South Asia, is a continent sized region centred on the Indian peninsula thus referred to as a Sub Continent. The South Asian Association of Regional Cooperation (SAARC) is the cooperative security structure which links countries stretching from Afghanistan in the West to Pakistan, India, Nepal, Bhutan, Bangladesh, Sri Lanka and Maldives. Myanmar is contiguous to SAARC and is the land bridge with ASEAN. Over the years SAARC has taken some important steps in regional cooperation, however the potential remains unrealized due to political, economic as well as historical differences as well as lack of geographic congruity. Ipso facto India with land and sea borders with all SAARC countries and Myanmar is the land bridge between various parts of the region, West, East and South (Sri Lanka and Maldives). Recent developments in multilateral relations between India, Bangladesh, Nepal and Bhutan possibly clubbed with Myanmar in the future provide a new regional cooperative sub structure that of an Eastern SAARC the contours of which are profiled herein.

Factors contributing to this new alignment are twofold. First is improvement in Indo Bangladesh relations in the past two years which has led to activation of moribund natural and manmade linkages which connect not just Kolkata and Dhaka but also unleash the potential of Nepal and Bhutan. Roads, railways and rivers, the three Rs will be the main drivers of trade and transit between the four countries with an extension through Myanmar and to Southeast Asia.

Another vector is hydro power. A power grid connecting significant hydro potential of Nepal and Bhutan with India and Bangladesh both electricity deficient countries will sustain energy cooperation substantially adding to revenues of the two mountain states.

The second factor is globalization and regionalization. Having seen developments in the European Union despite recent financial crisis in some countries and ASEAN in particular leaders in South Asia are drawing the right lessons to integrate their economies for mutual benefit overcoming age old isolationist apprehensions.

Proposals in the offing which presage these developments are many. The starting point was Indo Bangladesh trade and transit agreements initiated during the seminal visit of Prime Minister Sheikh Hasina to New Delhi in January 2010. These are under various stages of finalization and would lead to substantial benefits regionally. India began the visit on a sound footing bestowing the prestigious Indira Gandhi Peace, Disarmament and Development Award for 2009 to the Bangladesh Prime Minister.
Of the key agreements included in the Joint Communiqué, declaration of Ashuganj and Silghat as ports of call; land customs stations at Sabroom-Ramgarh and Demagiri-Thegamukh, amendment of the Inland Water Trade and Transit protocol, improvement of infrastructure for transportation of ODCs (Over Dimensional Cargo) from Ashuganj to Tripura and construction of the Akhaura – Ashuganj railway line are set to restore connectivity not just between India and Bangladesh but also to the remote North East Indian states from West Bengal.

Use of Mongla and Chittagong sea ports for movement of goods to and from India through road and rail with access to Nepal and Bhutan was another good initiative. India is also facilitating Rohanpur-Singabad broad gauge railway link to Bangladesh for transit to Nepal while Bangladesh intends to convert Radhikapur – Birol railway line into broad gauge to extend a railway link to Bhutan.

When this network of roads, railway and inland water transport fructifies there would be substantial flow of goods to create a strong economic and trade relationship in the sub region. The Asian highway has been planned with this purpose but may take time; creation of regional linkages is a faster and more beneficial option which is now being undertaken.

A hydro power regional grid has almost equal if not more promise. Nepal and Bhutan are estimated to have a hydro power potential of 30,000 to 50,000 MW of clean renewable energy to be fed into the Indian and Bangladesh grid in the years ahead. In the meanwhile India has committed to provide Bangladesh 250 MW electricity as a start point.

The Prime Minister of Bhutan was in Bangladesh in January 2011 and a number of proposals have been examined including inland water transport, electricity grid and port calls. Nepal possibly has not been an active participant so far going through a rough political patch. Even though a new prime minister has been elected, there would be some time before tangible agreements can be worked out but Kathmandu is already in the loop. Other regional organizations such as the BIMSTEC which include Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal will add to this momentum with the Secretariat likely to come up in Dhaka.

Operationalization of many of these agreements will no doubt take time, but feasibility studies and Joint Working Groups are completing the initial formalities. The next inflection is likely to be visit of the Indian Prime Minister Dr Manmohan Singh to Dhaka expected sometime later this year. That would mark a new era for this neglected region of South Asia, taking it towards a new phase of prosperity while complimenting India’s Look East Policy.

While opportunities for sub regional cooperation are many, their utilization will depend on overcoming mutual apprehensions between the four states, India, Bangladesh, Nepal and Bhutan. Ultra nationalism which crops up from time to time and local pressures from trade lobbies which are naturally protectionist are two apart from other issues as disputes over boundary, sharing of river waters and so on. Resources required for fructification of projects is another problem area but can be mustered internally as well as through the Asian Development or the World Bank. Thus far the trend is positive and once people reap benefits of trans-commutation, they would support regional integration.
Given the diversity of South Asia, each sub region may have to establish intra linkages within and to that extent an Eastern SAARC would not militate against the overall principles but rather strengthen the same and thus needs active fostering.

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