lawlessness. The local population in such areas is trapped in an ambiguous situation where they are forced to ‘migrate into illegality’ in order to survive in a difficult and violent environment, for instance by taking part in the illicit economy of opium cultivation. The same holds true for ethnic armed opposition groups who control their areas but are at the same time denied access to the formal economy and may consequently be compelled to depend on illegal activities in order to sustain their base – a situation that could potentially corrupt their legitimate political aims. The Tatmadaw exploits this situation in its effort to manage the conflict instead of seeking a political solution, by creating and supporting militias and switching alliances with different armed groups at will. In a fastchanging and dynamic region, it will be essential in the coming decade to address the issues of transparent law and order and the suffering of local communities.

CHAPTER – V

Other Factors of affecting stability of the Region of N-E

A. Interest of China in the Region

When we think of our national security in the context of north-east India the picture of China comes in our mind. China has been a major threat to our northern security since 1962. Though there has been no engagement of armed forces after the last war, a local cold war situation exists between the two countries. China sided with
Pakistan during the 1971 war. The formation of Sino-US-Pakistan axis has forced our security planners to review the northern security situation time to time.

B. India-Myanmar Relation

Myanmar was the largest British controlled province in India. Post-1937, Myanmar was declared a separate, independent entity under the British. After independence, Burmese Indians were treated like foreigners with no privileges and were prohibited from acquiring land or owning property. Despite this, relations between the two countries were amicable as the Indian Prime Minister, Jawaharlal Nehru and Burmese Prime Minister U Nu cooperated on the Non-Aligned Movement (NAM) and signed a treaty of friendship.

Following the military takeover by the Tatmadaw in 1962 under Gen. Ne Win, Myanmar isolated itself from the world, especially India. Meanwhile, China’s relations with Burma started improving. India-Burma relations nose-dived further when India offered refuge to pro-democracy supporters from that country. In 1989, the Janata Dal-led coalition government caused relations with Myanmar to further deteriorate with its sharp criticism of the bloody suppression by the ruling State Law and Order Restoration Council or SLORC (the precursor to State Peace and Development Council or SPDC) of the student movement that led to an influx of Myanmar’s refugees in India.

Post-Cold War, relations somewhat improved again under a Congress (I)-led coalition government in India under its “Look East Policy.” Ever since, ties between the two countries have remained friendly. In 1997, when Myanmar became an ASEAN member, India's relations with that country consolidated further.

While India supports democracy in general, democracy in Myanmar is an issue that New Delhi considers an internal matter of that country. India hosts pro-democracy refugees from Myanmar without involving itself in the struggle or voicing
criticism for its human rights violations. India was also non-committal in reacting to the antigovernment protests in Myanmar in 2007 which were brutally suppressed by the ruling junta or the Kokang repressions in 2009 along the China-Myanmar border. The Indian government under Prime Minister Manmohan Singh still follows the policy of discretion when it comes to Myanmar's internal affairs.

It is significant that India welcomed Gen. Than Shwe in July 2010 despite international opposition. Singh signed five MoUs for cooperation during this visit. A military delegation was also sent in October to Myanmar for bilateral military engagement exercises. On the issue of release of Aung San Suu Kyi also in December 2010, India had to walk a diplomatic tightrope and did not react very significantly. While India is expected to push for a democratic process in Myanmar, Indian national interest cannot be disregarded as Myanmar is India's gateway to Southeast Asia. Therefore, India will continue its engagement with the military junta-backed Union State and Development Party (USDP) which saw a landslide victory in the elections.

India's interests in Myanmar's energy resources have long been welcomed by the junta; however, keeping in mind the structure of coalition politics in India and a resultant apparent lack of initiative due to failure to reach an internal political consensus, it has been an uphill task to pursue these with as much gusto as needed. This has led to an upper hand for China in Myanmar as the Chinese policy in that country is clear and straightforward and aimed at engaging Myanmar strategically and economically, and especially so, for the bordering Yunnan province. Yunnan, which was much neglected and impoverished about a decade ago, as is India's Northeast at present, has now come up as a major economic destination in China due to its trade activities with Myanmar.

Chinese involvement in Myanmar extends all over the country in the economic realm. Myanmar's major chunk of trade is border trade with China and Thailand. Moreover, China has made inroads in Myanmar by undertaking several infrastructure projects like road and dam construction. This arrangement allows the Myanmar government access to previously inaccessible interiors of the country where
security concerns are high as they provide safe havens for criminals and insurgents. It is in Chinese interest to stabilize Myanmar politically so it is a mutually complementary situation as it gets them economic gains while Myanmar is able to deal with its insurgents better. If India’s Northeast was not as disturbed and poorly connected, the ethnic population on the Indian side would also have interacted with their counterparts across the India-Myanmar border as the Chinese are doing by promoting extensive organized border trade.

Myanmar needs both India and China for stability and economic gains which will lead to development. In the 1960s, a lot of ethnic Chinese in Myanmar were killed which resulted in China breaking its ties with Myanmar. But, after the end of the Cold War and the junta takeover in the country, it tried to revive these severed relations because Myanmar wanted support and backup from China against US action and in case of an international backlash. In 2008, for example, the US put forth a resolution in the UN Security Council against Myanmar, of human rights violations in that country. Both, China and Russia came to its aid by vetoing the resolution and asking the US to take it to the General Assembly instead.

This however, does not mean that China is helping Myanmar unconditionally. They are doing this to ensure that that the US does not get a chance to set up military capabilities in the China-bordering Shan or Karen States.

India can borrow a leaf from Chinese policies in updating and suitably modifying its own policy towards Myanmar. While there are certain problems in India which China does not face, there are ways to work around them. A beginning has to be made somewhere if India does not want to lose out on the huge opportunities that Myanmar can offer.

**India – Myanmar Relations**
India-Myanmar relations are rooted in shared historical, ethnic, cultural and religious ties. As the land of Lord Buddha, India is a country of pilgrimage for the people of Myanmar. India and Myanmar relations have stood the test of time. The geographical proximity of the two countries has helped develop and sustain cordial relations and facilitated people-to-people contact. India and Myanmar share a long landborder of over 1600 km and a maritime boundary in the Bay of Bengal. A large population of Indian origin (according to some estimates about 2.5 million) lives in Myanmar. India and Myanmar signed a Treaty of Friendship in 1951. The visit of the Prime Minister Rajiv Gandhi in 1987 laid the foundations for a stronger relationship between India and Myanmar.

A number of agreements enhancing bilateral Cooperation have been signed between the two countries. Institutional mechanisms for facilitating regular dialogue on a range of issues of bilateral interest have also been established. During 2002, the Indian Consulate General in Mandalay was re-opened and the Consulate General of Myanmar was set up in Kolkata. Following the cataclysmic cyclone ‘Nargis’ which hit Myanmar in May 2008, India responded immediately with relief materials and offers of assistance. India also provided assistance of US $1 million for humanitarian relief and rehabilitation in the areas affected by the severe earthquake in Shan State in March 2011. Of this amount, US$ 250,000 was provided as a cash grant to the Myanmar Government while US$ 750,000 was utilized for reconstruction of one high school and six primary schools in Tarlay Township that was worst affected by the earthquake.

**Exchange of High Level Visits**

High level visits have been a regular feature of India-Myanmar relations for several years. After the formation of the new government led by President U Thein Sein on March 30, 2011, Shri S.M. Krishna, Minister of External Affairs, was the first high level dignitary to visit Myanmar on June 20-22, 2011. Smt Nirupama Rao, Foreign Secretary, accompanied EAM during the visit. During this visit, MoU on
Setting up of Indo-Myanmar Industrial Training Centre at Myingyanin Myanmar was signed by EAM and H.E. U Soe Thane, Minister of Industry-II of Myanmar. Documents pertaining to the construction of ten 500-tonne rice silos with Indian assistance of US$ 2 million in Yangon and Ayeyarwaddy Divisions were also handed over.

President U Thein Sein paid a State visit to India on October 12-15, 2011. The visit represented the first State visit from Myanmar to India following the swearing in of a new Government in Myanmar in March 2011. President Thein Sein had a meeting with the Prime Minister of India, Dr. Manmohan Singh, which was followed by delegation level talks. He was accompanied by Chief of General Staff Lt Gen. Hla Htay Win, Minister for Border Affairs and Myanmar Industrial Development Lt. Gen Thein Htay, Minister for Foreign Affairs U. Wunna Maung Lwin, Minister for Agriculture and Irrigation U Myint Hlaing, Minister for Religious Affairs Thura U Myint Maung, Minister for Industry (1) and (2) U Soe Thane, Minister for Electric Power (1) U Zaw Min, Minister for National Planning and Economic Development and Livestock and Fisheries U Tin Naing Thein, Minister for Transport U Nyan Tun Aung, Minister for Energy U Than Htay, Minister for Science and Technology U Aye Myint, Minister of Commerce U Win Myint, Deputy Minister for Health Dr. Win Myint, and other senior officials. During the visit, two documents were signed, namely, the Memorandum of Understanding for the Upgradation of the Yangon Children's Hospital and Sittwe General Hospital; and the Programme of Cooperation in Science & Technology for the period of 2012-2015.

Pyithu Hluttaw (Lower House) Speaker Thura U Shwe Mann led a high level parliamentary delegation to India from December 11-17, 2011. The visit was in response to a joint invitation extended by Shri M. Hamid Ansari, Vice President of India/Chairman, Rajya Sabha and Smt. Meira Kumar, Speaker of the Lok Sabha. The objective of the visit was to share India’s experience in parliamentary practices and procedures with the visiting Myanmar delegation. Myanmar Foreign Minister U Wunna Maung Lwin paid an official visit to India from January 22-26, 2012. During the visit, he called on Prime Minister and held bilateral discussions with EAM.
During his visit, he delivered a lecture at the Indian Council for World Affairs on the topic “Myanmar: A Country in Transition to Democracy”.

Prime Minister of India Dr. Manmohan Singh paid a state visit to Myanmar from May 27-29, 2012. During the visit, Prime Minister several new initiatives were announced and signed 12 MoUs and agreements including extension of a new line of credit (LOC) for US$500 million to Myanmar, support for setting up an Advance Centre for Agriculture Research and Education in Yezin, a RiceBio-park in the integrated Demonstration Park in Nay Pyi Taw, and an Information Technology Institute in Mandalay. In addition, important agreements such as Air Service Agreement, Establishment of Joint Trade and Investment Forum, MoU on Border Areas Development, and establishment of Border Haats and Cultural Exchange Programme.

**Major Indian Projects in Myanmar**

The Government of India is actively involved in over a dozen projects in Myanmar, both in infrastructural and non-infrastructure areas. These include upgradation and resurfacing of the 160 km long Tamu-Kalewa-Kalemyo road; construction and upgradation of the Rhi-Tiddim Road in Myanmar; the Kaladan Multimodal Transport Project; etc. An ADSL project for high speed data link in 32 Myanmar cities has been completed by TCIL. ONGC Videsh Ltd. (OVL), GAIL and ESSAR are participants in the energy sector in Myanmar. M/s RITES is involved in development of the rail transportation system and in supply of railway coaches, locos and parts. In September 2008, Ministry of Electric Power-1 (MoEP-1) and NHPC signed an agreement for development of the Tamanthi and Shwezaye Hydro-Electric Power project in Chindwin River valley and NHPC submitted the updated DPR on Tamanthi and is working on the DPR on the Shwezaye project.
A heavy turbo-truck assembly plant set up in Myanmar by TATA Motors with GOI financial assistance was inaugurated on December 31, 2010. An India-Myanmar Industrial Training Centre has been set up by HMT(I) in Myanmar with the assistance of GOI in Pakokku, a second centre is being set up in Myingyan, while the Myanmar-India Centre for English Language (MICELT), a Myanmar-India Entrepreneurship Development Centre (MIEDC) and an India-Myanmar Centre for Enhancement of IT Skills (IMCEITS) are all operational. Other projects include revamp of the Ananda Temple in Bagan, upgradation of the Yangon Children’s Hospital and Sittwe General Hospital, erection of disaster proof rice silos etc. India has also assisted in the reconstruction of 1 high school and 6 primary schools in Tarlay township, the area worst affected by the severe earthquake that struck north-eastern Myanmar in March 2011.

**Commercial and Economic Relations**

Bilateral trade has expanded significantly from US$12.4 million in 1980-81 to US$1070.88 million in 2010-11. India’s imports from Myanmar are dominated by agricultural items (beans, pulses and forest based products from 90% of our imports). India’s main exports to Myanmar are primary and semi-finished steel and pharmaceuticals. Following are the export-import figures as per the Central Statistical Organization (CSO), Yangon:-

**Table 1: India-Myanmar Bilateral Trade (US$ million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>India’s Export</th>
<th>India’s Import</th>
<th>Total</th>
<th>Trade Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>139.95</td>
<td>781.93</td>
<td>921.19</td>
<td>(-) 641.98</td>
</tr>
<tr>
<td>2007-08</td>
<td>185.43</td>
<td>809.94</td>
<td>995.37</td>
<td>(-) 624.51</td>
</tr>
<tr>
<td>2008-09</td>
<td>221.64</td>
<td>928.97</td>
<td>1150.61</td>
<td>(-) 707.33</td>
</tr>
</tbody>
</table>
At the institutional level, the Confederation of Indian Industry and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) entered into an MoU in February, 2000. An MoU was also signed between CII and the Myanmar Computer Federation (MCF) in 2001. In 2004, an Agreement on setting up of a Joint Task Force between Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and Confederation of India Industry was signed, as was an MoU between Myanmar-India Business Club (MIBC) and Federation of Industries and Commerce of North-Eastern Region. The mechanism of the Joint Trade Committee (JTC), chaired by the respective Commerce Ministers has been effective in reviewing and setting policy objectives for bilateral trade between the two countries. Set up in 2003, the Joint Trade Committee has met four times so far (the last being in September 2011) and has successfully directed the rapid growth of commercial relations between the two countries. During the 4th JTC meeting both sides reviewed bilateral trade and investment and agreed to double the bilateral trade to US$ 3 bn by 2015. In 2008, during the 3rd Joint Trade Committee Meeting between India and Myanmar, United Bank of India signed an MoU with three Myanmar national banks (Myanmar Foreign Trade Bank, Myanmar Economic Bank and & Myanmar Investment and Commercial Bank) to facilitate trade. However, this channel is being mostly utilized for border trade only. In addition to this, a Bilateral Investment Promotion Agreement (BIPA) and a Double Taxation Avoidance Agreement (DTAA) were also signed in 2008. India and Myanmar is both signatory to the India-ASEAN Trade in Goods Agreement, which was signed in August 2009. Myanmar is also a beneficiary country under India’s Duty Free Tariff Preference Scheme for LDCs.
Border trade: India and Myanmar signed a border trade agreement in 1994 and have two operational border trade points (Moreh-Tamu and Zowkhatar–Rhi on the 1643 km long border. A third border trade point is proposed to be opened at Avakhung-Pansat/Somrai. With an estimated border trade of US$ 12.8 mn (2010-11), major items bought by Myanmar traders from the Indian side are cotton yarn, auto parts, soya bean meal and pharmaceuticals, (reports also about smuggling of items like fertilizers, vehicles particularly two wheelers etc.); betel nut, dried ginger, green mung beans, turmeric roots, resin and medicinal herbs are the main items sold from Myanmar to India. During the 3rd India-Myanmar Joint Trade Committee in October 2008, it was agreed that Border Trade at the existing points would be upgraded to Normal Trade so as to promote bilateral trade between the two countries. Notifications to this effect have been issued by both sides. Trade Fair & Market Promotion: Recent trade promotion events include the India Product Show 2012 (March 2012), representing 19 companies, NEFIT’s car rally from (March 2012) with over 60 participants (including over 35 business community representatives) from Guwahati to Yangon and back, the much successful Enterprise India show 2011 organised by CII in November 2011 in which over 60 Indian companies participated, India Pharmaceutical Expo 2011 held in Yangon with the help of PHARMEXCIL and the Myanmar Medical Association, the North East India Conclave held in Yangon and Mandalay in September 2010 by the Indian Chamber of Commerce, Kolkata and the UMFCCI, visits by the Indo-Myanmar Chamber of Commerce and Industry (IMCCI), Mumbai to Myanmar in January 2010 etc. Training Programme: Myanmar is a beneficiary of training programmes under ITEC, TCS of Colombo Plan, GCSS and MGCSS schemes. The slots for Myanmar trainees in 2011-12 were as follows: ITEC 185; TCS –75; GCSS of ICCR – 10 and MGCSS - 10. Utilization has been excellent. In 2011-12 also, the interest levels are high. We have also offered training to two sets of local journalists who were given an intensive training at IIMC, New Delhi by XP Division. Culture Exchange Performances by Indian cultural troupes in Myanmar have been organised on a regular basis since 1997. Various cultural troupes have exchanged visits and performed in both countries. In November 2009, a 13-member student group from Myanmar attended SAARC Cultural Festival in India. In
December 2009, a popular Myanmar music band ‘Emperor’ went to India to participate in the “South Asian Bands Festival” organized by ICCR. They also performed in Shillong, Meghalaya. In January 2010, the Embassy organized the annual “Indian Film Festival” at Yangon. This event has become a highlight of the Yangon cultural calendar. In March 2010, a famous landscape artist from Myanmar went to Puducherry, India to participate in “South Asian Artists Camp” organized by ICCR and SEHER. The paintings emerging from that camp were exhibited in the Embassy Auditorium in November 2010 and received an outstanding response from the local community. A 15-member theatre group from Myanmar went to India participate in “South Asian Theatre Festival” organized by ICCR and NSD in March 2010. The “Abiogenesis” band performed Yangon and Mandalay in the last week of May 2010. A Qawwali group (Sabri Brothers) performed in Yangon and other cities in Myanmar in January 2011. There was a packed calendar of commemorative activities for the Rabindranath Tagore 150th birth anniversary celebrations, including a dance drama, seminar, artists’ camp, film festival etc. All the events were very well received by the Myanmar public and media. Classes in Bharatnatyam and Yoga have been started in the Embassy since December 2010, with the support of the ICCR. Indian Diaspora The origin of the Indian community in Myanmar is traced back to the mid 19th century with the advent of the British rule in Lower Burma in 1852. The two cities of Myanmar namely, Yangon (former Rangoon) and Mandalay had a dominating presence of Indians in various fields such as civil services, education, trade & commerce during the British rule. According to 1983 official census of Myanmar the number of PIOs in Myanmar is 428,428 and the estimated number of stateless PIOs is to be 250,000. A large number of the Indian community (nearly 150,000) live in Bago (Zeyawaddy & Kyautaga) and Tanintharyi Regions and Mon State and are primarily engaged in farming. The NRI families in Myanmar mainly live in Yangon and are engaged in export-import business or are employees of MNCs based in India, Singapore and Thailand. Air links with India / Convenient Travel Routes 1. Thai Airways flies daily to various cities in India via Bangkok; 2. Indian Airlines flies Kolkata-Yangon (to-and-fro) twice a week on Mondays and
Fridays; Cooperation between India and Myanmar in the regional/Sub-regional Context

**ASEAN:** Myanmar became a member of ASEAN in July 1997. As the only ASEAN country which shares a land border with India, Myanmar is a bridge between India and ASEAN. A few proposals for cooperation have been implemented and some are under discussions with Myanmar within the framework of ASEAN’s IAI programme.

**BIMSTEC:** Myanmar became a member of BIMSTEC in December 1997. Myanmar is a signatory to the BIMSTEC Free Trade Agreement. Myanmar is the lead country for the energy sector. Myanmar trades mostly with Thailand and India in the BIMSTEC region. Myanmar’s major exports to India are agricultural products like beans, pulses and maize and forest products such as teak and hardwoods. Its imports from India include chemical products, pharmaceuticals, electrical appliances and transport equipment. The 13th BIMSTEC Ministerial Meeting was held in Myanmar in January 2011.

**Mekong Ganga Cooperation:** Myanmar is a member of the Mekong Ganga Cooperation (MGC) since its inception in November 2000. MGC is an initiative by six countries – India and five ASEAN countries namely, Cambodia, Laos, Myanmar, Thailand and Vietnam – for cooperation in the fields of tourism, education, culture, transport and communication. The chairmanship of MGC is assumed by member countries in alphabetical order.

**SAARC:** Myanmar was given the status of observer in SAARC in August 2008. July 2012


C. Role of Different Organizations for Regional Co-operation
1. SAARC
The **South Asian Association for Regional Cooperation (SAARC)** is an economic and geopolitical organisation of eight countries that are primarily located in South Asia or Indian subcontinent. The SAARC Secretariat is based in Kathmandu, Nepal. The combined economy of SAARC is the 3rd largest in the world in the terms of GDP(PPP) after the United States and China and 5th largest in the terms of nominal GDP. SAARC nations comprise 3% of the world's area and contain 21% (around 1.7 billion) of the world's total population and around 9.12% of Global economy as of 2015. India makes up over 70% of the area and population among these eight nations. All non-Indian member states except Afghanistan share borders with India but only two other members, Pakistan and Afghanistan, have a border with each other. During 2005-10, the average GDP growth rate of SAARC stood at an impressive 8.8% p.a., but it slowed to 6.5% in 2011 largely because of economic slowdown in India, which accounts for nearly 80% of SAARC’s economy. But driven by a strong expansion in India, coupled with favorable oil prices, from the last quarter of 2014 South Asia once again become the fastest-growing region in the world.

The idea of regional political and economical cooperation in South Asia was first raised in 2 May 1980 by Bangladesh President Ziaur Rahman and the first summit was held in Dhaka on 8 December 1985, when the organisation was established by the governments of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Since then the organisation has expanded by accepting one new full member, Afghanistan, and several observer members.

The SAARC policies aim to promote welfare economics, collective self-reliance among the countries of South Asia, and to accelerate socio-cultural development in the region. The SAARC has developed external relations by establishing permanent diplomatic relations with the EU, the UN (as an observer), and other multilateral entities. The official meetings of the leaders of each nation are held annually whilst the foreign ministers meet twice annually. The 18th SAARC Summit was held in Kathmandu from 26–27 November 2014.

**History**
The idea of co-operation in South Asia was discussed in at least three conferences: the Asian Relations Conference held in New Delhi on April 1947; the Baguio Conference in the Philippines on May 1950; and the Colombo Powers Conference held in Sri Lanka in April 1954.\[^{18}\]

In the ending years of the 1970s, the seven inner South Asian nations that included Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka agreed upon the creation of a trade bloc and to provide a platform for the people of South Asia to work together in a spirit of friendship, trust and understanding. President Ziaur Rahman later addressed official letters to the leaders of the countries of the South Asia, presenting his vision for the future of the region and the compelling arguments for region.\[^{14}\] During his visit to India in December 1977, President Ziaur Rahman discussed the issue of regional cooperation with the Indian Prime Minister, Morarji Desai. In the inaugural speech to the Colombo Plan Consultative Committee which met in Kathmandu also in 1977, King Birendra of Nepal gave a call for close regional cooperation among South Asian countries in sharing river waters.\[^{19}\] After the USSR's intervention in Afghanistan, the efforts to established the union was accelerated in 1979 and the resulting rapid deterioration of South Asian security situation.\[^{19}\] Responding to the President Zia Rehman and King Birendra's convention, the officials of the foreign ministries of the seven countries met for the first time in Colombo in April 1981.\[^{19}\] The Bangladesh's proposal was promptly endorsed by Nepal, Sri Lanka, Bhutan and the Maldives but India and Pakistan were sceptical initially.\[^{19}\] The Indian concern was the proposal's reference to the security matters in South Asia and feared that President Zia Rehman's proposal for a regional organisation might provide an opportunity for new smaller neighbours to renationalised all bilateral issues and to join with each other to gang up against India. Pakistan assumed that it might be an Indian strategy to organise the other South Asian countries against Pakistan and ensure a regional market for Indian products, thereby consolidating and further strengthening India’s economic dominance in the region.\[^{19}\]

However, after a series of quiet diplomatic consultations between South Asian foreign ministers at the UN headquarters in New York from August to September 1980, it
was agreed that Bangladesh would prepare the draft of a working paper for discussion among the foreign secretaries of South Asian countries. The foreign secretaries of the inner seven countries again delegated a Committee of the Whole in Colombo on September 1981, which identified five broad areas for regional cooperation. New areas of co-operation were added in the following years.

In 1983, the international conference held by Indian Minister of External Affairs P.V. Narasimha Rao in New Delhi, the foreign ministers of the inner seven countries adopted the Declaration on South Asian Association Regional Cooperation (SAARC) and formally launched the Integrated Programme of Action (IPA) initially in five agreed areas of cooperation namely, Agriculture; Rural Development; Telecommunications; Meteorology; and Health and Population Activities.

Officially, the union was established in Dhaka with Kathmandu being union's secretariat-general. The first SAARC summit was held in Dhaka on 7–8 December 1985 and hosted by the President of Bangladesh Hussain Ershad. The declaration signed by King of Bhutan Jigme Singye, President of Pakistan Zia-ul-Haq, Prime Minister of India Rajiv Gandhi, King of Nepal Birendra Shah, President of Sri Lanka JR Jayewardene, and President of Maldives Maumoon Gayoom.

Members and observers

The first secretary general was Abul Hasan (16 January 1985 - 5 October 1989) the first female secretary general was Fathima Dhayana Sied (Maldives) The first secretary general from India was Kant Kishore Bhargava (17 Oct 1989 - 31 Dec 1991)

The member states are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.

SAARC was founded by seven states in 1985. In 2005, Afghanistan began negotiating their accession to SAARC and formally applied for membership on the same year. The issue of Afghanistan joining SAARC generated a great deal of debate in each member state, including concerns about the definition of South Asian identity because Afghanistan is a Central Asian country.
The SAARC member states imposed a stipulation for Afghanistan to hold a general election; the non-partisan elections were held in late 2005.\[26\] Despite initial reluctance and internal debates, Afghanistan joined SAARC as its eighth member state in April 2007.\[26]\[27\]

**Observers**

States with observer status include\[28\] Australia,\[29\] China, the European Union,\[30\] Iran, Japan,\[30\] Mauritius,\[31\] Myanmar, South Korea and the United States.\[32\]

On 2 August 2006, the foreign ministers of the SAARC countries agreed in principle to grant observer status to three applicants;\[33\] the US and South Korea (both made requests in April 2006),\[33\] as well as the European Union (requested in July 2006).\[34\] On 4 March 2008, Iran requested observer status,\[35\] followed shortly by Mauritius.

**Potential future members**

Myanmar has expressed interest in upgrading its status from an observer to a full member of SAARC.\[36\] Russia has applied for observer status membership of SAARC.\[37\][38]\[39]\[40\] Turkey applied for observer status membership of SAARC in 2012.\[37\][38]\[39]\[40\] South Africa has participated in meetings.\[41\]

**Secretariat**

The SAARC Secretariat was established in Kathmandu on 16 January 1987 and was inaugurated by Late King Birendra Bir Bikram Shah of Nepal.

**Regional Centres**

The SAARC Secretariat is supported by following Regional Centres established in Member States to promote regional co-operation. These Centres are managed by Governing Boards comprising representatives from all the Member States, SAARC Secretary-General and the Ministry of Foreign/External Affairs of the Host Government. The Director of the Centre acts as Member Secretary to the Governing Board which reports to the Programming Committee.
• SAARC Agricultural Centre (SAC), Dhaka, Bangladesh
• SAARC Meteorological Research Centre (SMRC), Dhaka, Bangladesh
• SAARC Tuberculosis and HIV/AIDS Centre (STAC), Kathmandu, Nepal
• SAARC Documentation Centre (SDC), New Delhi, India
• SAARC Human Resources Development Centre (SHRDC), Islamabad, Pakistan
• SAARC Coastal Zone Management Centre (SCZMC), Maldives
• SAARC Information Centre (SIC), Nepal
• SAARC Energy Centre (SEC), Pakistan
• SAARC Disaster Management Centre (SDMC), India
• SAARC Forestry Centre (SFC), Bhutan
• SAARC Cultural Centre (SCC), Sri Lanka

Secretariat

SAARC Development Fund, Bhutan

Apex and Recognised Bodies

SAARC has six Apex Bodies,[43] namely, SAARC Chamber of Commerce & Industry (SCCI), SAARCLAW (South Asian Association For Regional Cooperation In Law),[44] South Asian Federation of Accountants (SAFA), South Asia Foundation (SAF), South Asia Initiative to End Violence Against Children (SAIEVAC), Foundation of SAARC Writers and Literature (FOSWAL).

Hemant Batra is the current incumbent Secretary General of SAARCLAW.

SAARC also has about 17 recognised bodies.[43]

Political issues

Lasting peace and prosperity of the Indian subcontinent has been elusive due to the various ongoing conflicts and in the region. Political dialogue is often conducted on the margins of SAARC meetings which have refrained from interfering in the internal
matters of its member states.[45] During the 12th and 13th SAARC summits, extreme emphasis was laid upon greater co-operation between the SAARC members to fight terrorism.[46][47]

South Asian Free Trade Area

SAFTA was envisaged primarily as the first step towards the transition to a South Asian Free Trade Area (SAFTA) leading subsequently towards a Customs Union, Common Market and Economic Union. In 1995, the Sixteenth session of the Council of Ministers (New Delhi, 18–19 December 1995) agreed on the need to strive for the realisation of SAFTA and to this end an Inter-Governmental Expert Group (IGEG) was set up in 1996 to identify the necessary steps for progressing to a free trade area. The Tenth SAARC Summit (Colombo, 29–31 July 1998) decided to set up a Committee of Experts (COE) to draft a comprehensive treaty framework for creating a free trade area within the region, taking into consideration the asymmetries in development within the region and bearing in mind the need to fix realistic and achievable targets. The SAFTA Agreement was signed on 6 January 2004 during Twelfth SAARC Summit held in Islamabad, Pakistan. The Agreement entered into force on 1 January 2006, and the Trade Liberalisation Programme commenced from 1 July 2006. Under this agreement, SAARC members will bring their duties down to 20 per cent by 2009. Following the Agreement coming into force the SAFTA Ministerial Council (SMC) has been established comprising the Commerce Ministers of the Member States.[48] In 2012 the SAARC exports increased substantially to US$354.6 billion from US$206.7 billion in 2009. Imports too increased from US$330 billion to US$602 billion over the same period. But the intra-SAARC trade amounts to just a little over 1% of SAARC’s GDP. In contrast, in ASEAN (which is actually smaller than SAARC in terms of size of economy) the intra-bloc trade stands at 10% of its GDP.

SAARC Visa Exemption Scheme

The SAARC Visa Exemption Scheme was launched in 1992. The leaders at the Fourth Summit (Islamabad, 29–31 December 1988), while realising the importance of
having people to people contacts, among the peoples of SAARC countries, decided that certain categories of dignitaries should be entitled to a Special Travel document, which would exempt them from visas within the region. As directed by the Summit, the Council of Ministers regularly kept under review the list of entitled categories. Currently the list included 24 categories of entitled persons, which include Dignitaries, Judges of higher courts, Parliamentarians, Senior Officials, Businessmen, Journalists, Sportsmen etc. The Visa Stickers are issued by the respective Member States to the entitled categories of that particular country. The validity of the Visa Sticker is generally for one year. The implementation is reviewed regularly by the Immigration Authorities of SAARC Member States.\[49\]

**Awards**

**SAARC Award**

The Twelfth Summit approved the SAARC Award to support individuals and organisations within the region. The main ends of the SAARC Award are:

- To encourage individuals and organisations based in South Asia to undertake programmes and activities that complement the efforts of SAARC
- To encourage individuals and organizations in South Asia contributing to bettering the conditions of women and children
- To honour outstanding contributions and achievements of individuals and organizations within the region in the fields of peace, development, poverty alleviation, environment protection and regional cooperation
- To honour any other contributions and achievement not covered above of individuals and organisations in the region.

The SAARC Award comprises of a gold medal, a letter of citation, and cash prize of US $25,000 (₹15 lakhs). Since the institution of the SAARC Award in 2004, it has been awarded only once and the Award was posthumously conferred upon the late President Ziaur Rahman of Bangladesh.\[50\]

**SAARC Literary Award**
SAARC Literary Award is an annual award conferred by the Foundation of SAARC (South Asian Association of Regional Cooperation) Writers and Literature (FOSWAL) since 2001\textsuperscript{[51][52]} which is an apex SAARC body.\textsuperscript{[53]} Shamshur Rahman, Mahasweta Devi, Jayanta Mahapatra, Abhi Subedi, Mark Tully, Sitakant Mahapatra, Uday Prakash, Suman Pokhrel and Abhay K are some of the prominent recipients of this award.\textsuperscript{[54]}

Nepali poet, lyricist and translator Suman Pokhrel is the only poet/writer to get this award twice.\textsuperscript{[55]}

**SAARC Youth Award**

The SAARC Youth Award is awarded to outstanding individuals from the SAARC region. The award is notable due to the recognition it gives to the Award winner in the SAARC region. The award is based on specific themes which apply to each year. The award recognises and promotes the commitment and talent of the youth who give back to the world at large through various initiatives such as Inventions, Protection of the Environment and Disaster relief. The recipients who receive this award are ones who have dedicated their lives to their individual causes to improve situations in their own countries as well as paving a path for the SAARC region to follow. The Committee for the SAARC Youth Award selects the best candidate based on his/her merits and their decision is final.

Previous Winners:

- 1997: Outstanding Social Service in Community Welfare – Mohammed Sukur Salek (Bangladesh)
- 1998: New Inventions and Shanu - Najmul Hasnain Shah (Pakistan)
- 2001: Creative Photography: South Asian Diversity – Mushfiqul Alam (Bangladesh)
- 2002: Outstanding contribution to protect the Environment – Masil Khan (Pakistan)
- 2003: Invention in the Field of Traditional Medicine – Hassan Sher (Pakistan)
• 2004: Outstanding contribution to raising awareness for TB and/or HIV/AIDS – Ajij Prasad Poudyal (Nepal)

• 2006: Promotion of Tourism in South Asia – Syed Zafar Abbas Naqvi (Pakistan)

• 2008: Protecting the Environment in South Asia – Uswatta Liyanage Deepani Jayantha (Sri Lanka)

• 2009: Outstanding contribution to humanitarian works in the aftermath of Natural Disasters – Ravikant Singh (India)

• 2010: Outstanding contribution for the Protection of Environment and mitigation of Climate Change – Anoka Primrose Abeyrathne (Sri Lanka)

**Anthem**

SAARC does not have an official anthem like some other regional organisations (e.g. ASEAN).[56] A poem by poet-diplomat Abhay Kumar spurred a search for a better SAARC Anthem.[57] Nepal's foreign minister has expressed the need for a SAARC anthem to connect SAARC nations.[58] Nepal at the 18th summit in Kathmandu in November 2014 planned to introduce proposal for a SAARC Anthem in the agenda of summit when heads of all member states meet here.[56]

**Secretaries-General of SAARC**

- Abul Hasan, 16 January 1985 to 15 October 1989
- Kant Kishore Bhargava, 17 October 1989 to 31 December 1991
- Ibrahim Hussein Zaki, 1 January 1992 to 31 December 1993
- Yadav Kant Silwal, 1 January 1994 to 31 December 1995
- Naeem U. Hasan, 1 January 1996 to 31 December 1998
- Nihal Rodrigo, 1 January 1999 to 10 January 2002
- Q. A. M. A. Rahim, 11 January 2002 to 28 February 2005
- Chenkyab Dorji, 1 March 2005 to 29 February 2008
- Sheel Kant Sharma, 1 March 2008 to 28 February 2011
- Fathimath Dhiyana Saeed, 1 March 2011 to 11 March 2012
- Ahmed Saleem, 12 March 2012 to 28 February 2014[59]
Arjun Bahadur Thapa 1 March 2014 to (present)\textsuperscript{[60][61]}

SAARC summits

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<th>No</th>
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<th>Host</th>
<th>Host leader</th>
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<tr>
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<td>7–8 December 1985</td>
<td>Bangladesh</td>
<td>Dhaka</td>
<td>Ataur Rahman Khan</td>
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<td>16–17 November 1986</td>
<td>India</td>
<td>Bengaluru</td>
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<td>Nepal</td>
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<td>29–31 December 1988</td>
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<td>21–23 November 1990</td>
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<td>Dhaka</td>
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<td>Addu</td>
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<td>Kathmandu</td>
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2. MGC (Mekong Ganga Co-operation)

The Mekong–Ganga Co-operation (MGC) was established on November 10, 2000 at Vientiane at the First MGC Ministerial Meeting. It comprises six member countries, namely India, Thailand, Myanmar, Cambodia, Laos and Vietnam. They emphasised four areas of cooperation, which are tourism, culture, education, and transportation linkage in order to be a solid foundation for future trade and investment cooperation in the region. The organization takes its name from the Ganga and the Mekong, two large rivers in the region.215

Annual Ministerial Meetings

The working mechanism for MGC consists of the Annual Ministerial Meeting (back to back with ASEAN Ministerial Meeting), the Senior Officials’ Meeting, and the five Working Groups namely;

- Working Group on Tourism (Thailand is the lead country)
- Working Group on Education (HRD) (India is the lead country)
- Working Group on Culture (Cambodia is the lead country)
- Working Group on Communication & Transportation (Laos PDR is the lead country)
- Working Group on Plan of Actions (Vietnam is the lead country)

Second MGC Ministerial Meeting

215 Michael, Arndt (2013). India’s Foreign Policy and Regional Multilateralism (Palgrave Macmillan).
At the Second MGC Ministerial Meeting held in Hanoi on July 28, 2001, the member countries adopted the Hanoi Programme of Action affirming their commitment to cooperate in four areas of cooperation. The “Hanoi Programme of Action” has 6 years timeframe from 2001 to 2007 and the progress of its implementation shall be reviewed every two years.

Third MGC Ministerial Meeting

At the Third MGC Ministerial Meeting held in Phnom Penh on June 20, 2003, the member countries adopted the Phnom Penh Road Map as a plan to accelerate the implementation of all MGC projects and activities. The Second ASEAN Informal Summit, held in Kuala Lumpur on 15 December 1997, adopted the ASEAN Vision 2020 which sets out a broad vision for ASEAN in the year 2020: an ASEAN as a concert of Southeast Asian Nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies.

In order to implement the long-term vision, action plans are being drawn up to realise this Vision. The Hanoi Plan of Action (HPA) is the first in a series of plans of action building up to the realisation of the goals of the Vision.

The HPA has a six-year timeframe covering the period from 1999 to 2004. The progress of its implementation shall be reviewed every three years to coincide with the ASEAN Summit Meetings.

In recognition of the need to address the current economic situation in the region, ASEAN shall implement initiatives to hasten economic recovery and address the social impact of the global economic and financial crisis. These measures reaffirm ASEAN commitments to closer regional integration and are directed at consolidating and strengthening the economic fundamentals of the Member Countries.

Fourth MGC Ministerial Meeting
Fourth MGC Ministerial Meeting was held January 12, 2007 at Sebu. In this meeting Thailand has handed over the chairmanship of MGC to India. There was no Ministerial Meeting in 2002 and 2004 because the AMM meeting was held in Brunei and Indonesia respectively.

**Fifth MGC Ministerial Meeting**

The 5th MGC meeting was held on August 1, 2007 in Manila.

**Sixth MGC Ministerial Meeting**

Sixth Mekong–Ganga sixth Cooperation meeting was held in New Delhi on 3–4 September 2012. Senior officials meeting was held on September 3 whereas the Foreign Ministers meet was held on September 4, 2012. This is the first time that the Mekong Ganga Cooperation meeting was hosted by India. India had earlier chaired the 5th MGC Ministerial Meeting on the sidelines of the ASEAN-India Meetings.

3. **BCIM (Bangladesh–China–India–Myanmar Forum for Regional Cooperation)**

The **Bangladesh–China–India–Myanmar Forum for Regional Cooperation (BCIM)** is a sub-regional organisation of Asian nations aimed at greater integration of trade and investment between the four countries. The Bangladesh China India Myanmar Economic Corridor is an initiative conceptualised for significant gains through sub-regional economic

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cooperation within the BCIM. The multi-modal corridor will be the first expressway between India and China and will pass through Myanmar and Bangladesh.\(^{217}\)

These advantages are envisaged to accrue from greater market access for goods, services and energy, elimination of non-tariff barriers, better trade facilitation, investment in infrastructure development, joint exploration and development of mineral, water, and other natural resources, development of value and supply chains based on comparative advantages, by translating comparative advantages into competitive advantages, and through closer people to people contact.\(^{218}\)

The proposed corridor will cover 1.65 million square kilometres, encompassing an estimated 440 million people in China’s Yunnan Province, Bangladesh, Myanmar and Bihar in Northern India through the combination of road, rail, water and air linkages in the region. This interconnectedness would facilitate the cross-border flow of people and goods, minimize overland trade obstacles, ensure greater market access and increase multilateral trade.\(^{219}\)

**Historical Background**

The concept of economic cooperation within the BCIM region was first developed by Professor Rehman Sobhan who advocated that multi-modal transport connectivity and supported by other initiatives and infrastructure development could significantly reduce transaction costs, stimulate trade and investment and consequently accelerate growth and poverty alleviation in this region.

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Professor Sobhan’s pioneering ideas would eventually lead to the development of the platform in the 1990s which came to be known as the ‘Kunming Initiative’. The first meeting of the Initiative was convened in 1999 in Kunming; presided by a number of representative organisations such as The Centre for Policy Dialogue (CPD) from Bangladesh, Centre for Policy Research (CPR) from India and Yunnan Academy of Social Sciences in Kunming, China; from the Myanmar side it was the Ministry of Trade which represented the country.

The ‘Kunming Initiative’ evolved into the BCIM Forum for Regional Cooperation during its first with the objective to create a platform where major stakeholders could meet and discuss issues in the context of promoting economic growth and trade in the BCIM region; identify specific sectors and projects which would promote greater collaboration amongst the BCIM nations; and strengthen cooperation and institutional arrangements among the concerned key players and stakeholders to deepen BCIM ties.\[6\]

Over the years, the Kunming initiative developed into what came to be popularly known as the BCIM Forum. Successive BCIM Forums were held annually making a seminal contribution in raising awareness about the potential benefits accruing from the BCIM cooperation. BCIM cooperation also started to feature in intergovernmental discussions, at highest political levels, as was recounted above. The initial vision of the Kunming initiative was to gradually steer the endeavour from an essentially civil society (Track II) to an intergovernmental (Track I) one where political buy-in and intergovernmental ownership would be key to realising the vision and the objectives of the initiative.\[220\]

**Current Developments**

One of the most recent developments to the BCIM came to fruition during the meeting between Chinese Premier Li Keqiang and Indian Prime Minister Manmohan Singh in 2013. Li’s visit marked the first time high-ranking officials had discussed the trade corridor. Furthermore, earlier in the year, the first ever BCIM car rally was held between Kolkata and Kunming via Dhaka to highlight road connectivity in the four countries. 221

On December 18, 2013, the four nations drew up a long discussed plan, emphasising the need to quickly improve physical connectivity in the region, over two days of talks in the south-western Chinese city of Kunming—the provincial capital of Yunnan, which borders Myanmar—on Wednesday and Thursday. This marked the formal endorsement on the BCIM-EC by the four nations, whereby it was agreed that the corridor will run from Kunming to Kolkata, linking Mandalay in Myanmar as well as Dhaka and Chittagong in Bangladesh. 222

Benefits of the Corridor

The economic advantages of the BCIM trade corridor are considerable, most notably: access to numerous markets in Southeast Asia, improvement of transportation infrastructure and creation of industrial zones.

The construction of industrial zones will have a twofold benefit. Firstly, it will lead to industrial transfer boosting industries such as processing, manufacturing and commerce logistics. Secondly, as labour costs rise in China, labour-intensive industries such as textile and agro processing will eventually be shifted out of China. These industries will need to be transferred to new regions with lower labour costs. Companies operating in China will likely give priority to the trade corridor region given its established infrastructure, improved logistics and ease of access.

India’s isolated eastern and north-eastern states also stand to gain by higher trade and connectivity with China and the rest of Asia.\textsuperscript{223}

**Priority Sector**

The eleven BCIM Forums, organised in rotation by the aforesaid institutions in the four countries, have highlighted the potential benefits of closer cooperation among the four countries in such areas as connectivity, trade, investment, energy, water management, tourism and other areas. The four countries also agreed to encourage greater cooperation and exchanges in the BCIM region in the areas of education, sports and science and technology.

During the last held session in 2013, India was represented at this week’s talks by Joint Secretary (East Asia) at the Ministry of External Affairs Gautam Bambawale, who was joined by the Deputy Planning Minister of Bangladesh, the Vice Chairman of China’s National Development and Reform Commission, and a senior economic affairs official from Myanmar.

Through linking the ASEAN Free Trade Area, ASEAN-China Free Trade Area and the ASEAN-India Free Trade Area, the corridor would constitute as one of the largest free trade areas. Bangladesh, China, India and Myanmar hope to create a corridor that would effectively combine road, rail, water and air linkages in the region. This will also bolster foreign trade of the BCIM countries and empower bilateral trading.

**CHAPTER – VI**

*Conclusion and recommendations*

**Conclusion:**