

Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC): An Indian Perspective

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Abstract

This paper takes a critical look at the BCIM-EC. The paper's goal is to research the prospects and challenges of the BCIM-EC, the BRI's infrastructural and significant pilot project. The BCIM-EC is a sub-regional cooperative program that aims to connect southwest China's land-locked regions with eastern India and the Bay of Bengal via northern Myanmar, the northeastern region of India, and Bangladesh. Because of the geo-strategic and geo-economic significance of physical connectivity in the BCIM sub-region, the study tends to highlight areas of mutual benefit of the BCIM nations by and large. The BCIM-EC is proposing to connect Eastern China with South Asia, which will undoubtedly also connect Southeast Asia via various modes of improved economic and cultural connectivity.

Keywords: BCIM-EC, Economic Corridor, Economic Development, OBOR

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Introduction

In 1999, the BCIM Forum for the regional cooperation project, initially known as the 'Kunming Initiative', was founded. It was established primarily as a Track II dialogue to create a sub-regional 'cooperation zone' linking the relatively backward regions from land-locked areas of Southwest China to Eastern India, along with neighbouring LDCs, Bangladesh, Myanmar and northeastern India.¹ BCIM was built on the basis that the project will be enabled at the intergovernmental level known as Track I to facilitate trade and connectivity between Kunming and Kolkata. All four countries formed a Joint Study Group (JSG), intending to undertake further research and evaluation. Bangladesh and Myanmar have proposed several initiatives to enhance regional cooperation in this project, which had gained momentum in developing the infrastructure connecting the western region of China with Myanmar and Bangladesh. Nevertheless, major issues remained under constant debate, such as the unwillingness of the Indian government to engage with China in multilateral regional forums, despite the long-standing vulnerability of India's insurgency-pronounced northeastern region.²

Throughout the years a series of meetings have been held between all four nations. The parties arranged a car rally from Kunming (China) to Kolkata (India) known as the K2K rally during the seventh meeting of the series held in Dhaka in February 2013 to ensure the corridor's transportability by the route. This K2K car rally was held as a symbol representing the BCIM project roadway. A 2,800-kilometre-long economic corridor has been proposed,

¹ Patricia Uberoi, "The BCIM Economic Corridor : A Leap into the Unknown?", *Institute of Chinese Studies*, November 2014, pp.1-19, Retrieved from <http://www.icsin.org/uploads/2015/05/15/89cb0691df2fa541b6972080968fd6ce.pdf>

² Mohd Aminul Karim and Faria Islam, "Bangladesh-China-India-Myanmar (BCIM) Economic Corridor--Challenges and Prospects", *The Korean Journal of Defence Analysis*, Vol. 30. No. 2, 2018, p. 283

starting from Kolkata, connecting to Dhaka and Sylhet via Benapole / Petrapole on the border between India and Bangladesh, before entering India again near Silchar in Assam. Upon entering via Imphal, the road will eventually reach Kunming through Ruili, Longing and Dali, passing through Myanmar's Tamu-Kalewa friendship route, and then crossing Mandalay and Lashio. Encouraged by the successful launch of the BCIM-K2K car rally, JSG will carry out further studies on enhancing global, commercial, and people-to-people relations and strengthening regional connectivity. The BCIM initiative, conceived as a platform based on regional integration, went through numerous developmental trials and errors to implement and incorporate the 'three Ts' proposal: Trade, Transport and Tourism.³

Figure 1



(Source: Northeast Now (<https://nenow.in/north-east-news/china-india-have-not-given-up-on-bcim.html>))

The BCIM-EC has immense importance. The economic corridor is geo-strategically the gateway to three sub-regions: South Asia, Southeast Asia and East Asia. It is the hub of blue economy and international maritime trade with the Bay of Bengal and its neighbouring areas, the Indian Ocean, the Andaman Islands and the Nicobar Islands. The BCIM-EC's geo-economic importance is enormous too. With the enhanced transport connectivity, the BCIM sub-region can be a zone for international trade and business. The free flow of goods and services, as well as cross-border trade and investment through seamless connectivity, would promote an equal sharing of benefits between the BCIM nations. The proposed BCIM-EC seeks to build multimodal connectivity to accelerate all-around development across the sub-region, goodwill, peace, and stability in the sub-region based on the principles of mutual interest, trust and respect, and equitable benefit sharing. The BCIM Corridor intends to contribute to socio-economic development in the region by developing (1) Connectivity and infrastructure (road, railways, waterways, and airways); (2) Energy resources; (3) Agriculture; and (4) Trade and investment.⁴

It was decided during the 2011 meeting that a multi-track program was required, including track I cooperation (government actors), which would include a high-level official meeting system and a joint workforce system of government. The Corridor will form a thriving economic belt with the interconnections of transport, energy and telecommunications networks, which will promote the common development of areas along the Corridor. These concerns were addressed in 2013 at the BCIM-EC's first joint study group meeting. Bangladesh's Hon'ble Prime Minister was present during the 2015 meeting with the newly elected BCIM Business Council Chairman. The

³ Karim and Islam, op. cit., p. 284

⁴ Nafees Imtiaz Islam, Mohammad Monir Hossan, and Sabiha Matin, "Bangladesh, China, India and Myanmar Economic Corridor (BCIM-EC): Next Window for Economic Development in Asia", *Daffodil International University Journal of Business and Economics*, Vol. 9, No. 1, 2015, pp.131-149.

meeting highlighted the need to make the Business Council of Bangladesh-China-India-Myanmar (BCIM) more successful in boosting trade, investment and business ties among the members within the country.⁵

The primary research method for this study is literature review and content analysis. This research paper is mainly based on secondary data. The paper obtains secondary data from different journals, publications, reports, and websites.

BCIM-EC and OBOR

The BCIM is one of six planned economic corridors that China wants to develop within the BRI framework. However, at first, the BCIM began as an independent regional level action plan followed by the south-western Yunnan province of China. It wasn't part of China's grand-scale BRI (Belt and Road Initiative) program back then. One Belt One Road (OBOR) is Chinese President Xi Jinping's ambitious economic development and commercial project focused on improving connectivity and cooperation between multiple countries across Asia, Africa and Europe.

Three aspects of how China strategizes its economic outreach to its neighbours can be described. The first stresses the importance given to the development and maintenance of a network of infrastructure and physical connectivity in order to link the home state to the borders and the neighbouring regions. Second, the border region planning strategy visualizes the border as an instrument that promotes contact around it rather than as a barrier. Third, the simultaneous promotion of tourism and services pertaining to people goes hand in hand with hard infrastructure and investment. In the case of Sino-Myanmar for example, all three components are visible. There is an excellent highway system across Yunnan to Ruili's border town, and high-quality Chinese-built highways extend up to Mandalay. Ruili itself is a well-developed town serving a rapidly-growing hinterland. Chinese oil and gas pipelines are to enter Yunnan from the Bay of Bengal port at Kyaukphu. This would reduce the danger to China that would otherwise have to ship the oil via the Strait of Malacca.⁶

The BCIM economic corridor plays an essential role in revitalizing the BRI (Belt and Road Initiative) project and enhancing trade among nations. Despite the initiative's progress, it was delayed due to some controversies that made India apprehensive about the project continuing. Besides, other geopolitical complexities create obstacles to the establishment of the BCIM. Given the many difficulties, however, the BCIM corridor will generate economic and geological opportunities for its member countries as well as the smaller South and Southeast Asian nations surrounding it.⁷

President Xi Jinping announced SREB (Silk Road Economic Belt) and Maritime Silk Road projects of the 21st century, now consolidated in the 'OBOR' or 'BRI' for Eurasian overland and maritime connectivity. OBOR signifies both the confirmation of China's economic-cum-political strength and its increasing assertiveness. Its vision is one in which the consolidation and expansion of China's domestic reform agenda, including the development of the country's relatively backward peripheral regions, and the revitalization of the northeastern industrial sector, as well as the full use of the productive capacity of its gigantic State-owned enterprises (SOEs), are explicitly aligned with its neighbourhood and Going Out.⁸ The description of OBOR's specific features was a fairly lengthy process involving extensive consultations within China (both behind closed doors and at high-profile international conferences) and frequent visits by Chinese leaders to consult countries along the route in a

⁵ Islam, Hossan, and Matin, op.cit, p. 132

⁶ Sultana Yesmin, "Connectivity Through BCIM-EC: Prospects and Challenges", *Journal of International Affairs*, Vol. 21. No. 1 & 2, 2017, pp.121-123.

⁷ Roshan Iyer, "BCIM Economic Corridor", *Institute of Peace and Conflict Studies*, May 2017, pp.135-145, doi: <https://doi.org/10.4324/9780429439773-8>.

⁸ Patricia Uberoi, "Problems and Prospects of the BCIM Economic Corridor", *China Report*, Vol. 52. No.1, 2016, pp.19-44, doi: <https://doi.org/10.1177/0009445515613868>.

somewhat post-factual effort to persuade prospective partners that the project will prove benevolent 'win-win'.⁹ The SREB idea was put forward by President Xi during a visit to Kazakhstan in September 2013, while the president suggested the 21st century Maritime Silk Road during a visit to ASEAN Nations the following month, at which time the associated proposal for the development of the Asian Infrastructure Investment Bank (AIIB) was also proposed.¹⁰

The OBOR program is conceived as a long-term one, projected into the future for some three or more decades, and gathers various already planned and newly initiated regional, bilateral and multilateral development projects into its copious fold. With the OBOR now started to emerge as the current subject of discussions and debates, there is still a sense that China's great transboundary connectivity strategy requires to be critically analyzed to better understand its implications for India's strategic interests. This evolving worry casts its shadow over the BCIM-EC. Even so, as part of its 'Act East' policy, New Delhi continues to support the BCIM-EC initiative. India is committed to the BCIM and New Delhi is likely to want to slow its implementation until it develops its internal connections with its northeastern region.¹¹

China explained that OBOR projects were openly identified, via transparent and accountable meetings and conversation process. Experts sowed confusion about OBOR projects, many of which also apply to BCIM-EC. The most damaging criticism is that China unilaterally planned and launched OBOR, with only its own advantage in mind. It is also stated that the project is not purely financial, as it is intended to be, but also contains geo-strategic and geo-political implications, such as encircling India by developing, establishing and boosting the Chinese naval presence in the Indian Ocean through a ports chain like Gwadar in Pakistan and Hambantota in Sri Lanka.¹²

India's Response

This corridor seems highly possible to mainly serve China's interests by boosting economic output and prosperity in China's Yunnan and neighbouring provinces. It will help to move Chinese goods to the Indian market overland without trying to cross the disputed region. It would also provide China with clear and unrestricted access to the Bay of Bengal, facilitating it to lower its reliance for international trade and energy imports on the narrow and risk-prone Malacca Straits. On the other hand, there'll be minimal benefits for India, Bangladesh and Myanmar. The corridor will strategically bring China within the sniffing distance of Arunachal Pradesh, all of whose 93,000 square kilometres it claims as Southern Tibet. It really would pose a strategic risk for India to allow China access to this region before the border issue is settled in a friendly manner, the responsibility for which largely rests with China. Given China's greater strategic and economic power, the EC is likely to bring India's northeastern states under China's growing influence, further weakening its physical, economic, social, and emotional chord with India's mainland. It is time for India to strengthen Northeast connectivity and integration with its continent. Already some steps have been taken. However much more needs to be done. The EC as currently formulated will only touch on two of the seven states-Assam and Manipur-out in northeastern India. The other five states, however small they may be, will remain untouched by its impact. In insurgencies, ethnic disturbances, drug and human trafficking and gun-running, the entire region comprising India's northeast and areas across its borders with neighbouring countries are embroiled. Under the prevailing circumstances, the construction of various BCIM-EC segments will have difficulty providing security, peace, and security.¹³

⁹ Anja Senz, "The BCIM Economic Corridor and Chinese Investments in Myanmar", *Torino World Affairs Institute*, No. 43, 2017, pp.25-26.

¹⁰ Uberoi, "Problems and Prospects of the BCIM Economic Corridor", op. cit.

¹¹ K Yhome, "The BCIM Economic Corridor: Prospects and Challenges", *Observer Research Foundation*, 2017, Retrieved from <https://www.orfonline.org/research/the-bcim-economic-corridor-prospects-and-challenges/> (Accessed on May 20, 2021)

¹² Ravi Bhoothalingam, "China and Its Peripheries Beijing and the BCIM", *Institute of Peace and Conflict Studies*, Issue Brief, 2013.

¹³ Ashok Sajjanhar, "Understanding the BCIM Economic Corridor and India's Response", *Observer Research Foundation Issue Brief*, Issue 147, June 2016, pp.1-6, Retrieved from http://cf.orfonline.org/wp-content/uploads/2016/06/ORF_IssueBrief_147.pdf. (Accessed on May 15, 2021)

India's top concern is to develop and improve infrastructure including highways, rail, waterways, and air connectivity throughout north-eastern states, both in the area and with the rest of the nation. Strategically important, these states are richly endowed with natural resources such as uranium, coal, hydrocarbons, forests, oil and gas. In January 2014, during Japanese Prime Minister Shinzo Abe's visit as chief guest at India's Republic Day, India invited Japan to invest in and develop infrastructure in the country.¹⁴

Work on the India-Myanmar-Thailand Trilateral Highway connecting northeast India with Thailand and other ASEAN members via Myanmar needs to be speeded up. This network will provide connectivity between the isolated Northeast and South-East Asian expanding economies. Likewise, the Kaladan Multimodal Transit Transport Project will help link both the northeast with Myanmar and West Bengal. This will be useful in linking the area with the rest of India and will also provide fast, easy and seamless connectivity to South East Asia. Those projects need to be closely monitored and managed so there are no slippages in execution schedules and funding issues. India needs to pursue these projects quickly which can prove to be game-changers in fostering stability, peace, growth and prosperity in its northeast. Recently, the country has shown that this is probable by finishing stalled projects such as the Herat Afghanistan-India Friendship Dam, and the Kabul, Afghanistan Parliament building.¹⁵

In addition, India has placed great emphasis on implementing its Act East Policy to promote connectivity across Myanmar between the north-eastern states and ASEAN countries. India has achieved considerable success in the fight against insurgencies in the north-eastern states, with the active cooperation of Bangladesh and Myanmar.¹⁶ The resulting peace dividend needs to be translated to development, through investment in green and clean industries, agriculture, tourism, handicraft manufacturing. The Modi government's passive attitude towards building the BCIM-EC can be explained by the security dilemma theory by which "states assume the worst of each other's intentions" under anarchy, and thus tend to maximize their own safety preparation as a defensive posture, which in turn triggers similar movements from potential rivals.¹⁷

The relationship between India and China has been marked by continued strategic mistrust, as there have been many unresolved issues since the 1950s, including mainly border conflicts, the issues of Tibet and the Dalai Lama, the Pakistan factor, India's fear of China's "Pearl String" strategy, and China's anxiety about possible US encirclement through deepening strategic links.¹⁸ Under its Look East/Act East rubric, India has been fostering sub-regional coordination via connectivity programs such as the 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC),' the 'Trilateral Highway Project,' and the multi-modal Kaladan project to protect its place in the BCIM sub-region.¹⁹ The heavy presence of China in the region, either through the BCIM-EC or through bilateral cooperation with regional countries, sounds, of course, troubles India.²⁰

A relatively new topic worth elaborating on is China's "String of Pearls" strategy, a term designed to characterize China's increasing bilateral trade, investment and development-oriented infrastructure projects in India's neighbourhood (Pakistan, Sri Lanka, Bangladesh and Myanmar), that most Indian scholars see this as a serious

¹⁴ Sajjanhar, op. cit.

¹⁵ Sadiq Naqvi, "Act-East Inaction: When Will Kaladan Multi-Modal Transport Project Be Complete?", *Outlook*, March 02, 2020, Retrieved from <https://www.outlookindia.com/magazine/story/act-east-inaction-when-will-kaladan-multi-modal-transport-project-be-complete/302827> (Accessed on 16 May 2021).

¹⁶ Md. Tariqur Rahman and Muhammad Al Amin, "Prospects of Economic Cooperation in the Bangladesh, China, India and Myanmar Region: A Quantitative Assessment", *Asia-Pacific Research and Training Network on Trade Working Paper Series*, No. 73, July 2009, pp.1-39, Retrieved from <http://www.unescap.org/tid/artnet/pub/wp7309.pdf>. (Accessed on May 12, 2021)

¹⁷ Kenneth N. Waltz, "Theory of International Politics", McGraw Hill: New York, 1979.

¹⁸ Christian Wagner, "The Role of India and China in South Asia", *Strategic Analysis*, Vol. 40. No. 4, 2016, pp. 309.

¹⁹ Aparna Sharma and Chetna K Rathore, "BIMSTEC and BCIM Initiatives and Their Importance for India", *CUTS International*, Discussion Paper, November 2015, p. 12

²⁰ Md. Safiqul Islam, Huang Ailian, and Zhang Jie, "Major Challenges and Remedies in Building the Bangladesh-China-India-Myanmar Economic Corridor", *China Quarterly of International Strategic Studies*, Vol. 4. No. 4, 2018, pp.613-629, doi: <https://doi.org/10.1142/S2377740018500306>.

obstacle to India's economic interests in the region. Within India's military and security circles, there is also widespread apprehension that such infrastructure spending may be used for military purposes to extend China's presence in the Indian Ocean Region. In addition to major-power competition issues, India is concerned about the BCIM-EC because it could trigger mass movements of certain ethnic groups in northeast India, where the BCIM-EC passes, for self-determination or even independence.²¹

Conclusion

The discussion indicates that there are different political and security concerns at the local, national, regional level that really need to be resolved before addressing the BCIM-EC's commercial possibilities. Trade networks, transit services, infrastructure capacities are all relevant, but in the wider societal sense, these operational dimensions of the economic corridor need to be addressed. The BCIM requires being a sub-regionalism from below, where there is a role for small business houses. The BCIM requires being an organization that builds trust not only within BCIM but rather with external players and groupings and keeps it inclusive for everyone. It must be recognized that we are talking about a zone of conflict. Therefore a careful approach to conflicts is important. The implementation of a responsive approach with the aim of sustainable development will become the basis of BCIM projects. The development of a multimodal transportation system that links road-rail-sea transport for seamless movement should be given proper attention to the integrated transport system. The trouble-free movement of goods across borders is one of the main prerequisites of effective regional cooperation. The removal of all non-tariff barriers to trade can ensure this. The BCIM forum should highlight the inter-regional road network, as roads are the least expensive trade route between different countries. BCIM initiative should focus primarily on developing the growth zone, which is a lesser developed region. The design of BCIM cooperation must be centred on attracting investment, both from within and from outside, to leverage the complementarities of the sub-region through horizontal and vertical collaboration.

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²¹ Wagner, op. cit.

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