

Politics of Economic Corridors in South Asia

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Abstract

Rise of Asia has necessitated the greater interconnection and economic integration around the globe. The scope of development is not limited to a nation or a particular region only, in fact, it is taking place across nations as well as regions and sub-regions in Asia. The concept of 'Economic Corridor' is used to explain this phenomenon of connectivity. Economic corridors work as a catalyst for regional integration and a driver for inclusive growth by bringing underdeveloped regions into the upward growth trajectory. South Asia is characterised with booming economic growth while economic corridors are playing the role of a catalyst for regional and economic integration. However, such corridors are also creating many political challenges in the region. Hostility among the regional states is a critical factor. In this background, this paper analyses the shaping of economic corridors along regional transport routes and tries to address this question as to how industrial expansion and assortment can bring vibrant change in the region. Moreover, the role of economic corridors is being discussed as a key factor for regional integration in South Asia. The paper also addresses the key political challenges in the implementation of these networks. While discussing the Belt and Road Initiative (BRI), the China-Pakistan Economic Corridor (CPEC) and the Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC) are the main focus of this paper.

Keywords: Economic Corridor, BRI, CPEC, BCIMEC, Regional Integration, Connectivity.

Introduction

Economic corridors derive benefit from a well-functioned transport network along with high-quality infrastructure and logistics, which provide useful links to the production centres and urban bodies along with providing easy access to the international market within a defined geography. Similarly, they also play an essential role in transforming the

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existing transport corridors into economic corridors, which help facilitate the trade-related activities. For instance, they made business and implementations of non-tariff measures simpler. The economic corridors also play a significant role in the promotion of economic growth by reducing the obstacles in the communication networks, making market-access easy, invigorating trade-related activities, advancing the competence with the help of economic networks and with rising effects of agglomeration. They create an opportunity for private investors to invest that, later on, generates an incentive for employment. Moreover, the economic corridors provide an opportunity to the under-developed regions to link their economies with cities and towns who have urban centres and industrial cluster for economic expansion.¹

The land locked countries have always faced the challenges of connectivity and huge costs for transport networks, which have proven to be the key detriment in their economic development. However, the promotion of regional trade and bilateral agreements among their transit neighbours through economic corridors can help them overcome the issue of connectivity. In this regard, the geographical proximity of South Asia is very distinctive. Moreover, in recent years, this region has become more open towards regional cooperation. In the past two decades, all the South Asian nations have undergone a number of trade reforms and have rapidly integrated the world economy. Now, the regional countries are emphasising on sustaining a vibrant economy growth at both domestic and international levels as they are paying great attention to upgrading the transport networks, especially the expansion of highways, which is more attractive for the business and in creating economic connections with the world markets.

In the contemporary era, economic ties are playing a significant role in determining the diplomatic relation and foreign policies of the nations. During the last four decades, China has achieved a special status in the world economy due to its sustainable growth and economic development.² The role of the Chinese economy and its influence on global governance has further improved after the 2007-2008 global financial crisis. Being China's neighbour, South Asia has a strategic advantage to enhance its engagements

¹ Prabir De and Kavita Iyengar, ed., *Developing Economic Corridors in South Asia* (Mandaluyong: Asian Development Bank, 2014).

² Andrew Small, *The China Pakistan Axis: Asia's New Geopolitics* (New York: Oxford University Press, 2015), 13.

with rising Beijing.³ The People's Republic of China (PRC) is playing a pivotal role in the regional integration. It is involved in building a chain of six economic corridors to connect about 64 countries of this world under the Belt and Road Initiative (BRI).⁴ The six corridors are the China-Mongolia-Russia Economic Corridor (CMREC), the New Eurasian Land Bridge (NELB), the China-Central and West Asia Economic Corridor (CCWAEC), the China-Indo-China Peninsula Economic Corridor (CICPEC), the China-Pakistan Economic Corridor (CPEC) and the Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC).⁵ Economic cooperation in South Asia is of utmost significance and it will also help Afghanistan to get out of the isolation and other landlocked countries such as Nepal and Bhutan will also get an opportunity to link their economies with other economies of the region and world as well. Among all these corridors two corridors the CPEC and BCIMEC pass across South Asia.

At a time when economic cooperation and regional integration is important for the entire region and the world, this study delves into an in-depth analysis of the economic corridors while addressing two main questions a) How will these corridors facilitate regional connectivity? b) What are the possible challenges for the economic corridors?

This paper is divided into three main sections. The first section will analyse the significance of regional connectivity and corridors, the second section will focus on the corridors in South Asia and their importance, which is followed by a section on major challenges and issues these corridors are likely to face in the near future. The prime focus of this research will be on the CPEC and BCIMEC.

Belt and Road Initiative

Owing to the growing importance of regional connectivity, in 2013, China introduced BRI with an idea of the economic integration of 60 countries and beyond.⁶ The “Belt” indicates the economic belt of Silk Road, which is

³ Ibid.

⁴ Tai Wei Lim, Henry Chan and Katherine Tseng Lim, *Chinas One Belt One Road Initiative* (New Jersey: Imperial College Press, 2016), 18.

⁵ Ibid.

⁶ William A Callahan, “China’s ‘Asia Dream’: The Belt Road Initiative and the New Regional Order,” *Asian Journal of Comparative Politics*, no. 3 (Spring, 2016): 226-43, doi:10.1177/2057891116647806

providing a land route to the countries.⁷ Whereas, the “Road” refers to as the Maritime Silk Road of the 21st Century. These routes will provide the transportation network to the countries adjacent to the South China Sea and the Indian Ocean from the Eastern coast of China.⁸ BRI is a part of China’s “Go out Foreign Investment Policy.” According to the policy enterprises run by the government, the country will invest abroad. With the help of BRI, China would emerge as the largest developing nation and a leader of South-South cooperation. It is estimated that more than 60 per cent of the global population lives in countries along the BRI routes, which suggests huge economic incentives to the Chinese enterprises when BRI would be implemented.⁹

BRI is not only beneficial for China but it is also crucial for the other economies situated along the “Belt” and “Road.” BRI provides a room for other countries to cooperate and participate in the initiative. Moreover, it will not only help them in economic integration but it will also facilitate the trade-related activity, improve economic connectivity and strengthen people-to-people contacts. Since the world is moving towards multipolarity, BRI surfaces as a promising development. It will strengthen the trends of economic globalisation, promote cultural diversity and ensure smooth working of a global free-trade regime.¹⁰ The basic aim of BRI is to ensure the free flow of trade, deeper integration of markets and encourage other countries to engage into the multilateral economic activities while moving them forward to creating a regional economic order, which benefits all. Successful implementation of BRI is not only in the interest of the regional countries but it will broadly benefit the entire world community. Based on the common good of individuals and societies, it will help figure out new models of global governance and international cooperation and will help accelerate the pace of development.

China’s economy is deeply integrated into the world’s economy. It will try to sustain its policy of “opening up” for this purpose, therefore, it

⁷ Tian Jinchen, “Introduction of the Overland Silk Road and Maritime Silk Road,” (McKinsey & Company, July, 2016), 36-37.

⁸ Ibid.

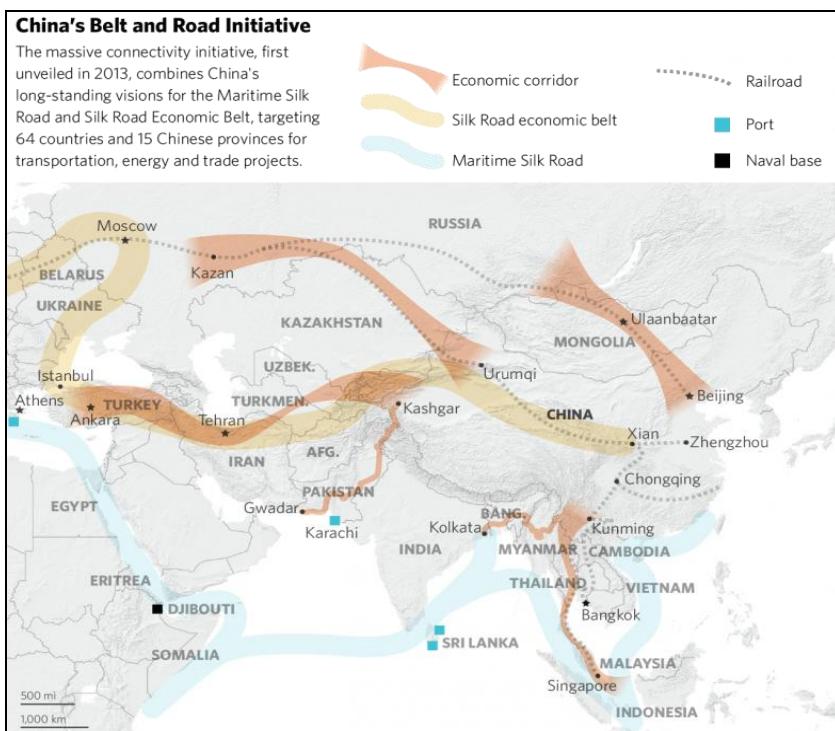
⁹ Gisela Grieger, *One Belt, One Road (OBOR): China’s Regional Integration Initiative* (Luxembourg: European Parliament, 2016), 45.

¹⁰ Ibid.

is trying to build a pattern of connectivity all around the world. This kind of deeper integration is possible through a gigantic economic venture like BRI and in the long run, BRI will help China create economic interdependency within Asia, Africa and Europe. On the other hand, it is also a matter of time that how China will shoulder international obligations and responsibilities within its capabilities by trying to make a greater contribution towards global peace and development.

The CPEC and BCIMEC hold greater significance under the framework of BRI. If these two projects are linked together, they will move the region into a new arena of economic development. Unfortunately, though, both the projects are facing many challenges. Antagonism among the South Asian states, especially between India and Pakistan, is a major impediment.

Map No. 1



Source: "South Asia: A Bump in the Belt and Road," Stratfor, May 16, 2017, <https://worldview.stratfor.com/article/south-asia-bump-bel>

China-Pakistan Economic Corridor

China and Pakistan are considered as all-weather friends and, now with the advent of the CPEC, this cooperation is moving into the economic domain as well. The CPEC is a flagship project of BRI and it is scheduled to be completed by 2030 as per planned by the Chinese government. This flagship project is the first major investment of China under BRI. Initially, China decided to give US\$46 billion to Pakistan to build the CPEC but now it reaches up to US\$62 billion.¹¹

The CPEC is an initiative for deeper economic integration in Pakistan and it comprises of various rail and road networks. It not only includes the land routes from Gawadar to Kashgar but also includes a Maritime Silk Route.¹² The route will be cost-effective; will provide easy access to China from Gawadar to the Indian Ocean, the Middle Eastern States and up to the regions of Africa and Europe.¹³

The primary behind the project is to connect the least developed region of Xinjiang to Gawadar in order to get the maximum economic benefits. Successful implementation of this project will not only help China but it will create avenues for the development through the network of roads, railways and number of pipelines. The road network will be 2700 km extending from Gawadar to Kashgar.¹⁴ The CPEC also includes a motorway stretching from Karachi to Lahore and it will cover the distance of some 1100 km and it will be in addition to the already existing Karakorum Highway (KKH), which is stretching from Kashgar through Khunjerab Pass and all the way to Islamabad.¹⁵ Extension of Karakorum highway from Rawalpindi to the border of China is also included. Pipeline networks will be used for the transportation of oil and liquefied natural gas from Iran and Gulf countries.¹⁶ Railway network will be built between Karachi and Peshawar as there is no direct railway

¹¹ Small, *The China Pakistan Axis*, 28.

¹² Xiangming Chen, S K Joseph and Hamna Tariq, "Betting Big on CPEC," *European Financial Review*, February 10, 2018,

<http://www.europeanfinancialreview.com/?p=21658>

¹³ Ibid.

¹⁴ Khalid Rahman, "China-South Asia Communications under BRI: The CPEC Model," *Policy Perspectives* 15, (1): 63-79, doi:10.13169/polipers.15.1.0063

¹⁵ Ibid.

¹⁶ Ibid.

line from Peshawar to Taunsa, despite old plans to build one. People can travel by road from Peshawar to Taunsa and then take the train to Karachi via Jacobabad and Larkana. However, this link will not only save time but it will be cost-effective.

Along with the regional connectivity, the CPEC will also produce a number of opportunities for Pakistan and result in the cultural exchange among the regional countries. There must be a broader understanding that the CPEC is a multi-sectoral project and limited not only to one area. For this reason, the security of this project is very important. To ensure this, the Pakistan Army is playing a significant role, currently, is in the process of formation of a separate division comprising 70,000 military personals.¹⁷

Bangladesh-China-India-Myanmar Economic Corridor

In recent years, the Asian nations are more directed toward the regional and trans-regional integration in order to develop their economies and create more connectivity with the world. The BCIMEC is one of the proposed corridors which generated more interest and concerns as well. The corridor will be 2800 km long and stretch through the Kolkata via Benapol/Petrapole along with India-Bangladesh border to Dakka and Sylhet before entering in India near Silchar in Assam.¹⁸ It will pass through the Imphal and then it will move to the Tamu-Kalewa Friendship Road in Myanmar. Subsequently, it will cross Mandalay and Lashio and it will reach Kunming via Ruili, Longling and Dali.¹⁹ The four governments (Bangladesh, China, India and Myanmar) have also, in principle, agreed to establish air links, water-ways connecting port cities, power transmission lines and oil pipeline along the route.

The corridor goes beyond physical connectivity through roads, railways, waterways and air to providing digital connectivity, trade facilitation and

¹⁷ Small, *The China Pakistan Axis*.

¹⁸ Joshua C Thomas, “BCIM Economic Corridor: Opportunities, Obstacles, Options & the Road Ahead,” in *BCIM Economic Cooperation*, ed., Gurudas Das, Joshua C Thomas (India: Routledge, 2018), 356-392.

¹⁹ Patricia Uberoi, “The BCIM Economic Corridor: A Leap into the Unknown?,” Institute of Chinese Studies, November 2014, 9,
<https://www.icsin.org/uploads/2015/05/15/89cb0691df2fa541b6972080968fd6ce.pdf>

lowering barriers for smooth and seamless movement of goods, services, investment and people. It is that the region is rich in natural, mineral and other resources. This corridor covers the maximum area of 165,000 km² with 440 million population.²⁰ The corridor has the capacity to create economic benefits for all the countries who are party to it. This corridor aspires to revitalise the ancient trade route of Southern Silk Road, which will provide the shortest passage between India and China as, in the past, it served as a highway for the merchants.²¹

Significance of CPEC and BCIMEC for South Asia

The CPEC and BCIMEC are very important projects under the framework of BRI, having a great many economic benefits for the region. The CPEC will open up the opportunity for Pakistan to amass the economic benefits not only from China but also from Russia, Central Asian Republics (CARS) and the South Asian states such as Bangladesh, Sri Lanka and Nepal. The CPEC also attaches great significance to the promotion of peace and prosperity all across the region of South Asia. To ensure the peaceful coexistence, all important stakeholders of the region should be taken on board. These states may be able to convince these countries for peace and ending the disputes among them. Moreover, it will help to create an enabling environment to foster corridor development and facilitate the trade and people-to-people contact, which is complimentary for the corridor development. Furthermore, at this point in time, it is crucial for Pakistan to get maximum benefits of the CPEC in a peaceful and secure environment. To achieve this fundamental aim, it is very important to engage in the peace talks with Afghanistan and, in lieu of India-Pakistan tensions, both states need to sit together in order to resolve their disputes through peaceful dialogue.

Afghanistan supports the CPEC, which will enhance the trade with Pakistan and the other South Asian countries and also with China and other neighbouring countries since Afghanistan could become a transit

²⁰ Mustafiz ur Rahman, “BCIM-economic Corridor: An Emerging Opportunity,” *Daily Star*, March 15, 2014, <http://cpd.org.bd/wp-content/uploads/2014/03/Daily-Star-Page-52-March-15-2014.pdf>

²¹ Ibid.

hub in the “Belt” and “Road” region.²² It is imperative for Afghanistan to join the CPEC to develop its dwindling economy after the four consecutive decades of war.²³

By joining the CPEC, India will be in a position to accrue economic benefits. For example, the CPEC will help the Northern part of India to enhance its trade ties with Afghanistan, The CARs, Russia, China and with the countries in Europe. However, it is possible only if there is peace and harmony between India and Pakistan. Consequently, to get the maximum potential out of the CPEC, it is imperative for Pakistan, India and Afghanistan to resolve their disputes in an amicable manner.

In the same manner, the BCIMEC aims at constructing inter-regional road network, which will allow the participating countries to utilise the enduring reciprocities in trade, both in products and services sectors. Bangladesh and Myanmar will together lay down the foundations for the economic connectivity. This cooperation will create opportunities for Bangladesh in many ways. For instance, Myanmar is in the process of setting up a special economic zone, which will offer the incentive to Bangladeshi firms to invest in the country for advancing its economic ties with its neighbouring country. With the recent discovery of the gas reserves in Rakhine state, many new avenues of industrial development have been opened for economic cooperation. The corridor will help enhance the trade ties will also help to increase the people to people contact, stimulate the trade and investment and will play a major role in poverty alleviation in the region. Moreover, it will also work as stepping stone for the settlement of “Rohingya crisis” between Bangladesh and Myanmar.²⁴

The BCIMEC will also help Bangladesh in energy trade. The energy generation capacity of Bangladesh was 10,289 MW in 2014 and only 62 per cent of the population had access to the electricity with 321 KWH per annum.²⁵ Because of this shortfall of energy Bangladesh has already started importing energy from India and successful implementation of the BCIMEC

²² Anurag Ram Chandran, “Why Afghanistan Should Join CPEC,” *Diplomat*, May 5, 2017, thediplomat.com/2017/05/why-afghanistan-should-join-cpec/

²³ Ibid.

²⁴ Thomas, “BCIM Economic Corridor.”

²⁵ Uberoi, “The BCIM Economic Corridor.”

will take this cooperation to new heights.²⁶ It is imperative for Bangladesh to immediately start trading with Myanmar since it is going to develop hydropower in the state of Rakhine.²⁷

If demographic aspects are taken into the consideration, a huge population of China, India, Bangladesh and Myanmar are under 25 years and according to the estimated percentage it comprises of 51.1 per cent Bangladesh, 31.8 per cent China, 46.6 per cent India and 44.7 per cent Myanmar.²⁸ This increasing youth bulge has the potential to play a considerable role in enlarging the avenues of connectivity. Economic growth and human development in the region can help to transfer them into the innovators, developers and entrepreneurs and an asset for the peace and prosperity in the region.

The successful development of the BCIMEC is going through a crucial phase and it will take some time in its implementation. For a long run, cooperation among the member countries is imperative and they should work for durable and comprehensive development, which will help to define this geographical proximity and economic interdependence into the dynamic economic ties and social harmony and prosperity of the region.

Connectivity will stimulate the rapid economic growth in the region and will increase the strong cooperation among the nations of South Asia and South-East Asia. Maximum benefits from the BCIMEC can be expanded only when there is mutual collaboration and understanding on the policies and plans for common development and benefits. In future, a new arena of development for the entire South Asia region will emerge if the CPEC and BCIMEC are linked together. Economic benefits through these corridors will be multiplied.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Karim, Mohd Aminul and Faria Islam, “Bangladesh-China-India-Myanmar (BCIM) Economic Corridor: Challenges and Prospects,” *Korean Journal of Defence Analysis* 30, no. 2 (2018): 283-302.

Issues and Challenges

a) CPEC

i. *Regional and Internal Security Challenges*

Regional security dynamics is one of the key challenges to project especially in the context of Afghanistan. Rapid economic development depends on political stability and peace in Pakistan, Afghanistan and some western parts of China.²⁹ In order to achieve peace in Afghanistan, China is helping bring the Afghan Taliban to the negotiating table under the regional frameworks and one of them is US-China-Pakistan-Afghanistan quadrilateral mechanism.³⁰

The security situation in Afghanistan is already grave and has been predicted to deteriorate worse after the withdrawal of NATO forces.³¹ Recently, the US has also announced to pull-out its troops from the country while the Taliban are not ready for negotiations under this quadrilateral dialogue. Still, it is unclear whether the Taliban will come to the negotiating table or not.³² Peace in Afghanistan is of utmost significance because instability in Afghanistan will adversely impact the development and economic prosperity of the region.

Another potential challenge to the CPEC will be the hostile attitude of the public over the inclusion of India to the CPEC. Although the internal security situation in Pakistan has improved after the number of operations against the militants and extremists in the country, still it is a major challenge to the project. Furthermore, security will remain a hinge for the

²⁹ Riaz Ahmed and Hong Mi, “China-Pakistan Economic Corridor and its Social Implication on Pakistan: How Will CPEC Boost Pakistan’s Infrastructures and Overcome the Challenges?,” *Arts and Social Sciences Journal* 8, no. 2 (2017), doi:10.4172/2151-6200.1000265

³⁰ Haroun Mir, “China Should Work with US, Pakistan to Stabilise Afghanistan,” *Asia Times*, May 24, 2018, <http://www.atimes.com/china-should-work-with-us-pakistan-to-stabilize-afghanistan/>

³¹ Akber Ali, “China Pakistan Economic Corridor: Prospects and Challenges for Regional Integration,” *Arts and Social Science Journal* 7, no. 4 (2016):1-5.

³² Atul Kumar, “China-Pakistan Economic Relations,” Institute of Peace and Conflict Studies, September, 2006.

CPEC as it is passing through the difficult terrain and also because of the porous border between Pakistan and Afghanistan.³³

ii. Internal Factor

Security and stability in Balochistan is imperative for the sound trade between Pakistan and China. In Balochistan, there are speculations and misperceptions that the CPEC will only serve the Chinese interests and the local population will be converted into a minority. Such sentiments of deprivation can pose a severe challenge to the successful implementation of the CPEC. For the successful implementation, it is vital to address the concerns of the Baloch people and it is only possible through the coherent policy of integrating Balochistan and its people in the political process of Pakistan.

Furthermore, considering the Balochistan issue, the people of Gilgit-Baltistan (GB) are also demanding their part in the CPEC. Numbers of protests and strikes have taken place and people have been demanding a fair share in CPEC as GB serves as an entry point to the CPEC.³⁴

iii. External Threats

The CPEC is not only facing threats from inside Pakistan but the western province of China, Xinjiang, is also facing security threats from Uighur militants and the East Turkestan Islamic Movement (ETIM).³⁵ These militants, for a long period of time, sought safe-havens in the tribal areas of Pakistan along with other militant groups in the country.³⁶ On the other hand, the Pakistani forces have conducted the military operation *Zarb-e-Azab* against these militants in North Waziristan. This military operation has actually eliminated ETIM.³⁷ Moreover, the security of the CPEC is vital, for both Pakistan and China, to get the maximum benefits

³³ Ahmed and Mi, “China-Pakistan Economic Corridor.”

³⁴ Ibid.

³⁵ Clarke Michael, “The Impact of Ethnic Minorities on China’s Foreign Policy: The Case of Xinjiang and the Uyghur,” *China Report* 53, no. 1 (2017):1-25.

³⁶ “South Asia: A Bump in the Belt and Road,” Stratfor, May 16, 2017, <https://worldview.stratfor.com/article/south-asia-bump-belt-and-road>.

³⁷ Umbreen Javaid, “Assessing CPEC: Potential Threats and Prospects,” *Pakistan Economic and Social Review* 54, no. 1 (2016): 123-142.

from trade ties and regional integration. Militancy is a serious threat for the project and should be avoided otherwise it will adversely affect both countries.

iv. Political Discontent in Pakistan

Politics has always remained a major impediment in the development of Pakistan. Different political parties have different views about the CPEC, which generated many controversies. The political discord over the CPEC is largely based on the selection of routes and the allocation of funds to the provinces. The previous government tried to mend fences through arranging inter-party dialogue including the All-Party Conferences (APCs). These dialogues are an attempt to deal with the concerns of the people of KPK and Balochistan through the representatives of the people living across Pakistan.

v. Indian Factor

Pakistan's arch-rival India has always remained a major impediment in the development and prosperity of Pakistan and the South Asian region. All the South Asian countries are ready to join the CPEC, it is India only which has strong reservations regarding the project. New Delhi mainly opposes the construction of the CPEC on the grounds that it is passing through the disputed territory of Jammu and Kashmir, GB.³⁸

There are other reasons as well. Firstly, the Indian desire of hegemony in South Asia and economically strong, prosperous and peaceful Pakistan will never be in the interest of India. To achieve this goal India is propagating the negative agenda that the CPEC is passing through the disputed territory. Secondly, BJP's anti-Pakistan sentiments and the struggle to isolate Pakistan at the regional, as well as global level, is another factor. Fortunately, though, the successful development of the CPEC is portraying a softer image of Pakistan around the globe with its huge economic potential. Moreover, Pakistan's CPEC projects and programmes should be guided by diligent planning and policy. Islamabad should determine the

³⁸ "India's Opposition can Affect China-Pakistan Economic Corridor in Short Run: Chinese Media," *Hindustan Times*, June 27, 2017,
<https://www.hindustantimes.com/india-news/india-s-opposition-can-affect-china-pakistan-economic-corridor-in-short-run-chinese-media/story-TReDc79qXEd4U3X4hqGZHL.html>

direction of Pakistan's CPEC policy, based on its economic and political interests. It will help to place the CPEC in the context of a broader strategic vision for modernising its economy in ways that do not destabilise the polity. Thirdly, India does not want China to enhance its position in the region through trade and connectivity networks such as the CPEC. Because India considers itself as a competitor to China and the dominant position of China in the region will never be in the interest of India.

b) BCIMEC

i. Political Issues

The BCIMEC, since its inception, is the project of Track I Diplomacy for China and Myanmar because of the leading role that the Central government of Burma and the provincial government of Yunnan posit to play in it.³⁹ However, in the case of India and Bangladesh, it was cleared after the joint statement was released by India-China in May 2013 and project was endorsed at a higher level and further moved towards the Track I although before it was the part of Track II initiative.⁴⁰ But still least priority has been given to the states from eastern India as compare to the Yunnan province.⁴¹

ii. Regionalism and Sub-Regionalism

Regionalism and sub-regionalism are also two important dynamics of the economic corridors. The pertinent question is what kind of project is BCIMEC? Is this regional or sub-regional initiative? These questions need clarity because it has the policy implication in terms of framing objectives of the project. There are also some speculations regarding the basic aim of the BCIMEC that whether it will be able to develop the remote areas and will be able to link those areas to the global supply chain? Secondly, it will also create issues for the local government to figure out the grand scheme for the project.⁴² The local population is also concerned about the grand

³⁹ Subir Bhaumik, "Kolkata to Kunming: Indian and Chinese Strategies Converging to Build Land and Trade Ties in Northeast," *Economic Times*, December 4, 2013.

⁴⁰ Ibid.

⁴¹ Uberoi, "The BCIM Economic Corridor," 86.

⁴² Karim and Islam, "Bangladesh-China-India-Myanmar (BCIM) Economic Corridor."

strategies because they will ultimately make the remote areas merely a transit route. Moreover, the question of getting maximum benefits along with the ensured security is also important to address.⁴³

iii. Economic Issues

The economic rationale of the project also needs to be addressed. If ground realities are considered, it seems as if the project is driven by political and strategic contemplation. The BCIMEC Car Rally route itself is an example. There are some observations that the BCIMEC is not an economic decision, it is more like a politically driven project. The route of the car rally avoided the populous and industrially developed Brahmaputra valley and altogether bypasses most of the northeastern states.⁴⁴ Moreover, there is a need to review the economic viability of the BCIMEC. In order to garner maximum benefits from the BCIMEC, a revised approach is needed, which primarily focuses on community-building with an emphasis on social, cultural and environmental issues.

Recommendations

- a) In order to acquire maximum benefits from these corridors, there is a need to integrate civil society and private organisations.
- b) Policymakers should ensure that the private sector has a proper understanding of the ownership programme of the corridor and any kind of ambiguity must be avoided.
- c) Economic corridors will help to reduce the tensions between the borders and will help to avoid the interference of the foreign countries in the domestic affairs of the countries.
- d) Successful implementation of these corridors will help to establish strong diplomatic relations between the regional states and it will ultimately help to boost the economic integration in the region.

⁴³ Mustafizur Rahman, Habibur Rahman and Wasel Bin Shadat, “*BCIM Economic Cooperation: Prospects and Challenges*,” Dhaka: Centre for Policy Dialogue, 2007, 98.

⁴⁴ Uberoi, “*The BCIM Economic Corridor*,” 73.

- e) Role of regional organisations such as SAARC and SCO should be enhanced to achieve maximum benefits.
- f) All nations of South Asia should emphasize on broader economic cooperation rather than focusing on security issues. Because when economic interdependence between states will increase it will lead to fewer security issues.

Conclusion

The economic corridors can accelerate socio-economic development in South Asia if materialised timely. They can help in creating a way for regional connectivity and regional integration not only in South Asia but it will lead to the Central and East Asia. For successful implementation, it is imperative that the Indian attitude towards Pakistan must be changed especially when it comes to the trade. The connectivity through the CPEC and BCIMEC will be a harbinger for regional connectivity. It will help the regional states to put aside the political differences through economic cooperation. To exploit the economic advantages from CPEC and BCIMEC, durable peace and conflict resolution mechanism is required in the region. For this purpose, priority should be given to the multilateral and bilateral forums and dialogues should be initiated on a priority basis. People-centric projects should be initiated to ensure the maximum involvement and engagement of the society in projects under these two corridors.

Moreover, the regional organisations can play a major role in bridging the gap among the regional states. The SAARC is a viable option for this. However, in order to get maximum benefits from the SAARC, its revival is of utmost importance. The SAARC needs a number of modifications in order to work as a successful regional platform and it should work to bring all the parties to the table to negotiate for the betterment and economic advancement of the region. Furthermore, successful implementation of these corridors will open new avenues of development in South Asia. They will help to create economic growth, reduce poverty and will help to create a number of new jobs.

