Reviving Neighbourhood First Policy

What is the issue?

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- South Asian relations are facing tough time due to India-Pakistan rivalry, China-Pakistan proximity and India-China hostility.
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- A paradigm shift in South Asia’s regional integration strategy is required to address such issues.
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How is India's neighbourhood at present?

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- Politics and religion aside, across India, Pakistan and Bangladesh (IPB) there are common socio-cultural bonds.
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- People-to-people connectivity remains positive.
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- The remaining five i.e. Bhutan, Nepal, Maldives, Sri Lanka, and Afghanistan are paying the price of regional disintegration.
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- This is possibly caused by unresolved puzzles having roots in the China-IPB (CIPB) axis.
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- There are cross-border barriers and lack of transport facilitation among IPB.
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- This is leading to freight movement taking place along expensive routes, escalating the investment cost.
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- The Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC) has a sluggish progress in infrastructural development.
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- Pakistan-Bangladesh relations and the India-China tug of war over Bangladesh are increasing in recent times.
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What is the significance of IPB?

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- IPB account for approximately 95% of South Asia’s GDP and population.
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- Along with China, they account for 18.5% of global GDP and 41% of global population.
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- South Asia’s intra-regional trade, currently 5% of total trade, can grow to $80 billion from the current $28 billion, huge share being within IPB.
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- Pakistan and India have potential trade capacity of $20 billion compared to the current $3 billion.
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- If IPB can have a strategic partnership factoring China, the remaining five can effortlessly fit into positive regionalism with a win-win situation for all.
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What are the challenges before IPB?

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- The supply-demand gap of **power** in IPB is estimated to be around 18,000 MW.
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- Besides, by 2050, China, India, Pakistan and Bangladesh will also experience **water** shortages.
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- India and China are leading globally in terms of **Internet** and smartphone users.
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- But Internet penetration for these four countries is below 55%, indicating the untapped potential.
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- IPB fails to attract sufficient **tourists** due to poor civil aviation connectivity, complex regulations and lack of visa liberalisation procedures.
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- Movement of trucks across the international frontier is limited by absence of **cross-border agreements** between India and Bangladesh, and India and Pakistan.

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- **Rail connectivity** is restricted due to technical problems of different gauges, track structures, signalling and so forth.
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What measures need to be taken?

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- **Multilateral Co-operations -** The China-Pakistan Economic Corridor (CPEC) is being developed as a bilateral initiative.
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- However, if Indian sensitivities can be addressed, it can be a multilateral project.
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- Combined efforts of BCIM, CPEC and the proposed China-Nepal-India (CNI) Economic Corridor under BRI, can capitalise on regional economic potential.
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- **Infra Projects -** Synergetic integration of the economic corridors with other BRI projects can accelerate inward investment into IPB.
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- Developing transport, logistics services and bureaucratic procedures between India-Bangladesh are essential.
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- This can contribute to the cross border trade growth between the two by 300%.
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- **Renewable Energy -** To unravel the full potential, energy treaties based on renewable sources have become imperative.
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- Greater electricity generation and utilisation of domestic energy endowments along with connectivity are significant to capitalise on the regional energy potential.
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- **Water sharing -** The three largest trans-boundary river basins, Indus, Ganga and Brahmaputra, are all within CIPB.
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- China has expressed interest to pursue water- sharing treaties.
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- IPB could thus come together in a collaborative framework to boost the livelihoods of millions across the region.
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- **Digital transformation -** Digital connectivity can act as the gateway to a holistic transformation of the region via the CIPB conduit.
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- If these opportunities are tapped, it would enhance mobility of both tourists and students.
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- Thus a strategic collaboration, looking beyond historical animosity and misgivings, can unlock a new era of regionalism whose benefits far outweigh negatives.
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Source: The Hindu

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