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Bangladesh - Bridge between South and Southeast Asia?¹

Abstract

Bangladesh, the erstwhile ‘basket case’, has turned into a miracle: economically, socially and politically. However, ready markets for the export of clothing and labour, cheap labour and restraint on the side of a frustrated electorate cannot be taken for granted. Global warming, rising sea levels and less water arriving from India are new dangers. Bilateral trade is limited, certainly not boosted by the South Asian Association for Regional Cooperation (SAARC). Relations with Myanmar, the other neighbour, are tense. That Bangladesh would become a bridge between South and Southeast Asia is a popular idea, but not supported by the realities on the ground.

The ‘test case of development’ has been listed by Goldman Sachs among the ‘Next Eleven’. It took the first thirty years of independence (1971) to reach levels of consumption (per capita) of pre- independence days. Now the country is praised to

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have pulled ahead of India measured by some socioeconomic indicators, (Drèze/Sen 2013, p. 54) although its nominal GNI per person at (2014) 1,080 US\$ (World Bank 2015) is still much lower. The economic success has three sources: First: Agricultural production, especially of rice, increased to levels that would allow self-sufficiency in food-grains on pre-independence levels. Food supply at 2,450 Kcal per head and day (FAO 2013) reached Indian levels. Second: The country has become a leading exporter of clothing, earning 24 bn US\$ in 2013, (WTO 2015) less only than China and the European Union. Third: Personal remittances (2013: 14 bn US\$) (WDI 2015) of the millions of workers abroad reach all parts of the country and allow a positive balance of current accounts (2013: 2.4 bn US\$) (Ibid). Poverty is still high: in 2010 77 % of the population had less than 2 US\$ a day, 43 % less than 1.25 US\$; 32 % lived below the national poverty line (Ibid).

The fertility rate has come down dramatically to (2012) 2.1 births per woman (BBS 2012) Population growth slowed so quickly, that the last population census yielded 22 million inhabitants less than expected. Since 1991 the country has a democratically elected government and governments changed after elections. Bangladesh is a rare case of a predominantly Muslim country, where coeducation is the rule. Technical assistance is still needed, while net aid is only a small fraction of remittances now. However, poor labour conditions are damaging Bangladesh's reputation: In 2013 Rana Plaza, a garments factory, collapsed and nearly 1,100 mostly female workers were killed (Kazmi 2015).

Bangladesh is a founder member of the World Trade Organization. Concerns that China's joining the WTO would be at the loss of Bangladesh turned out to be unfounded. Not only that Bangladesh has a cost advantage in this labour intensive industry, it also has been benefiting from the fact that major importers avoid being over-dependent on just one source.

Bangladeshis are proud that their President Zia ur Rahman was the *spiritus rector* of SAARC. Four years before it was formally established, he managed to assemble the foreign ministers of India, Pakistan, Sri Lanka, Nepal, Bhutan and the Maldives in Colombo 1981 to discuss the idea of a regional cooperation. Bangladesh was still struggling to recover from decades of neglect by Pakistan, the worst cyclone of the century and a bloody independence war. Hundred thousands had been killed or perished (Zingel 2013, pp. 38-60). Millions of refugees returning from neighbouring India had to be accommodated. Foreign assistance,

crucial during the first years, was limited and mainly coming from international organizations. The whole infrastructure had to be reconstructed. Foreign exchange was scarce. Jute, the golden fibre, was the only major export good and losing importance. Only India had supported the freedom movement, backed by the Soviet Union. The famine of 1974, caused by bad harvest, withdrawal of food aid and poor management, further destabilized the government. In 1975 the Father of Independence, President Mujib ur Rahman and most of his family were murdered in a military coup that ended the close relationship with India and the socialist economic policy of the government. At the Islamic Summit in Lahore in 1974 Pakistan had recognized Bangladesh's independence; the United States, China and finally Saudi Arabia established economic relations. Officially the country is still a People's Republic, if only to avoid a discussion of making it an Islamic Republic.

In the 1980s the idea of regional cooperation was thriving all over the world. As Pakistan's eastern 'wing', the Province of East Pakistan had been a member of RCD, the Regional Cooperation for Development, together with Iran and Turkey. After Independence, Bangladesh was looking for partners beyond India, but ASEAN was not ready to welcome any South Asian state. Thus, the idea of a South Asian cooperation was developed in Bangladesh.

Some hopes were set in the fact that Bangladesh, bordering India and Myanmar, could serve as a link between South and Southeast Asia. However, the 'Albania of Asia' was under the rule of a communist army junta and an international pariah. Only after some political reforms, it was granted ASEAN membership in 1997. Relations are still not easy. The reason: After Independence in 1948, Burma (now: Myanmar) drove out the hundreds of thousands of Indians that had been brought in by the colonial power. In 1962 the army took over and closed all borders. Muslim Rohingyas were denied citizenship in the Socialist Republic of the Union of Myanmar and were evicted in several waves, i.e. in the late 1970s, early 1990s and recently. Hundreds of thousands have been crammed in refugee camps in the southeastern corner of Bangladesh (Miglan 2015).

Relations with India are even more difficult: In 1947 East Pakistan had been carved out of British India's Bengal and Assam Provinces and in the following years millions of Hindus were driven out, while an equal number of Muslim refugees from India had to be

accommodated. The border remained open until the 1965 Indo-Pakistan War. Since then the 'seven sisters', i.e. the Indian states of Assam, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura and Meghalaya can be reached from 'mainland' India only through the 'chicken neck', i.e. the small corridor north of Bangladesh, which means a detour of a thousand kilometres and more; as the upper riparian India controls the water of almost all rivers. It has built a barrage across the Ganges at Farakka and diverts its water into the Hoogly in order to keep Kolkata's river from drying up. Even more damaging is that India is using so much water for irrigation, that less and less is arriving in Bangladesh when it is most needed for irrigation (Zingel 2013, pp.65-87).

Cooperation with both neighbours has been consistently poor, mostly for political and strategic reasons: Any concessions are treated as sell-out of national interests. A gas pipeline from Myanmar to India could not materialize, despite the fact that it would have earned royalties. Plans to export natural gas from Bangladesh to India were also shot down. But in June 2015 Bangladesh and India agreed to exchange the many tiny enclaves on both sides of the border (MEA 2015). The bus from Kolkata to Dhaka will be extended to Agartala in Tripura, a new line will ply between Dhaka and Guwahati in Assam. More transport agreements are under discussion. Indian transit, even if controlled by Bangladesh, is opposed, because China might object any easier movement of material and troops to the Northeast, where Arunachal Pradesh is claimed by China as Southern Tibet.

China is seen as a counterweight viz-a-viz India. A New Silk Route is to connect China with West Asia and Europe. Pakistan, India and Myanmar could provide access to the Indian Ocean. In 2015 China signed a series of agreements with Pakistan to invest 46 bn US\$ in an Economic Corridor from Xinjiang to Gwadar on the Arabian Sea, China is building railway lines up to the Indian border and has laid pipelines for oil and gas across Myanmar. Plans of a railway have been suspended after rising Western influence in Myanmar. That China is lining up Chittagong on its String of Pearls (ports) is irritating India. Hopes for a direct link appear to be unfounded, as either India or Myanmar has to be crossed first. It is difficult to see, how this would be any more economic than using any port in Myanmar.

The main draw back is governance: Highly personalized politics thrive on a 'winner-takes-all' mentality and blockages: The leaders of the two main parties are the daughter of the

Father of the Nation and the widow of a war hero and former president. The ruling Awami League is more secular, liberal and leaning towards India as compared to the more nationalist and Islamic, China leaning BNP. Only recently, collaborators in the War of Independence and the murderers of the Father of the Nation have been brought to court and indicted. Among them are leaders of the Islamist parties that had sided with Pakistan.

The all-important question of the Teesta river waters remains unresolved (Prasal/Surie 2013). Fears that the whole area in the northeast of the subcontinent might become a major international flashpoint have been around for decades. They may be exaggerated, but diminish the chances of Bangladesh developing into a bridge between South and Southeast Asia in the near future.

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