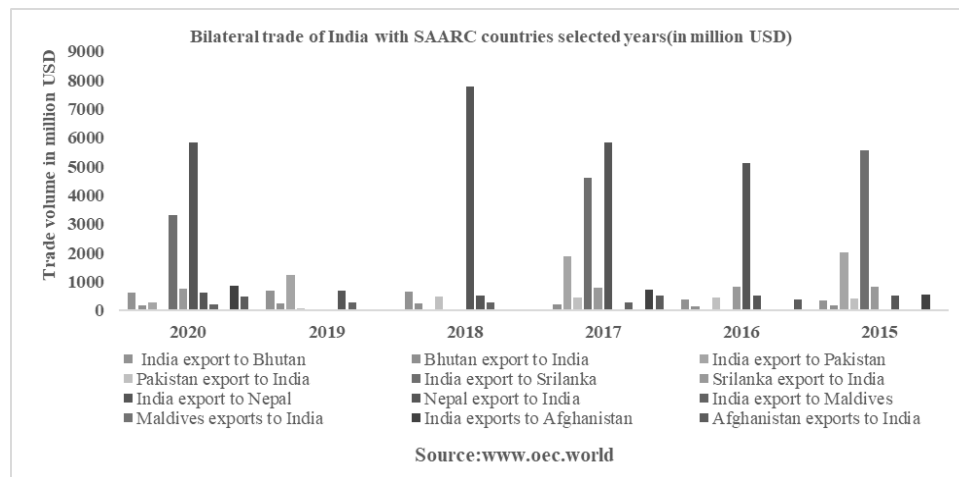
face numerous challenges and threats whether internal or external, traditional or non-traditional. It's to be noted that the key focus of these two organizations is to accelerate economic growth by excelling in their trade and commerce. In this regard, both organizations have failed to create an FTA and trade is conducted through bilateral means. Compared to the SAARC region the BIMSTEC region is more promising for bilateral trade. Because the SAARC region has experienced more conflicts, and the key protagonists are none but the nuclear power enemies India and Pakistan. Since the inception of SAARC, the action of one was often faced with heavy scrutiny, mistrust and suspicions. Despite these, playing the leadership role is another key reason that thwarted the flourishing of SAARC. Terrorism and non-traditional security issues, and threat perceptions often compelled the SAARC leaders to attend SAARC summits. SAARC leaders came across several agreements and conventions, but very few have become operational or functional. In the SAARC arrangement unquestionably, India and Pakistan should play the key role to propel the organization forward, but despite being larger economies they did not do so. As a result of their non-cooperation SAARC summits have become less frequent and the smaller member have lost the zeal to be a part of them. For instance, if we consider the bilateral trade scenario, we could easily be able to find out trade relations among the SAARC countries. In the context of bilateral trade, India enjoys a dominant role compared to the other SAARC members. But due to the ineffectiveness of the SAFTA agreement trade facilitation has not experienced a beacon of hope. The trade deficit among the SAARC member countries is relatively high and shouldn't be the case.

#### Bilateral trade of Bangladesh with SAARC countries selected years (in million USD)



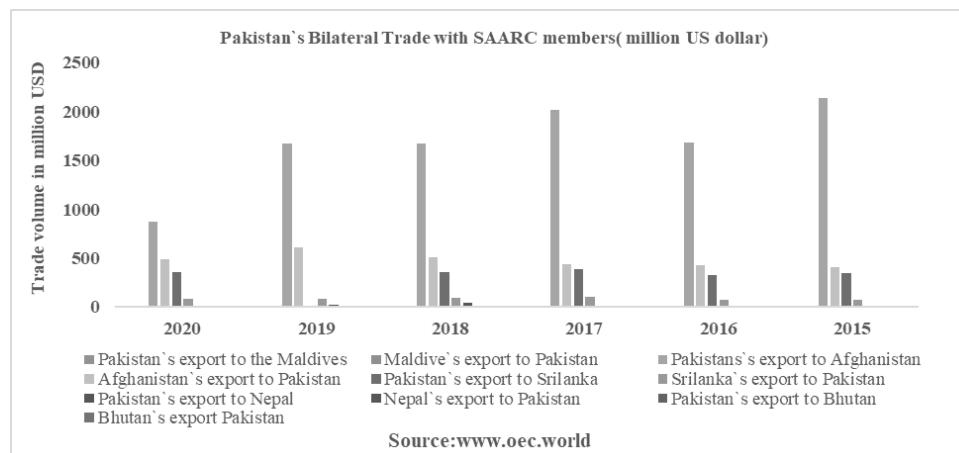
**Chart no-1.1:** Bilateral trade of Bangladesh with SAARC countries selected years (in million USD)

### Bilateral trade of India with SAARC countries selected years (in million USD)



**Chart no-1.2:** Bilateral trade of India with SAARC countries selected years (in million USD)

### Bilateral trade of Pakistan with SAARC countries selected years (in million USD)

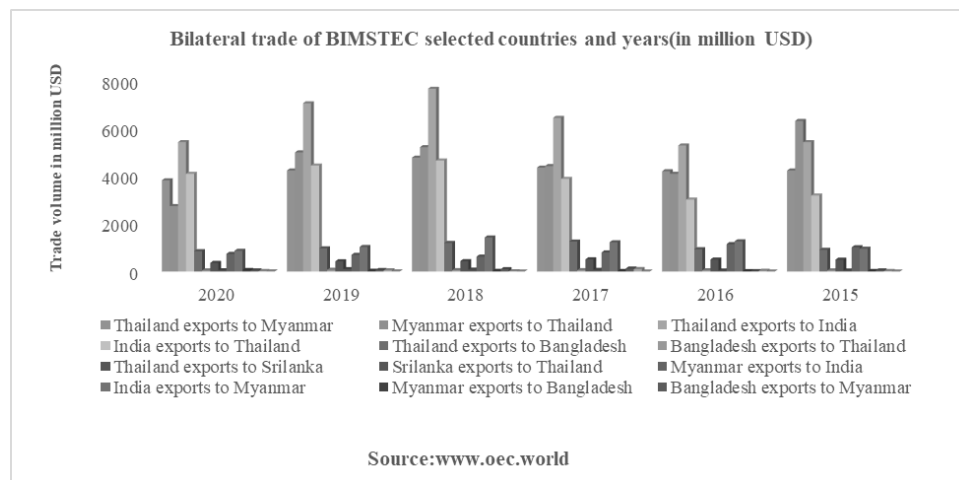


**Chart no-1.3:** Bilateral trade of Pakistan with SAARC countries selected years (in million USD)

Charts 1.1, 1.2 and 1.3 illustrates that in the context of trade, it's none but India is the prime beneficiary compared to the other SAARC nations and the margin of import-export is significant to Nepal and Bangladesh and even it is also similar for both Pakistan and Sri Lanka. India is the major economy of the SAARC region and plays a dominant role, but if the FTA agreement would have been fully functional then the trade scenario would be different. All countries of the SAARC region, bigger economies and smaller economies

could reap the benefit of the agreement as there would have been no tariff and para-tariff barriers and no sensitive list of products. Regarding trade facilitation, SAARC member states signed agreements like the Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters (2005), the SAARC Agreement on Trade in Services (SATIS) (April 2010), Agreement on the Establishment of South Asian Regional Standards Organization (SARSO) (August 2008); however, agreements like these haven't brought that much of success. Furthermore, the 'Sensitive list' of items provided by the SAARC member states is also a major barrier to the promotion of trade and economic prosperity. Like SAARC, BIMSTEC member states also took initiative for the establishment of an FTA region, but couldn't do so. The journey of BIMSTEC started focusing on economic and technical cooperation. The bilateral trade scenario under this intra-regional arrangement is more promising compared to the SAARC region, with the GDP growth rate relatively high. BIMSTEC connects members of the SAARC region and ASEAN region, in other words, it could be stated that BIMTEC connects SAFTA and AFTA members. Thailand and India are the two potential members of the BIMSTEC region and both countries adopted policies like the Look East policy & South-South cooperation, and the Look West Policy in the case of India and Thailand. The context of Bangladesh's development in the northeastern region brings an incentive, as it could trade with Myanmar more conveniently. Despite these countries, the smaller in the region countries could reap the same benefits under the BIMSTEC framework through trade with India and Thailand (Bhattacharjee, 2018). According to an expert, the BIMSTEC members can fully exploit their trade potentials under an FTA arrangement, but the BIMSTEC member states are trading under a bilateral mechanism and trade and investments have increased by a considerable amount over the years. In the case of imports and exports, the smaller countries face more challenges than the larger countries like India, Myanmar, and Thailand. Overall, both India and Thailand are two major economies that are the signatories of 28 and 22 bilateral or regional FTA agreements and the rest of the countries Srilanka, Myanmar, Bangladesh, Nepal and Bhutan are smaller economies and their number of trade agreements are relatively low (MOAZZEM, 2021).

#### Bilateral trade of BIMSTEC countries selected years (in million USD)



**Chart no-1.4:** Bilateral trade of BIMSTEC countries selected years (in million USD)

Chart 1.4 illustrates the bilateral trade scenario of BIMSTEC countries and a key factor that there exists no animosity between Thailand and India. Contrary to BIMSTEC, the two major powers of SAARC both Pakistan and India see each other in the eye of suspicion and mistrust and unwanted incidents like terrorist activities, irredentist claims and lack of political goodwill also aggravated the degree of hostility. On several occasions, SAARC member states raised concerns over the interference in one another's internal or domestic issues, which overall crippled the progress of SAARC as a regional organization despite its numerous successes. On the other hand, two of the members of the BIMSTEC region, Thailand and Myanmar respect ASEAN's policy of non-interference in the internal matter of others and focus on regional integrity that they have successfully maintained. The Rohingya issue in Myanmar could be cited as a classic example in this regard as Thailand consider Myanmar's internal issue, though Bangladesh condemned the Myanmar government heavily for its atrocities on the Rohingya community. The global community addressed this heinous act as a threat to humanity, but the BIMSTEC due to its lack of a dispute settlement mechanism could not take adequate measures as UNHCR, and OIC has done.

### Conclusion

SAARC and BIMSTEC are unique regarding their functioning pattern, goals and objectives. The members of both organizations face similar types of problems and challenges, despite their problems, the key aim of the member states is economic well-being and the development of standards of living. In some instances, the achievements of SAARC supersede BIMSTEC vis-a-vis. To form successful regional bloc cooperation and mutual respect among the member states are necessary. In the case of SAARC, India is a dominant actor, and if India plays a cooperative role along with Pakistan, then the SAARC region will bolster, not only that but also be successful in the agreements signed by the member states are implemented. A similar, scenario is also needed to be portrayed in the context of BIMSTEC and the member states will experience the desired economic development. SAARC and BIMSTEC neither contradict nor complement each other rather the key agenda of these regional and sub-regional arrangements are nothing but the overall development of the people and promote peace and harmony through the elimination of threats and challenges they experience in regular life.

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[সার-সংক্ষেপ : বর্তমান অর্থনৈতিক বিশ্বায়ন এবং পারস্পরিক নির্ভরশীল বিশ্বে আঞ্চলিক সংগঠনের গুরুত্ব অনস্বীকার্য। বিশেষ করে বাণিজ্য, সীমান্ত বিরোধ, অবৈধ অভিবাসন, চোরাচালান, আন্তঃসীমান্ত পাচার, সন্ত্রাসবাদের মত বিষয়গুলো একটি অঞ্চলের মধ্যে নানাবিধ সমস্যার সৃষ্টি করতে পারে এবং এক্ষেত্রে আঞ্চলিক সংস্থাগুলো আন্তর্জাতিক সংস্থাগুলোর তুলনায় প্রাথমিকভাবে সমস্যাগুলোর সমাধানের বড় ভূমিকা রাখতে পারে। কেননা, আঞ্চলিক সংগঠনগুলোর একটি নির্দিষ্ট অঞ্চলের মানুষের চাহিদা এবং মঙ্গলের পরিপ্রেক্ষিতে পাশপাশি, সামাজিক ও অর্থনৈতিক স্থিতিশীলতা এবং শান্তি প্রতিষ্ঠার লক্ষ্যে প্রতিষ্ঠা লাভ করে। এরই ধারাবাহিকতায় বিংশ শতাব্দীর শেষভাগে দক্ষিণ এশীয় দেশগুলোর নেতৃবৃন্দের সহযোগীতা এবং অঞ্চলের মানুষগুলোর সার্বিক কল্যাণের বিষয়গুলোকে বিবেচনা করে সার্কের যাত্রা শুরু হয়। সময়ের পরিক্রমায় বিংশ শতাব্দীর একেবারে শেষভাগে, কিছু সার্ক সদস্যভুক্ত দেশের নেতৃবৃন্দ শুধুমাত্র অর্থনৈতিক অগ্রগতির বিষয়টিকে লক্ষ্য রেখে বিমস্টেক নামক আরও একটি আঞ্চলিক সংগঠন তৈরির প্রয়াস চালান এবং বিমস্টেকের ভিত্তি স্থাপিত হয়। বিশেষ করে, এ অঞ্চলের জনমনে যে প্রত্যাশা নিয়ে আঞ্চলিক সংস্থা সার্ক তার যাত্রা শুরু করেছিল তা অনেকাংশেই সময়ের সাথে সাথে ম্লান হয়ে যেতে থাকে নানাবিধ অসফলতার কারণে। সার্ক নামের প্লাটফর্মটি তার আস্থা নির্মাণের বিশ্বাসযোগ্যতা সময়ের সাথে সাথে হারিয়েছে কারণ অনেক নেতৃবৃন্দ এই সংস্থাটিকে তাদের কাক্ষিত লক্ষ্য পূরণে ব্যর্থ হয়েছে বলে মনে করেন।]