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South Asia's Efforts at Regional Reintegration: Fantasy or Feasible?

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Following the Partition of the Indian sub-continent on August 14, 1947, South Asia transformed overnight from one of the most integrated regions into arguably the least so in the world. Since that time, the region has been held a hapless prisoner of the Partition syndrome, stymying all efforts at economic reintegration.

Leaders of seven South Asian countries formed the South Asian Association for Regional Cooperation (SAARC) in December 1985. Unfortunately, because of the inbuilt flaws in initial configuration of this body, it has not been able to demonstrate any remarkable progress. By 1995, Bangladesh, which had taken the initial initiative for SAARC, was convinced that a new approach was needed. In light of this, Bangladeshi leaders proposed in 1996 to the SAARC summit that a Sub-regional approach be adopted, which could move gradually toward the larger cooperation of all countries. The rationale behind the idea was the deepening realization that economic development was imperative; it would create growth, contain anti-state movements by radical elements, and create job opportunities for otherwise discontented youth, positively channeling their energies. Domestic and regional economic growth and development would also provide the best solution to unpredictable trends in the global economy.

The logic was simply this: South Asia could be conceived as comprising three sub-regions: Bangladesh, Bhutan, India, and Nepal as the eastern sub-region, India, Maldives and Sri Lanka as the southern sub-region, and India and Pakistan comprising the western sub-region (which expanded when Afghanistan joined the SAARC). If one sub-region was ready to move forward and demonstrate a successful model of cooperation, it might attract other sub-regions to join or emulate. This idea was finally accepted in the Summit in Male, in 1997, following which the South Asian Growth Quadrangle (SAGQ) sub-grouping was formed. Comprising Bangladesh, Bhutan, India and Nepal, with a Council of Ministers leading four broad thematic sectors, the group remained grounded until receiving fresh stimulus in 2010 and 2011.

The Eastern sub-region displayed inclination to move forward following two treaties that were signed between Bangladesh and India in 1996 and 1997. It became obvious that getting three contiguously located neighbors to cooperate economically first required the establishment of good trilateral relations. This process of accretion could begin in specifically agreed upon areas, comfortable to the partner countries. In this schema, improved Bangladesh-India relations was an absolute pre-requisite. The two countries set about determinedly to do this starting in 2009. The Joint Communiqué at the end of the visit of Bangladesh Prime Minister to India in January 2010 set out the roadmap for the two countries to follow in their efforts to reconcile diplomatic relations. Remarkable progress was made between then and September 2011, when the two countries finally signed the Protocol to the Land Boundary Agreement that had originated in 1974 but remained suspended and inoperable since then. India virtually opened up its market to Bangladesh for one-sided free trade on a non-reciprocal basis. The framework agreement for Cooperation and Development was signed — a remarkable document that essentially mandated the two countries to endeavor together and encourage other neighbors of the region to join in regional or sub-regional cooperation. With quiet diplomacy, the SAGQ concept was revived to

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The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.

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transform into the Bangladesh, Bhutan, India, Nepal (BBIN) sub-regional initiative. Several senior official level intergovernmental meetings convened by Bangladesh and India and participated in by Bhutan and Nepal have resulted in:

- The BBIN Motor Vehicles Agreement being signed in 2015. It has been ratified completely by Bangladesh, India and Nepal, and is pending ratification by Bhutan’s Upper Chamber of Parliament. The agreement envisages free passage of cargo and passenger motor vehicles across the four countries, after half a century of being totally cut off. Successful trial runs have already been completed. The first container truck laden with garments for Marks & Spencer in New Delhi completed a run, driving across the Bangladesh border through India to its final destination — a monumental achievement.
- four countries commencing discussions on a similar BBIN Rail Connectivity Agreement based on SAARC Regional Rail Agreement template, with the aim of reviving and activating rail routes that had existed and connected Bangladesh and India, and to some extent Nepal, until being severed following the 1965 India-Pakistan war. Of eight rail links that had existed between Bangladesh and India, three are in operation once again, and negotiations have commenced on four others.
- Bangladesh and Bhutan agreeing to share their joint report on multi-modal connectivity between Bangladesh, India, and Bhutan with a view towards working together to operationalize this route.
- The four countries identifying the land ports and land customs stations that are crucial for promoting sub-regional trade and transit, and recommended upgrades for these stations. This is work in progress.
- The formation of a customs sub-group to discuss harmonization of procedures, e-tracking mechanisms, electronic data exchange, and common customs documentation.

The BBIN Motor Vehicle Agreement bolsters and helps operationalize India’s Act East policy and gives the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation the chance to play a bridging role between SAARC and ASEAN.

India and Bangladesh are in active discussions on how to link their respective national waterways where possible, and if Nepal and Bhutan show interest, could work towards a sub-regional waterway. Additionally, India has signed bilateral agreements with both Myanmar and Bangladesh for coastal shipping and direct merchant shipping agreements. Sri Lanka has shown interest in joining this type of agreement as well. These arrangements, when if connected with one another, would transform into a Bay of Bengal-wide arrangement facilitating connectivity to boost trade and travel across the regions. Air corridor cooperation, however, remains inadequate.

The most exciting current development is the cooperation in the energy sector between the BBIN countries. Bangladesh is importing over 500 megawatts of power from India, and the way talks are going this number is likely to expand into several thousand megawatts. The Indian private sector has signed memoranda of understanding for investing about \$5 billion in power plants for power production in and for Bangladesh. Bhutan is supplying to India 2000 megawatts of hydropower out of 10,000 agreed upon. India is supplying over 350 megawatts to Nepal; ironically, Nepal should have been able to export large amounts of power, but domestic and other constraints have prevented it from fulfilling its goals. Bangladesh, Bhutan, and India are currently discussing a trilateral joint venture on developing and exporting power from Bhutan for consumption both in India and Bangladesh. Existing bilateral grids between the four countries could be linked together to form a sub-regional grid ensuring long-term energy security for this sub-region.

These are phenomenal developments considering the hostility, apathy, and total inertia that had held the region hostage until recently. They need to be nurtured and sustained support needs to be extended to ensure that there is no roll-back.

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