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An Interview with Ambassador Ranjit Gupta



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Amb Ranjit Gupta talks to Leonora Juergens about the evolution of BIMSTEC , why the sub-regional grouping did not take off the way it should have initially and the necessary steps to be taken forward, in order to make BIMSTEC a success.

Amb Ranjit Gupta is a member of the Indian Foreign Service (retired). During his long tenure at the Ministry of External Affairs, he had served in Venezuela, Sultanate of Oman, Thailand, Taiwan and others in Ambassadorial capacity.

It was during his time in Thailand, that Amb Gupta was significantly involved in the formation of the Bay of Bengal Initiative for Multi-Sectoral and Economic Cooperation (BIMSTEC).



Interviewed by
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Leonora is in her final year of her Bachelors in South Asian Studies at the University of Heidelberg, Germany. Previously she was a visiting student at the School of Oriental and African Studies (SOAS), London under a DAAD-Scholarship and has interned with Oxfam India in the Assam Conflict response Program 2012, Kolkata , India.

BIMSTEC

YESTERDAY, TODAY AND TOMORROW

Amb Gupta, you have been significantly involved in the formation of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). Can you explain the initial reasoning behind BIMSTEC?

When I went as India's Ambassador to Thailand in January 1994 India's Look East Policy (LEP) had just been initiated. India had become disconnected from most countries of Southeast Asia because of the dynamics of the Cold War.

Notwithstanding this wide gulf, before ASEAN was formed in 1967, Thanat Khoman, the then Foreign Minister of Thailand and Lee Kuan Yew, the first Prime Minister of Singapore, had approached India to become an active partner of ASEAN. But India had rebuffed them. India again turned down ASEAN's approaches in 1980. So after the Cold War ended, the new government under Prime Minister PV Narasimha Rao consciously chose to break away from the paradigms of the past and conveyed to Southeast Asian countries, that India was ready and keen to liberalise its economy and open it to the world and engage with them. The Finance and Commerce Ministers visited Southeast Asian countries with this message which was music to their ears. This constituted the essence of what came to be dubbed as the 'Look East Policy' (LEP). Indeed, underlining his personal commitment, in the first two years in office, Narasimha Rao visited Indonesia, Malaysia, Singapore, Thailand and Vietnam apart from China, Japan and South Korea. Results were immediate - India received Sectoral Partner status with ASEAN in 1992.

In December 1995 India was granted Full Dialogue Partner status, ahead of China. India reversed another policy and decided to engage with the military regime in Myanmar which it had heretofore not merely shunned but had been very strongly criticising.

Thinking of what I could contribute in this new milieu in my new job, I felt that the LEP was the ideal vehicle for the economic development of India's isolated, remote, insurgency wracked, underdeveloped Northeastern states. The best way to do this was to establish physical connectivity between India and the ASEAN countries, which was only possible through Thailand. In turn, physical connectivity to Thailand was only possible through Bangladesh and Myanmar. Contiguous areas of India, Bangladesh, Myanmar and Thailand had traditionally constituted a natural economic, geographic and socio-cultural unit. This concept needed to be revived. The creation of a sub-regional group would

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enable bilateral differences between India on the one hand and Bangladesh and Myanmar on the other to be overcome in the shared common interest of all as through establishment of physical linkages between India and South East Asia.

But how was this idea translated into a practical proposition; into an entity which came to be called BIMSTEC?

During my courtesy call on Dr Supachai Panitchpakdi, on 31 May 1994, then Thailand's Deputy Prime Minister (later Secretary General of UNCTAD and Director General of WTO), I sounded him about this and he thought it was an excellent idea. While there had been no response from our Ministry of External Affairs to this idea, Thailand took ownership and on 5 July 1994 a proposal for an Economic Cooperation Group was publicly announced which also included Sri Lanka. Thailand had decided to add Sri Lanka on its own and there was a fairly straightforward

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rationale that all these five countries constituted the rim of the Bay of Bengal segment of the Indian Ocean.

However, when the formal suggestion for a sub-regional group came from the Thai side a year later, it mentioned only India, Sri Lanka and Thailand and omitted Bangladesh and Myanmar. Thailand had perceived that given the less than satisfactory nature of India's relations at that time with Bangladesh and Myanmar, India may not be very favourably inclined



[Picture Courtesy: The BIMSTEC Myanmar National Secretariat, www.bimstecsummit.org]

to have them in at the outset. After extensive interactions between MEA and me and the Thai authorities it was finally agreed that Bangladesh would be involved but will not sign the initial agreement and that Myanmar would be taken on board soon thereafter. In June 1997 an Agreement was signed by the visiting Indian Secretary from the Ministry of External Affairs, the Sri Lankan Ambassador and the Thai Permanent Secretary, while the Bangladesh Ambassador was asked to wait in an anteroom; so it was originally signed as 'ISTEC', then 15 minutes later the Bangladesh Ambassador was invited in and it became 'BISTEC'. The news of the establishment of BISTEC was released to the press. Finally, with Myanmar joining in December 1997 it became BIMSTEC. In short, that is the story of the formation of BIMSTEC. At that time the alphabets of the acronym BIMSTEC referred to the first letter of the countries that were members; it is only later that the entity acquired its present name.

Why has BIMSTEC gained so little national and regional significance?

As I have mentioned there never was much enthusiasm from the Indian side. India is by far the biggest country in BIMSTEC. Since India did not take much interest in BIMSTEC, obviously none of the other countries did either. None of them was influential enough. Therefore, BIMSTEC got the lowest priority. That is testified to by the fact that despite being established as far back as 1997, the third summit took place only in March 2014. Of course, it had a lot of pitfalls of its own because of the poor bilateral relationships between Myanmar and Bangladesh, between India and Bangladesh and between India and Myanmar. Moreover, BIMSTEC was later

expanded when Nepal and Bhutan were made members. Their addition did not bring any additional value to the essential original rationale of the concept and by having more members, arriving at agreements becomes that much more difficult. Expand the membership by all means, but only after you have made a success of the entity; there is no point in scoring political brownie points at the cost of further complicating possibilities of economic success.

There is a lot of talk about 'BCIM' - the Bangladesh, China, India, Myanmar Economic Corridor. How are the two interrelated or how can the two be compared?

BCIM was originally known as the 'Kunming Initiative' and was put forward by China. With China's huge influence in Myanmar and Bangladesh, both jumped on the band-wagon. Clearly, China had conceptualised the Kunming Initiative to promote its own economic interests. The most important point in favor of BIMSTEC was that it was meant to focus on the economic development and stability of the Northeast by doing away with its isolation and lack of connectivity with its geographical neighbors and even mainland India; remedying this remoteness and this

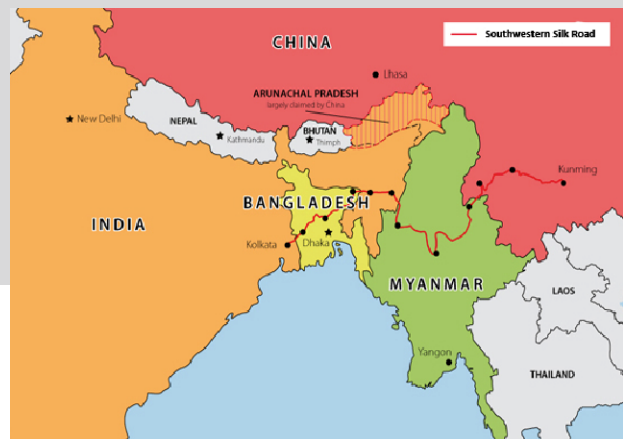
“India should give much greater priority by far to BIMSTEC, in order to move its development of the Northeast agenda forward.”

lack of connectivity lay at the heart of the idea of BIMSTEC. If you see the trajectory of the BCIM, the corridor connects China through Myanmar and Bangladesh to Kolkata, while the Northeast is bypassed. It just passes a few kilometers through the Northeast. This is the reason why I am not happy about BCIM. And therefore India should give much greater priority by far to BIMSTEC, in order to move its development of the Northeast agenda forward. India's project implementation capabilities are notoriously weak and we simply must not thinly spread whatever capability we have and must give priority to an entity where we could be in the driving seat rather than one in which China inevitably will be the driver and in its own interests. If priority is given to BCIM then it could mean that BIMSTEC could not only remain in cold storage but may well freeze to death.

Does this mean that BIMSTEC serves as a geo-economic way to counter-balance China's regional influence?

I would not say "counter-balance." India cannot counter China because it is not in the same economic league as China. The best India can do is to identify common interests of the members of BIMSTEC and promote them and thus promote its own interests. India should give BIMSTEC a purely economic focus. Geo-economics today determines geo-politics. That is the nature of the game. There is no need to talk about geo-politics. BIMSTEC is not and should not be projected as a counter to China or anybody else; there was never such any such intention in the past nor is it there today.

Japan is often cited as the necessary eighth partner in BIMSTEC in order to push its agenda forward. Why?



[Picture Courtesy: Asia Briefing, www.asiabriefing.com]

If you had asked me the question: "Is there any other country which could have been involved in BIMSTEC?" I would have said: "Yes, Japan!" Japan is in a very strong position vis-à-vis Myanmar, has very close relations with Thailand and excellent relations with India. It can provide the necessary investment to create and fund projects, which can bring the BIMSTEC countries together in shared economic endeavours. Every entity today has Observers apart from their members; so does BIMSTEC. In my view a new category should be created - Full Dialogue Partner of BIMSTEC - and Japan should be consciously invited as the only such Dialogue Partner of BIMSTEC, in order to help implement BIMSTEC's economic and infrastructural projects as a full equity/management participant in these projects and also to fund counterpart projects in India's Northeastern states on a similar pattern. Japan can make this into a shining example of what it can achieve for the other Asian countries.

Since 2004 BIMSTEC has been trying to negotiate a Free Trade Agreement (FTA)

without effect. How do you explain the slow economic progress?

I personally think that devoting time and effort to a BIMSTEC-FTA is not a particularly great idea – it is not going to be at all easy to forge one; India already has one with ASEAN and Myanmar and Thailand are ASEAN members. The lack of a SAARC-FTA shows how difficult it is in the South Asian context. BIMSTEC should concentrate on specific projects instead, where the involved countries benefit directly. For example bamboo is important in all member countries as well as tourism. Border trade facilities on the ground between member states of BIMSTEC are pathetic and this needs dramatic improvement. This could and should be a BIMSTEC project. Projects for capacity building in IT and English language are also important. For example, the Northeast is very strong in English language and could do a great deal for Myanmar and the contiguous border areas of Bangladesh. So what one should think about in the context of BIMSTEC is not an FTA but of concrete people-oriented projects. That is the way forward.

Would a multilateral FTA with Bangladesh and Myanmar not improve bilateral trade with India?

There are too many problems. Why should mutually beneficial economic interaction get held hostage to an FTA? Instead BIMSTEC should create direct trade facilitation measures. For example, the single most important component of Indo-Myanmar trade is India's import of pulses from Myanmar. However, there is no shipping line between Myanmar and India. And pulses are not traded through the border either. Nothing of major significance

goes formally across the Indo-Myanmar border, although there is a huge amount of trade happening. While the formal border trade amounts to about US\$15 million, the illegal trade is probably US\$500 million. So, border trade has to be regularised. Separately, a shipping company could be set up with the help of Japanese Official Development Assistance (ODA) for direct trade between India and Myanmar. Japan gives a lot of ODA to both India and Myanmar. It will take time, but eventually the shipping line will become profitable and direct trade between India and Myanmar will boost levels of total bilateral trade, which today is mostly through Singapore.

In what way could a regional approach of BIMSTEC encourage the economic integration of the Northeast?

At the moment one cannot implement it truly. Even speaking about tourism and border trade under BIMSTEC is premature. While you can drive up trucks with goods until the Indian border on the Myanmar side, proper roads do not exist on the India's Northeastern side. So before the Northeast can engage in truly meaningful

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and significant border trade with neighbouring countries, the infrastructural constraints within the Northeast must be sorted out first as a matter of high priority. Proper infrastructural connectivity amongst one another and within each state of the Northeast must be established. There is no shortage of money. Any amount of money has been sanctioned for the Northeast. But unfortunately 90 per cent of it goes into the pockets of politicians, insurgents, contractors, and bureaucrats. Here again Japan could be invited to be involved.

Now that the Permanent Secretariat has been set up in Dhaka, Bangladesh, BIMSTEC finally has an institutional body. Does this point towards a greater commitment from New Delhi?

Well, I would certainly hope so! All members will be pushed to take BIMSTEC more seriously. To have a permanent secretariat is an extremely good idea. It is also good that it is located in a smaller member country. The Secretariat will now process and follow up on the implementation of decisions which was a very major problem in the past because when summits are few and far between they are treated as events and the host country forgets about implementation of decisions after they are over. By having a Secretariat we make the processes of interaction a continuum and that is a very major step forward.

How do you envision the future trajectory of BIMSTEC under the new government?

Well, at the end of the day, if India as the largest country takes no interest in

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BIMSTEC, it will be dead anyway. If India does take an interest, there is hope.

And with Mr Narendra Modi as the new Prime Minister, there is a possibility of India taking a much greater and focused interest in BIMSTEC at the higher political levels.

So I am more optimistic about BIMSTEC's prospects than before.

