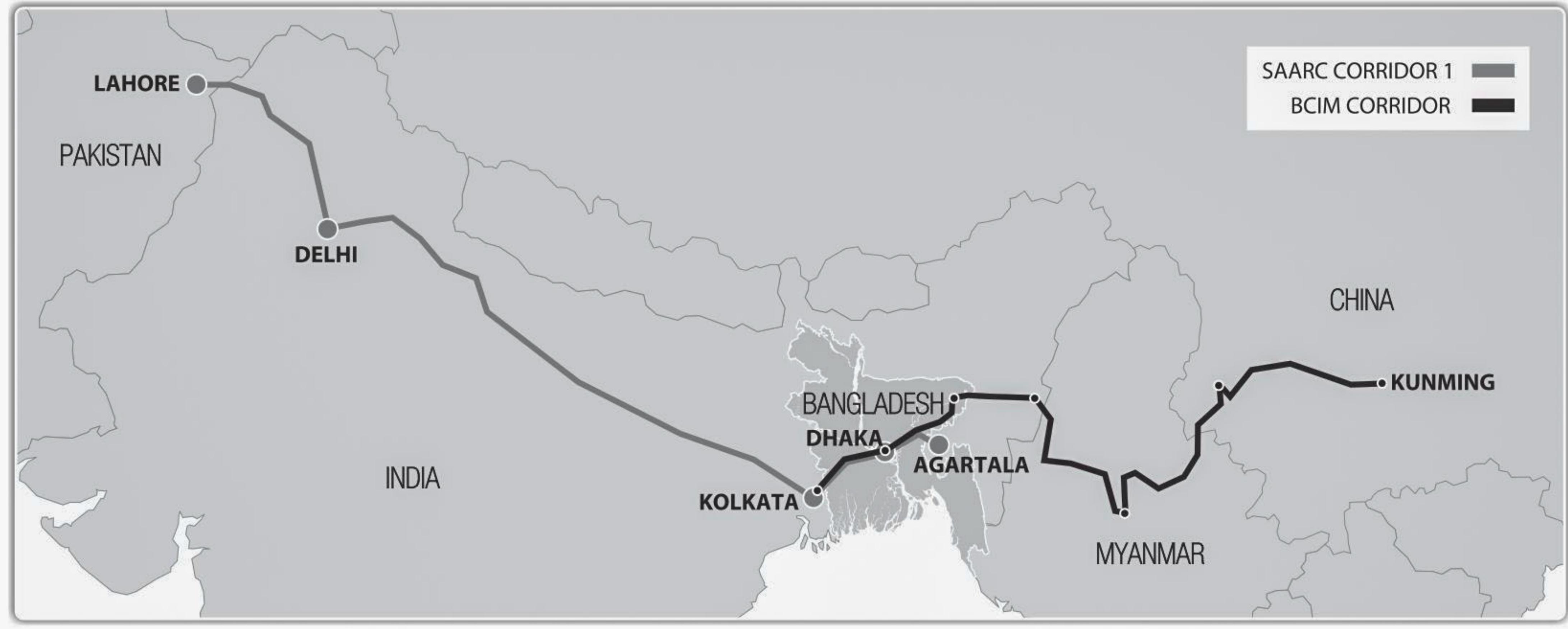


THE POWER OF CONNECTING THE DOTS



A container usually takes 20-25 days and occasionally even upto 60 days to move from New Delhi to Dhaka, as the maritime route is via Bombay and Singapore/ Colombo to Chittagong Port and then by rail to Dhaka. But the same container could have been moved to Dhaka within 3-4 days, if direct rail connectivity and operation existed between New Delhi and Dhaka. Such simple data corroborates the fact that South Asia is the least integrated region in the world. The entire South Asian region is suffering from this expensive consequence of non-cooperation. Bangladesh, being at the centre of the Eastern sub-region of SAARC (Indian North-East, Nepal, Bhutan and Bangladesh), and at the gateway between South Asia and South East Asia, is poised to be a leading agent in realising integration of the whole region. Dr Sultan Hafizur Rahman, Executive Director, BRAC Institute of Governance and Development (BIGD) talks to Shamsuddoza Sajen of The Daily Star on various aspects of regional integration in South Asia surrounding Bangladesh. Dr Rahman was directly involved in various regional integration processes in Asia particularly in South Asia, during his 20-year-long career in Asian Development Bank (ADB). He was also the first Bangladeshi to lead the South Asian Desk of this leading Asian regional body.

The Daily Star (TDS): It is better to start with a brief history of regional integration efforts in Asia, particularly in South Asia.

Sultan Hafizur Rahman (SHR): At the advent of the 20th century, particularly during the 1920's, Japanese pundits started preaching the idea of Pan Asian solidarity. People like Rabindranath Tagore supported the idea and even visited Japan to show solidarity. But after WWII, Japan herself stopped propagating this as the old fascist regime changed and the new Japan took a peaceful path of development under the control of Allied powers, particularly the USA. However, the idea of Pan Asianism was a far reaching idea.

Later in the 1960's, when the spectre of communism haunted the South East Asia region, the common fear of communism and a thirst for economic development motivated the formation of ASEAN in 1967. Earlier in 1966, Asian Development Bank (ADB) was established as a regional bank. In ADB's charter, there was explicit mention of the concept of regional cooperation which is absent in the charter of the World Bank. ADB played a crucial role in facilitating regional integration in Asia. They think of Asia as a continent consisting of four regions: Central Asia, South Asia, South East Asia, and East Asia and the Pacific Islands. At that time, it was not possible to integrate this widely diverse region into a single whole. So they took the approach of integrating these four regions individually and later strive for a larger integration.

Now if we turn to South Asia, we see various attempts of regional cooperation largely being influenced by the idea of ASEAN. SAARC is a good example though it could not live upto its potential. In the 90's, we saw a new type of regional cooperation with the rise of India and China. BCIM (Bangladesh-China-India-Myanmar) and BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) are two such initiatives that have real significance for this region, particularly for Bangladesh. I will focus on these three regional integration efforts: SAARC, BIMSTEC and BCIM.

Here I want to distinguish between regional cooperation and regional integration. Regional integration is the advanced form of regional cooperation which is active in creating cross boundary trade and connectivity facilities like common market, regional corridor, regional power grids and so on.

TDS: How do you evaluate the performance of SAARC in integrating the South Asian region? We also see sub-regional integration within the SAARC. Could you also elaborate on that?

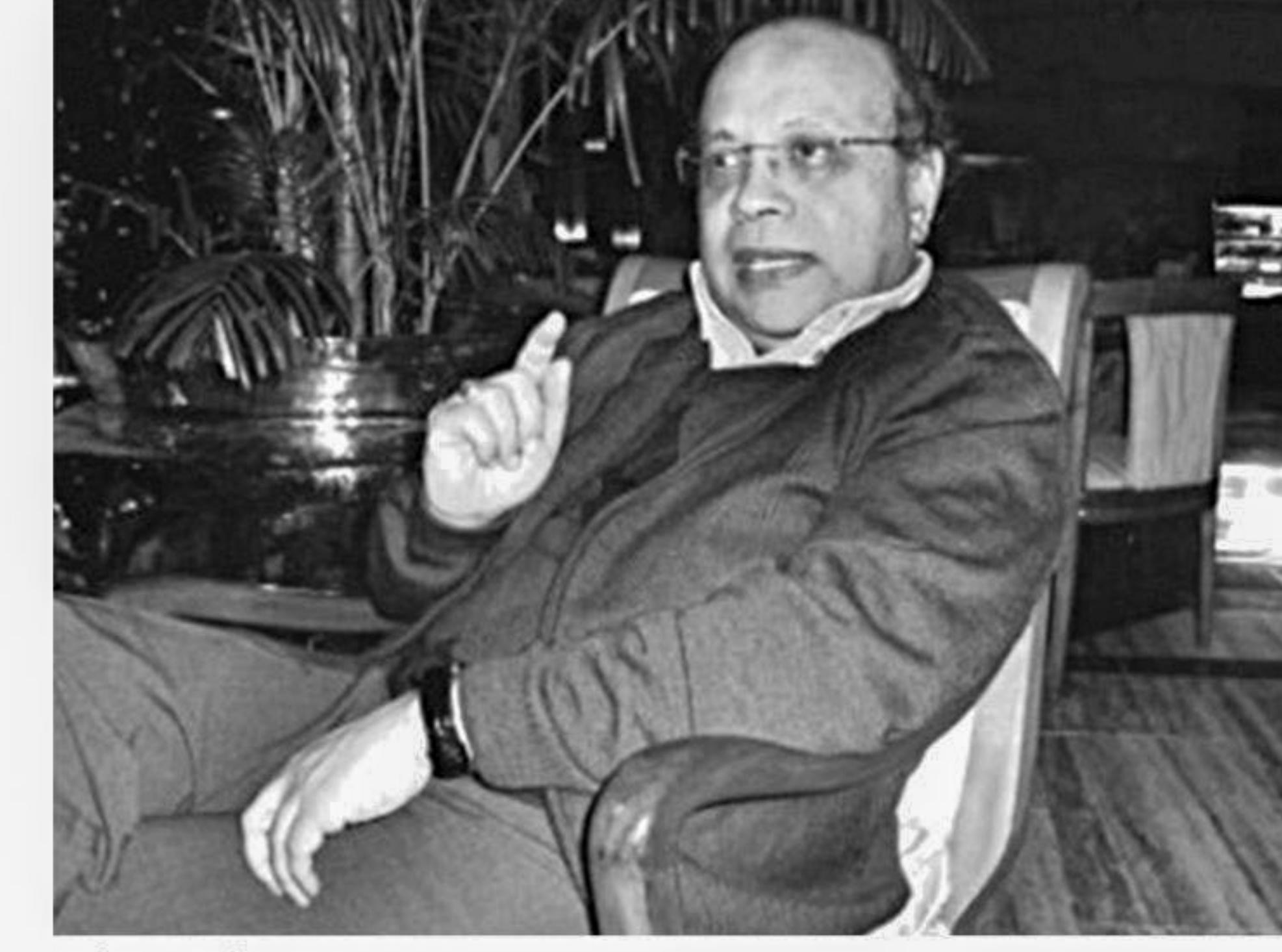
SHR: SAARC did not work out due to the peculiar presence of a large power like India. Every country has relations with India but there is a lack of trust between the countries. Mutual trust is very important for regional integration.

However, within the SAARC region there is a potential of sub-regional opportunity. Pakistan, Afghanistan, Maldives and Sri Lanka are far away from the rest of the Eastern part of India, Nepal, Bhutan and Bangladesh. In 1997, SAARC adopted an initiative called South Asia Growth Quadrangle (SAGQ) comprising these four countries. It came from the idea of Indonesia-Malaysia-Singapore growth triangle. This SAGQ sub-region enjoys geographical proximity, economic complementarities and socio-cultural similarities favouring greater economic integration. It aimed at boosting cooperation in environment, energy and power, trade and investment, transport, and tourism. The initial four member countries then requested ADB assistance to promote economic cooperation in the sub-region, leading to the creation of the South Asia Subregional Economic Cooperation (SASEC) Programme in 2001. Maldives and Sri Lanka were welcomed as new member countries in May 2014.

Since 2001, SASEC countries have implemented 30 regional projects worth more than

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a total of \$5 billion in the energy, transport, trade facilitation, and ICT sectors. SASEC helps member countries strengthen road, rail, and air links, and create the conditions necessary to provide reliable energy and boost intra-regional trade in South Asia to cater to the needs of the region's growing economies. Some major initiatives are regional power grid projects, including SASEC Bangladesh-India Electrical Grid Interconnection Project, Strategic Master Plan for Chittagong Port, SAARC Multimodal Transport Plan (SMTCP),



Dr Sultan Hafizur Rahman

including regional corridors extending from Lahore to Chittagong through various routes, SASEC Information Highway Project and so on.

So we see a sub-regional integration within SAARC which is going faster and delivering benefits for member countries. Bangladesh should take full advantage of its key geo-strategic position in this sub-region.

TDS: Bangladesh is also a key member in the Bay of Bengal (BoB) region which is gradually becoming a global hotspot. Against this background, what is your take on the BoB regional integration initiative known as BIMSTEC?

SHR: The BoB region has become very important due to the spectacular rise of India and China. The US and Japan are also working hard to have a strong presence in the BoB. The American doctrine of Asian Pivot and Japan's initiative of Bay of Bengal Corridor are two such examples.

Against this background, we see the emergence of BIMSTEC comprising Bangladesh,

Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. This is a major step to connect South East Asia with South Asia. It is much more of an economic arrangement. When it will open, it will be very productive because it is not possible to connect individually with all the South East Asian countries. But if you connect with Thailand, you can enjoy benefits from its neighbours also.

Again, Myanmar has huge growth potential. To access Myanmar through Bangladesh is the least costly road. You can also go there through Assam but that is a catastrophic journey. Unfortunately, the Asian Highway

has changed its route and now goes through Sylhet. But BIMSTEC has raised hopes to have a direct road between Myanmar and Bangladesh.

At the initial stage, bottlenecks were created on the issue of headquarters. Sri Lanka tried to establish it in their country but thankfully Bangladesh got it. Now, the main issue is to mend relations with Myanmar and Thailand. SAARC has a common history but BIMSTEC does not have that. It is difficult to be inspired from this diverse background. I think to make BIMSTEC effective, the most important country is Myanmar. It has to be made open to the idea of regional integration.

BIMSTEC has identified 14 priority areas in which a member country takes lead. In this forum Bangladesh is a leading country for trade & investment and climate change.

TDS: What is the prospect of BCIM particularly the BCIM corridor?

SHR: The main focus of BCIM was to bring India and China in a regional arrangement. It will connect India's Northeast, Bangladesh, Myanmar, and the Chinese province of Yunnan through a network of roads, railways, waterways, and airways under a regulatory framework. The current focus of BCIM talks is on an inter-regional road network. This makes sense, as roads are the cheapest route of trade. The BCIM Economic Corridor is a modern version of the Silk Road. It is planned to run from China's Kunming province to Kolkata in India, and link Mandalay in Myanmar and Dhaka and Chittagong in Bangladesh. BCIM initiatives have gained momentum since Chinese Premier Li

Keqiang's visit to India and the conclusion of the first official meeting of the joint study group of the BCIM Economic Corridor on December 19, 2013.

TDS: Bangladesh is growing between two giants, India and China. There are often talks about balancing these two giants. How can we do that?

SHR: Bangladesh is strategically located in the gateway between India and China.

Due to its strategic position and growing development, both India and China give importance to Bangladesh. We need to balance these two forces.

We have growing relations with India. I think the recently signed deals, particularly the boundary and coastal shipping deal, will have very positive impacts on the whole SAGQ region. We have long term treaties with India which is a sign of a strong relationship. But we are handling China by default. We should have a long term partnership agreement with China like what we have with India. It is not like a friendship treaty for 20 years. It can even be an investment treaty. For example, China can build 10 industrial zones in Bangladesh in the next 10 years.

The rise of these two giants is not only important for South Asia but also for the world. If these two countries rise peacefully, the whole South Asia will change dramatically. We can also create groups with other small countries of Asia to raise the issue of a balanced relationship between India and China because big powers will not listen to us alone.

TDS: We often see reservations about the idea of regional integration. Do you find any valid grounds for it?

SHR: I call it siege mentality. It happens to all small neighbours. An example of siege mentality is foot dragging with the deep sea port. We have made it too politicised to give any country the construction project. At present, we desperately need a deep sea port but we are yet to start the construction work. I think it is a reflection of a lack of preparation from our side. We should have a well-planned strategy regarding that.

We need to know what our national interest is. It is not just flaring nationalist rhetoric but understanding what we really need and what we can compromise for our gains. Ultimately, diplomacy is an art of compromise.

In the age of globalisation, we cannot think of our politics and economics detached from our neighbours. We need to build area specialists. Can you say who the experts are on America, China or India in Bangladesh? The foreign ministry needs to create its own think tank through investing in different universities and research organisations.