

Report Part Title: How to Institutionally Strengthen BIMSTEC

Report Title: BRIDGING THE BAY OF BENGAL

Report Subtitle: Toward a Stronger BIMSTEC

Report Author(s): Constantino Xavier

Carnegie Endowment for International Peace (2018)

Stable URL: <http://www.jstor.com/stable/resrep16974.7>

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As these various initiatives make clear, India has voiced a firm commitment to promoting regional integration with its neighbors, and its support for BIMSTEC must be understood in that context. Rather than an exclusive avenue, New Delhi's interest in BIMSTEC will overlap with and complement similar efforts to bridge the Bay of Bengal. At the same time, India's aspirations for BIMSTEC will require significant investments in the organization, particularly in efforts to strengthen its financial and organizational capabilities and to focus on areas where BIMSTEC has a comparative advantage over other organizations and initiatives with limited mandates.

How to Institutionally Strengthen BIMSTEC

The confluence of BIMSTEC members' respective national interests in support of connectivity and their willingness to invest more in BIMSTEC has created an opportunity to empower the organization to help revitalize the Bay of Bengal as a region and as a community. Commenting on BIMSTEC's track record and "missed opportunities" since its founding in 1997, the foreign minister of Bangladesh, Abul Hassan Mahmood Ali, recently noted that "it is time to look back, reflect and review our past performances; renew our commitment and reframe our strategy for the journey ahead."⁴³ In the words of former Indian ambassador Rajiv Bhatia, this is crucial because BIMSTEC has been "innovative but under-performing."⁴⁴ Meanwhile, for former ambassador Preeti Saran, one of India's top senior officials dealing with the Bay of Bengal region, BIMSTEC's twentieth anniversary highlights the "need for fresh ideas" to achieve the common objective of "rejuvenating" the organization.⁴⁵

To maximize BIMSTEC's effectiveness, one area of focus should be taking steps to address its lingering organizational weaknesses, including a weak consensus about how to pursue its institutional connectivity mandate; an over-taxed and underfunded bureaucratic arm; an inconsistent joint commitment among members to holding frequent, high-level meetings; and uncertainty about how to engage with other institutional actors that support the cause of connectivity.

Advance and Expand on Institutional Norms

The postcolonial fixation with sovereignty that once prevailed among the now-independent states that border the Bay of Bengal now lays buried beneath the bay. Relinquishing a past of isolationism and autarky, these states are increasingly seeking to pursue their national interests through greater regional cooperation, connectivity, and interdependence. Commenting on the need to "decode, evaluate and address the [regional] challenges and seize the opportunities that are being unleashed," the foreign minister of Bangladesh emphasized at a 2017

BIMSTEC ministerial meeting that “we cannot do this alone,” and that “there is no alternative to the imperative of regional cooperation.”⁴⁶

However, while no alternative to regional coordination may exist, there may be many competing views among BIMSTEC members about how to pursue it, and these diverse views reflect varying levels of commitment to multilateralism. BIMSTEC will not succeed unless it holds a normative conversation about what substantive type of regional architecture is most appropriate for the Bay of Bengal. Samir Saran, vice president of the Observer Research Foundation in New Delhi, has outlined one compelling potential normative vision for BIMSTEC:

Can we create a normative framework both on the economic realm, security realm and political realm together? Can all of us agree to this that anyone who wants to participate in the Bay of Bengal community must agree to the principles of deliberative dispute resolution mechanisms? . . . Can we create such norms to safeguard this Bay of Bengal community?⁴⁷

Due to its multilateral nature, BIMSTEC is a natural platform through which to press its member states to develop the best practices and institutions required to ensure that the Bay of Bengal is governed cooperatively under the rule of law. BIMSTEC should focus on articulating how such liberal and inclusive normative standards inform its organizational mandate in four particular domains.

First, BIMSTEC should concentrate on advancing a constructive approach to connectivity. In contrast to criticisms leveled at the China-led infrastruc-

ture investments underwritten by the BRI, New Delhi has stated its intention to take the lead in defining alternative standards for implementing connectivity projects “based on universally recognized international norms, good governance, rule of law, openness, transparency and equality.”⁴⁸ Sri Lanka, for one, has expressed concerns about the BRI.⁴⁹ BIMSTEC must help to translate a commitment to high standards into cooperative action by developing common criteria that emphasize socioeco-

nomic inclusiveness, financial responsibility, and environmental sustainability.

Second, BIMSTEC should strive to help keep the waters of the Bay of Bengal open, free, and peaceful, by seeking to show how to manage them as a regional commons. The Sri Lankan prime minister’s proposal for an “Indian Ocean Order” with “accepted rules and agreements” should be implemented in the bay.⁵⁰ To do so, BIMSTEC must encourage its member states to embrace maritime multilateralism. It could contribute to regional mechanisms for the peaceful settlement of disputes, for example on borders and fisheries, under the United Nations Convention on the Law of the Seas (UNCLOS). It could develop codes of conduct that preserve freedom of navigation and apply existing

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law of the seas regionally. In addition, BIMSTEC could stem the region's creeping militarization by instituting, for instance, a Bay of Bengal Zone of Peace that seeks to limit any bellicose behavior of extraregional powers.

BIMSTEC also should be prepared to weigh in on political matters. While BIMSTEC's formal emphasis may be on technical and economic cooperation, every regional organization is fundamentally political in nature, as the experience with SAARC and Indo-Pakistani conflicts shows over the last few decades. The Bay of Bengal region is affected by a variety of cross-border disputes. As the refugee crisis between Myanmar and Bangladesh showed in 2017, bilateral issues can quickly escalate to stall cooperation through regional institutions.⁵¹ Accordingly, BIMSTEC must be prepared to help address bilateral tensions, for example, by serving as a forum for informal discussions or by investing in the development of formal mediation and resolution mechanisms tailored to the region's specific needs and problems. This would also potentially decrease dependence on external and global organizations, including the United Nations, whose involvement has often been resisted by the governments of India, Myanmar, and Sri Lanka.⁵²

Finally, BIMSTEC should aim to develop an internal dialogue on the role of democracy in promoting economic development, security, and stability among its member states. If Thailand holds elections in 2018 as planned, all members may then be run by democratically elected governments, which would transform BIMSTEC into one of Asia's rare clubs of democratic countries. Such a regional dialogue could center on upholding the rule of law and strengthening electoral, parliamentary, and other pluralist institutions.

Strengthen the Secretariat

In addition to unity of purpose, international organizations require strong functional leadership. An international organization does not necessarily need a secretariat, but a strong secretariat can make an organization. It took seventeen years for BIMSTEC's secretariat to finally be established in 2014 in Dhaka, but its role has never been specifically defined.⁵³ For more than ten years before it was established, officials would meet in Bangkok, at gatherings hosted by the Thai Ministry of Foreign Affairs.⁵⁴

Since its creation, the secretariat has faced a variety of obstacles that hinder its effectiveness, including budgetary and staffing limitations. Saman Kelegama, one of Sri Lanka's most ardent supporters of the organization, called for a "strong Secretariat . . . empowered to play a more proactive role in driving the BIMSTEC agenda."⁵⁵ Former Bangladeshi diplomat Tariq Karim, in turn, refers to the secretariat as a "fundamental weakness" with a mandate that is "unclear" and inadequately "cloned" from the SAARC model.⁵⁶ From the viewpoint of a senior Bhutanese official, the coordinating body has limited relevance because it remains "purely member-driven."⁵⁷

BIMSTEC member states can pursue five ways to overcome these obstacles and strengthen the secretariat's capabilities so it can take on a greater role in driving the organization's agenda. First, member states should allocate greater autonomy to the secretariat. As Prabir De, a researcher at a think tank in New Delhi, has noted, for the secretariat to become the organization's "driver, captain and pilot," member states' bureaucracies must be willing to accord sufficient agency and expertise for it to implement new initiatives. For example,

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to implement any significant policy initiative, the secretariat must first obtain consensual support from the joint secretaries or director generals overseeing BIMSTEC affairs in all seven member states, which in some cases can take several months.⁵⁸ On the procedural front, both the choice of the secretary general and chairman should rotate alphabetically as currently stipulated at regular intervals without interruptions, so as to increase predict-

ability and continuity while reducing the uncertainty of transitions. To date, the length of the rotating chairmanship has been extraordinarily irregular, ranging between one and five years.

Second, BIMSTEC members should also further empower the secretary general. Reputation and status are key characteristics that allow a secretary general to push the organization forward through direct and personal links with leaders across the region. According to the position a higher diplomatic stature—for example, by granting the position in the future to individuals with a cabinet or secretary rank—would help ensure future secretary generals have more "gravitas" to engage member states' bureaucracies at a higher level.⁵⁹ A political alternative would be to choose a former high-level leader (head of government or state), who could be assisted by a deputy with a bureaucratic background.

Third, BIMSTEC members should boost the funding they provide for the secretariat's budget. Currently estimated at around \$200,000, the secretariat's annual budget is inadequate when compared to the organization's vast mandate and the fourteen different sectors under its purview in one of the world's most populated regions.⁶⁰ Being "severely underfunded," in the words of one BIMSTEC official, the secretariat uses its funds almost exclusively for salaries and other institutional costs, leaving hardly any resources to invest in outreach and agenda-setting initiatives.⁶¹ Increasing staff compensation, in particular, would be a critical means of attracting more officers from member states to join the organization on deputation. Even after a recent pay scale revision, the salaries of BIMSTEC's secretary general and directors are still less than two-thirds of those of their SAARC counterparts, even though Dhaka's cost of living is much higher than that of Kathmandu.⁶² If member states are serious about strengthening the secretariat, they must endow it with greater financial assets by increasing the size of their respective contributions.

Fourth, the staff size of the BIMSTEC secretariat should be increased. However prominent and hardworking the secretary general may be, the secretariat cannot be a one-person show. It must be urgently expanded. Since 2014, BIMSTEC has been run by a staff of fewer than ten people, including two directors (until a third director joined in 2017).⁶³ In comparison, the SAARC secretariat's staff is approximately fifty-strong, including eight directors, and the ASEAN secretariat has around 100 staff members, including four deputies and eighteen directors and coordinators.⁶⁴ Without adequate human resources, the secretariat will not be able to take on any significant initiatives and will continue struggling to complete even the most basic administrative and financial tasks. The BIMSTEC Working Group, which convenes all member states' ambassadors and heads of mission residing in Dhaka, should also continue to hold monthly meetings to support the secretariat.

Fifth, the secretariat should be empowered to recruit research and policy experts and should be given the authority and resources to hire consultants from various technical domains, including energy, trade, and transportation. Depending on their seniority and possible roles as directors or advisers, such policy experts could also serve as ambassadors and champions for various regional integration causes. One way to consolidate their contributions could be to form an internal think tank, similar to the expert research institutes attached to the World Bank, the International Monetary Fund, and the ADB.

Optimize Organizational Functioning

Beyond strengthening the secretariat's human and financial resources, there are ways that BIMSTEC's internal processes can be streamlined to give new life to the organization. While the idea has been floated regularly to establish a formal BIMSTEC charter—as a blueprint to articulate an organizational vision and define its mandate—there are other more immediate steps that can be taken.

First, BIMSTEC should hold meetings more frequently. Reflecting an early naivety, BIMSTEC planned to hold summits every two years, ministerial meetings every year, and meetings for senior officials twice a year.⁶⁵ In reality, however, only three summits have taken place in twenty years, and this included a six-year interregnum from 2008 to 2014. Similarly, no ministerial meeting was held between 2014 and 2017. Rather than meeting twice annually, the senior officials' meeting was postponed seven times between 2014 and 2017, when it finally took place again. To avoid a scheduling backlog and prevent the secretariat from becoming a “glorified scheduler” tasked chiefly with convening meetings, member states must prioritize holding meetings more regularly.⁶⁶

Second, BIMSTEC members should commit to consistently sending representatives of an appropriate rank to the meetings that are held, which they have

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not always done. Senior official meetings, for example, have often included joint secretaries or director generals, who lack the autonomy to make relevant decisions. Meetings involving senior officials should, in principle, only be held if all member states are willing to send secretary-level officers.

Third, BIMSTEC ought to diversify the designated locations of its meetings. Until early 2017, India, Myanmar, and Thailand had hosted twelve senior official meetings (four each), whereas Nepal and Sri Lanka had held just one each, and Bhutan had not held any.⁶⁷ Furthermore, rather than being hosted exclusively by member states, ministerial, senior official, and other working group meetings could also take place at the secretariat headquarters in Dhaka.

Fourth, each BIMSTEC member should clearly designate appropriate government counterparts to liaise with BIMSTEC officials. To facilitate communication and speed up initiatives, member states should direct their foreign ministries to create specific BIMSTEC cells or empower existing ones with more human and financial resources. In many cases, BIMSTEC affairs are managed by a director general or joint secretary, but such duties are often neglected because they fall under divisions or departments focused more broadly on regional cooperation, with portfolios that include SAARC (in the cases of Bangladesh, Bhutan, India, and Nepal) or multilateral and economic affairs (in the cases of Myanmar, Sri Lanka, and Thailand). As the first BIMSTEC secretary general noted, such “national [BIMSTEC] focal points must be more than mere letter boxes.”⁶⁸

Fifth, beyond its periodic foreign minister meetings, BIMSTEC would benefit from reviving the sectorial ministerial conferences it used to hold in the 2000s on matters like energy (New Delhi 2005, Bangkok 2010), tourism (Kolkata 2005), culture (Paro 2006), and poverty alleviation (Dhaka 2008). Such special meetings allow for focused discussions with high-level political representatives that tend to lead to a top-down approach, rather than the slower bureaucratic bottom-up route.

Define and Expand India's Informal Leadership Role

Aside from efforts to sharpen BIMSTEC's institutional mission and capabilities, there are some who think that India could play a more prominent role in the organization, even informally. Even multilateral organizations need a measure of state-led leadership, whether internal or external. The European Union (EU) would not likely have developed without the Franco-German initiative, nor would ASEAN have progressed without the United States' external security guarantees toward the Philippines and Thailand. For BIMSTEC to flourish, India (as the region's most powerful country) will have to step up, invest resources, and sustain interest in the Bay of Bengal's leading institution. In the candid words of former BIMSTEC secretary general Sumith Nakandala, “BIMSTEC needs a leader.”⁶⁹

New Delhi has not shied away from embracing such responsibility and has often taken the driver's seat in some ways—for example, by hosting the 2016 BRICS-BIMSTEC outreach summit. India also served as a key facilitator during the backstage negotiations about the location of the new secretariat (Bangladesh) and the nationality of the first secretary general (Sri Lanka), which were announced in 2011.⁷⁰

However, India's actions often have fallen short of the expectations of policymakers and analysts. For example, for three long years between 2014 and 2017, New Delhi failed to appoint a representative director to the secretariat, leaving the position vacant and hindering the organization's effectiveness until Pankaj Hazarika assumed the position in June 2017. To assume and deliver on an informal leadership position within BIMSTEC, India will have to focus on four fronts.

First, India must respect the sensitivities of small states—leading should not be confused with dominating. To strengthen BIMSTEC's multilateral and cooperative nature, New Delhi will have to walk a thin line between control and passivity. Playing a driving role will require diplomatic skill and the willingness to delegate by letting smaller states, especially Bangladesh and Sri Lanka, take the lead on both symbolic and substantive issues. Former Indian ambassador Rajiv Bhatia thus cautions that India's leadership must be “exerted with a mix of sensitivity, generosity, astuteness and determination.”⁷¹

Second, as the region's predominant actor, India should accord smaller member states asymmetric advantages, especially on trade issues, even if doing so hurts the interests of certain domestic constituencies. For smaller countries like Bangladesh or Bhutan, BIMSTEC and other multilateral initiatives in the Bay of Bengal region are attractive because they increase their bargaining power and mitigate India's overbearing capabilities in a bilateral setting. Modi seems to have embraced this strategic altruism.⁷² As senior Indian official Preeti Saran has emphasized, “India is aware of the fact that it is the largest country in the region and it is prepared to take on asymmetric commitments in BIMSTEC.”⁷³

Third, on a related note, India must be prepared to invest more resources in BIMSTEC. The effectiveness of New Delhi's leadership will hinge on its ability to match words with deeds and, more importantly, inject hard capital into the organization. India already finances the largest share of the secretariat's budget (approximately 32 percent).⁷⁴ Its budgetary allocation for the organization and related activities has expanded exponentially from 1.2 million rupees (roughly \$18,000) in 2015–2016 to 60 million rupees in 2017–2018 (roughly \$938,000), but this is still far less than what New Delhi allocated to the Commonwealth (100 million rupees, or \$1.5 million) or to SAARC (120 million rupees, or \$1.9 million).⁷⁵ Speedier disbursement of these funds would also help enhance the organization's functioning and visibility.

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Fourth, New Delhi ought to take the initiative when appropriate. India's greatest contribution to BIMSTEC will come from its ability to lead by example. It can do so by advancing cooperation in the four working groups it chairs: Transport and Communication, Tourism, Environment and Disaster Management, and Counter Terrorism and Transnational Crime. In 2017, for example, New Delhi took the lead by drafting and circulating texts for agreements on motor vehicle and coastal shipping connectivity.⁷⁶ Such diplomatic initiative is a vital means of signaling commitment, sustaining the organization's positive momentum, and driving cooperation.

Reach Beyond the Region

As BIMSTEC returns to the global limelight, it may face increasing pressures to expand its membership and external partnerships. To prevent members and other potential outside partners from working at cross-purposes, BIMSTEC will have to devise flexible ways to interact with other organizations and actors operating across the Bay of Bengal region.

The first challenge is defining the scope of the Bay of Bengal region and BIMSTEC's membership. The organization currently delineates the bay region rather narrowly based on its current membership. But geographically speaking, the bay should be conceived of in broader terms because, as historian Sunil Amrith underlines, "from the perspective of political and cultural history, to write of the Bay of Bengal without considering the Malay Peninsula would be meaningless."⁷⁷ Accordingly, Sri Lanka's prime minister refers to Indonesia and Malaysia as "Bay of Bengal nations."⁷⁸

The issue becomes even more complex given the rising informal interest of extraregional states in joining or working more closely with BIMSTEC, including Australia, China, Japan, South Korea, and even the EU.⁷⁹ For the time being, however, expansion of BIMSTEC membership or any other type of affiliation has actually remained frozen since Nepal and Bhutan joined in 2004, and BIMSTEC has indicated no plans to change this. Explaining this stance, an Indian official notes that it is important to "first focus on [internal] consolidation before expansion."⁸⁰

The second challenge pertains to how BIMSTEC can interact more effectively with other multilateral organizations, especially those already active in and around the Bay of Bengal region. Prashant Agrawal, India's joint secretary who dealt with the organization until 2017, has noted that while "BIMSTEC stands on its own," at the same time "we should synergize and not work at cross-purposes" with SAARC or any other regional organization.⁸¹

Initially, BIMSTEC was enthusiastic about reaching out to other international institutions.⁸² The ADB, in particular, repeatedly tried to engage BIMSTEC, forwarding a collaboration project in 2005.⁸³ However, after these efforts finally led to the BIMSTEC Transport Infrastructure and Logistics

Study (BTILS), one official familiar with the process recalls that India was not willing to support the ADB's follow-up proposal to set up an implementation and monitoring unit embedded within the BIMSTEC secretariat.⁸⁴ Such reluctance about external involvement seems to have been overcome, as demonstrated by New Delhi's recent offer to host a "regional hub" for the ADB's operations in South Asia.⁸⁵

On the challenges of both expansion and coordination with other organizations, BIMSTEC should consider revisiting some aspects of its current stance on expansion in four specific ways. First, BIMSTEC should consider offering an observer status. This possibility was discussed in 1998, and the second senior officials meeting forwarded this very recommendation, along with draft criteria, to the subsequent ministerial meeting.⁸⁶ In 2002, before joining as a full member, Nepal attended a senior officials meeting as an observer.⁸⁷ Based on this precedent, BIMSTEC should develop clear criteria for an observer status for other countries and international organizations. In the words of two former Indian diplomats, this would make it easier to "get other countries or other institutions involved in specific projects" and allow BIMSTEC to connect with "natural partners" beyond the region, such as Cambodia, Laos, and Vietnam.⁸⁸

Second, BIMSTEC should seek to involve other regional institutions in some of its key initiatives, especially relating to connectivity. Building on the 2017 BRICS outreach summit, BIMSTEC must develop more regular channels of communication with various counterparts active in the Bay of Bengal region. This includes leveraging strategic partnerships with ASEAN and similar connectivity efforts by the ADB (particularly the SASEC), the World Bank and its regional country offices, the United Nations' Bangkok-based Economic and Social Commission for Asia and the Pacific, and the MGC and CMLV initiatives. On the maritime front, BIMSTEC would benefit from consultations, coordination, and cooperation with the IORA. While, in principle, BIMSTEC should also consider engaging with the Asian Infrastructure Investment Bank, the BCIM, and even the BRI, India's increasing reluctance to work through such China-driven initiatives are likely to stall any such efforts by other member states.

Third, BIMSTEC should seek to revive subregional mechanisms. It must avoid the risk of requiring unanimity among all member states to make any significant decisions—an approach that has undermined SAARC repeatedly. Instead, members should develop mechanisms that allow for tailored and clustered trilateral and quadrilateral cooperation among a few member states in certain instances. In 1997, BIMSTEC was clearly targeted at fostering subregional cooperation, with a founding declaration that emphasized its mandate as "an additionality to and not [meant to] be a substitute for bilateral, regional or multilateral cooperation."⁸⁹ Twenty years later, while the organization has at least partially succeeded in carving out a distinct regional character, its subregional

identity should be recaptured. Rather than an obstacle, if appropriately institutionalized, multispeed, multifaceted cooperation through BIMSTEC may actually lead to positive spillovers across different sectors.

Fourth, BIMSTEC would do well to keep China out. Beijing poses a particular challenge, as it has informally expressed interest in obtaining observer status within BIMSTEC and in rendering specific project support.⁹⁰ While bringing China into BIMSTEC could lead to immediate financial dividends, it would also likely weaken the organization in the long term, given Beijing's history of adopting divide-and-rule practices toward other regional organizations like ASEAN and the EU.⁹¹ According to one Indian official, in 2017, China tried to pressure Nepal to "go slow" on BIMSTEC and, instead, push for a revival of SAARC, which includes Pakistan and to which China is an observer.⁹² Given these concerns, at least in the short run, it would be advisable to insulate BIMSTEC from any geopolitical competition and protect its multilateral corridors from Chinese diplomatic interference. This could be achieved by establishing clear criteria for membership, including geographic continuity to the Bay of Bengal. If the organization decides to institute an observer status, Beijing could then be invited along with other extraregional powers and multilateral institutions to develop a more formal, albeit limited, relationship.

Deepening Sector-Specific Cooperation

Apart from efforts to sharpen BIMSTEC's mandate and strengthen its capabilities, India and other member states should also strive to shore up BIMSTEC's efforts in particular areas, including physical connectivity, trade promotion, and people-to-people exchanges.

Enhance Physical Connectivity

Plans to expand regional integration in the Bay of Bengal will remain a pipe dream unless BIMSTEC members ensure that the hard infrastructure is in place to accelerate the flow of vehicles, vessels, people, and goods across borders. Connectivity will emerge as BIMSTEC's key challenge for the next few years, and all member states should make this area their utmost priority. No other areas are as important as developing the foundational infrastructure to foster regional ties. As senior Indian official Preeti Saran noted in comparison to trade, "if BIMSTEC were to have land and maritime connectivities as a grouping, that would go a much longer way rather than just keep struggling with [a free trade agreement]."⁹³

The appalling current state of affairs is apparent in two areas especially. First, in continental terms, the India-Myanmar border remains one of Asia's least open. Until 2015, when a second border point was installed, archaic barter trade prevailed even at what was then the single border point with a full-fledged