


Asia's balancer, Bangladesh

Enacting Britain's historical European role?

KAUTILYAN KRONICLES



IMTIAZ A HUSSAIN

REMEMBER those expansive aphorisms, "Britannia rules the waves" and the "empire where the sun never sets"? Don't they look odd against today's restrictive "Brexit" mindset? They may be rescued by a third, more relevant power policy cliché today: "Great Britain, Europe's power balancer". Not many countries today have what Britain skilfully displayed for over a century to earn that coveted title. One of them, Bangladesh, may have no choice but to learn it fast. Sandwiched between China and India, both trying to make sense of a decaying global order, paltry Bangladesh's plight echoes England's from the 16th century against more powerful European empires.

Three features beg attention: (a) China rekindling its historical global leadership roles; (b) India's signed, sealed, and almost delivered encirclement by China, safeguarding China's new Indian Ocean flanks no less; and (c) with global competition shifting east from the Atlantic Ocean to the Indian, the emergent "Indo-Pacific" label dictating strategic discourses.

Located as it is on a smaller chessboard, Bangladesh straddles an increasingly pivotal region where history's two most populous countries, China and India, now brandish their own hardware. Having served as the largest world economy once, both still seem bent on recreating that stature, with a military counterpart to boot. Both are also emerging from their half-century communist or nationalist cocoons. China's Belt Road Initiative (BRI) roadmap, for instance, already girdles India, while India's looser and more multifarious counterparts hop, skip, and jump over the regional BRI cordon, scopes sturdier global partnerships. India has bagged deals with a now chummy-chummy United States, naval and other agreements with France, growing linkages with Japan, convergent minds (and matter) with Australia, and diffusive Southeast Asian outlets as credentials. Should China-India rivalry thicken, though, India's neighbourhood might become its Achilles Heel: India's "guns" and China's "butter" characterise that neighbourhood, depicting an India alienated where it matters the most, and a South Asian perimeter abandoned to China (for only China to lose).

Afghanistan's horns remain as before, locked in ethnic battles (disguised in *jihadi* cloak), now laced with Indian security

interests; Bangladesh, fenced off by its very own umbilical partner, India, grieves the diversion of common rivers to India, among other inflictions; Bhutan just escaped a China-India stand-off; isolationist Myanmar flirts with both China and India; Nepal's *sayonara* to India contrasts with Pakistan's facilitative *Taleban's* resurgence in Afghanistan; and Sri Lanka's landlocked sub-continental soul militates against its China-bound heart and mind (and pockets).

Two from that group carry "balancer" credentials: a regionally sandwiched Bangladesh; and the globally estranged Myanmar. Bangladesh is examined here.

With almost USD 100 billion of commerce flowing between them, neither China nor India needs strategic collision today. Yet, as

November 2014, India wooed South Asian countries like an adrenalinised newcomer to regional integration.

Using the December 1985 South Asian Association for Regional Cooperation (SAARC) Charter, India launched the 1997 BIMSTEC (Bay of Bengal Initiative for Multi-sectoral, Scientific, Technical, and Economic Cooperation) platform, which even proposed its own free-trade agreement in 2006, then concluded the January 2004 South Asian Free Trade Agreement (SAFTA), before chalking out Kolkata-Hanoi Railway (Mekong-India Economic Corridor) project and the 2,800-km Bangladesh-China-India-Myanmar (BCIM) Highway.

Adopting "Act East" spawned BIMSTEC-promoting plans: a Kunming-Kolkata

cognisant that, though India cannot live with a too fancy-free Bangladesh, living without Bangladesh is virtually impossible.

As two sleepy Asian giants awaken, major global power-distribution changes greet them: like a prior European order a century ago, the Atlantic order is also unravelling, with Asia's geopolitical and geo-economic interests rapidly ramping up. South Asia's strategic stock-market value cannot but shoot through the ceiling, opening, as it does, balancing opportunities for lesser countries. Bangladesh's Metternich-producing windows open up right here.

That must be too much to swallow in one strategic breath, but Bangladesh's rendezvous with destiny could be at its doorstep with China accessing the Bay of Bengal. Since

many new deals were signed in New Delhi, expected old ones were not, including river water-sharing, easing trade bottlenecks, and forging Rohingya-influx commonality. Warmth, both between leaders in the two countries and within respective business communities, has not percolated down to the more negatively inclined masses. Likewise, warmth at the centre but not at province-levels also clips the fundamentals. Still, slow-downs, as now, sustain more than scuttle the spirit.

Speaking from behind barbed wires, Bangladesh's response cannot but be a variable. It is too inundated with Indian products, some eliciting endearment, like movies, but others, like *Tata* trucks, triggering street-side snide. Adding trade asymmetry, smuggling, and India-drifting remittances only predict ploughshares turning into swords.

China's entry displaced India as Bangladesh's largest trading partner, encouraged Chinese settlers in Bangladesh, and supplied the much-needed moral support, as when the World Bank withdrew its Padma Bridge funding (China's counter-offer was politely declined though). India's unassailable advantage is China's opposition to Bangladesh when it mattered the most, in 1971. Yet, with neither country behind us over the current Rohingya influxes, we must shift from our adolescent dalliances into adulthood pragmatism: that one-night-stand mindset must go, assertiveness must show, much as Britain demonstrated in 19th century Europe. Bangladesh must also emulate Britain's outreaches to European countries and engage other Asian countries.

Prime Minister Sheikh Hasina's South-Southeast Asia bridgehead proposal in New Delhi was a bold departure: we did not need India's "Act East" as a platform. Simultaneously our infrastructure-building indebtedness to China (as a proportion of our gross domestic production), is among the lowest of all BRI recipients of Chinese funds. We seek Japan's developmental support, Japan seeks investment outlets (not to mention demographic and security insurance too), and both countries savoured the lavish *Summit Power-JERA Asia* partnership as a hopeful future trajectory.

A longer trek remains, but industrial diversification, sustaining 8+ percent growth-rate, and a middle-income climb suggest that if *push* ever came to *shove*, only our balancing skills can bail us out. With two free feet, dithering can no longer be an option.

Imtiaz A Hussain is the Head of Global Studies & Governance Program at Independent University, Bangladesh (IUB).



PHOTO: REUTERS/FILE



PHOTO: FILE



PHOTO: REUTERS/DAVID MOIR

Indian Prime Minister Narendra Modi, Bangladeshi Prime Minister Sheikh Hasina, Chinese President Xi Jinping.

Bhutan's Doklam standoff indicated, one over-zealous local move could trigger costly strategic consequences. Even by encircling India with both economic corridors and indebted neighbours (exchanging real estate for financial write-offs, as Sri Lanka did with Hambantota Port; and possibly Pakistan with Gwadar Port), China is still unable to write the sub-continental script alone.

Counterpart Indian gestures even antedate China's BRI emergence. Former Prime Minister P V Narashima Rao's 1991 "Look East" Indian policy proposal feeds another encirclement thesis, a "ring around China" scheme when Russia was closer to India than China. Until Narendra Modi's "Act East" targeted Southeast Asia more forcefully from

Economic Corridor from 2015, the 1,360-km Trilateral Highway linking India with Myanmar and Thailand, from 2018, and the Bangladesh-Bhutan-India-Nepal (BBIN) Highway from 2019. The more these have stalled, the more the cooperative start has wrinkled. Business-minded Indian pockets in Malaysia, Singapore, and Thailand energetically pump Southeast Asian visions, just as their Chinese counterparts do likewise for China. India's original plan to access them through Bangladesh may be shifting to a Siliguri counterpart and a Bay of Bengal transit to Sittwe, Myanmar. Fenced-in Bangladesh must now carve its own Southeast Asian passages with a balancing *motif* (as its multiple trade negotiations suggest), fully

China's string-pulling, especially among BRI recipients, has thus far exceeded any other country's, Bangladesh could get front-seat view of the grandest naval show of them all.

Prime Minister Sheikh Hasina's latest New Delhi visit reinforced not just Bangladesh's umbilical link with India, but also its one-man-band Southeast Asian sojourn. Several deals were signed with India, but how the hearts, minds, and souls click may say more. As partial summit host, the World Economic Forum (WEF) offered an alternate BRI paradigm, inducing India to extend it to Bangladesh, if only to preserve Atlantic remnants in South Asia.

Do Bangladesh and Indian hearts, minds, and souls click today as in 1971? Though

What to expect on the world stage in 2020

AN OPEN DIALOGUE



ABDULLAH SHIBLI

AMERICANS celebrate Thanksgiving Day (on the last Thursday of November) for many reasons but personally, I look forward to this holiday for the opportunity to reflect on the happenings of the past year, and to plan for the next one. It's always exciting to be stepping into December, and regardless of the losses and gains of this year, the incoming year holds out promises of new possibilities, the potential for unexplored opportunities, and inevitably unexpected and interesting happenings.

Like most people, I spend this long weekend to look back and take an inventory of stuff that happened and search for hopes that did not materialise. This year is no exception. I have already made a list of the successes and failures of 2019. Trade war, Brexit, climate change, "endless wars in the Middle East", impeachment inquiry in the USA, etc. But then soon, I turn around and gaze into my crystal ball to see what awaits us next year. Economic growth, resolution of the trade war, peace in Hong Kong, Rohingya repatriation, US presidential elections, and a denuclearised North Korea.

My biggest disappointments have been the slow progress and the resulting chaos due to Brexit, trade wars, and the Rohingya impasse. Admittedly, there has been little movement on each of these fronts. Progress can be characterised as slight in the case of Rohingya to modest in the crazy world of Brexit. I have written in detail on the Rohingya issue in my op-ed last month ("The mounting pressure on Myanmar and its sum total effect," November 22) and will wait until the December 12 general elections in the UK to give a more definitive verdict on the Brexit scenario.

The US-China trade talks
Fortunately, the US-China trade deal is inching forward, even if at a glacial pace. It might become unglued again if tensions between the US and China flare up over the Hong Kong Human Rights and Democracy Act recently passed in the US. On November 26, the top negotiators for each country had a very productive discussion on the phone which increased the chance for a limited deal between these countries. China's chief trade negotiator Liu He and his US counterparts, Trade Representative Robert Lighthizer and Treasury Secretary Mnuchin talked about getting the "Phase I" done before the end of the year.

China's Commerce Ministry said the two sides had "reached a consensus on properly resolving related issues".

But it is already December, which only means that most people are chasing a bargain in shopping malls and getting ready for the holiday season, and even those in power forget about the need for lower tariffs and increased commerce to keep consumers happy. One should not be surprised if completion of the Phase I US-China trade deal rolls into next year, as Beijing presses for more extensive tariff rollbacks and the Trump administration counters with heightened demands of its own.

Let's look at the brighter side. Chinese Communist Party's top policy-making body and the cabinet issued guidelines for stronger protection of intellectual property rights which has been a major US demand and a sticking point in the year-long negotiations. "I think China is eager to get a deal done," said Jingzhou

A report earlier this year from a British government oversight group found that Chinese telecom-equipment maker Huawei has basic but deeply problematic flaws in its product code that create security risks. It also raised concerns that "Huawei devices are controlled by the Chinese government or that Huawei would take orders from Beijing to undermine its security protections if asked."

There is an additional uncertainty now hanging there. A political action that could derail the economic imperative. Beijing is wary of the Hong Kong bill, which stipulates annual reviews of whether China is respecting HK's autonomy. This condition is viewed by China as a hostile act and infringes on China's sovereignty and an indirect interference in its internal affairs signalling support for the pro-democracy movement.

The next date to watch is December

and this might negatively impact business investment. More importantly, UK growth will continue to be shaped by global developments, especially as the country's two largest export markets, the US and Germany, will themselves witness some turmoil. Germany is in the midst of a mild recession and the US Fed is struggling to come to terms with any possible downturn during an election year.

Recent surveys of purchasing power managers published by research firm IHS Markit on November 22 show that the Eurozone economy, with the exception of France, continues to slow. It has been reported that European Central Bank President Christine Lagarde is likely to pressure governments for fiscal support as she has limited room to manipulate the monetary levers.

A survey of Europe's top 50 CEOs and chairmen shows that while the outlook for business is slightly positive, only 25 percent of them expect increase in investment. Germany, Italy and the United Kingdom could be in for major economic problems.

The rest of the world

Turning to other countries, "China's economic growth is poised to slow over the secular horizon given its adverse demographics, a likely continued focus on containing the build-up of further leverage and sustained trade frictions".

In addition, among the emerging powers facing economic problems are Mexico, Turkey and Brazil, although they are not in serious danger of an immediate recession.

Turkey's government predicted the recession-hit economy would rebound sharply with growth of 5 percent next year, a bright outlook many economists deemed unrealistic.

In Latin America, Venezuela faces the worst economic situation with a 35 percent drop in GDP, while Argentina had a 3.1 percent drop. Ecuador, on the other hand, dropped just 0.5 percent in the third quarter, according to IMF data.

The US retains the brightest outlook among OECD countries. On November 27, just before Thanksgiving Day, a series of US government reports indicate that the US economy is steaming ahead at a very healthy pace, regardless of the uncertainties looming ahead. Consumer spending is robust and is likely to receive a boost as the year-end holiday season gets underway. Even the usually sceptical *New York Times* is full of predictions that point towards the failure of the impeachment proceedings which can only lead to the enhanced chance of Trump's re-election.

Dr Abdullah Shibli is an economist and works in information technology. He is Senior Research Fellow, International Sustainable Development Institute (ISDI), a think-tank in Boston, USA.



PHOTO: REUTERS

The world will be watching the next British general elections with great anticipation.

Tao, a Beijing-based lawyer for Dechert LLP and reported to be a major advisor to multinationals doing business in China. "They cannot afford to have this uncertainty overshadow their economy."

Beijing has promised to make stricter intellectual property regulations and set benchmarks for improvement by 2022 and 2025. "But some experts said the wording was vague and offered few details on how leaders would achieve these goals."

The US is also eager for a trade deal for two reasons: to give the markets, particularly the share market, a boost and to enhance the chance for a Trump re-election. While the US has loosened restrictions on China's Huawei, it simultaneously outlined a plan to bolster telecom security. While neither China nor Huawei was mentioned, observers are aware that Huawei and its 5G have been under scrutiny in the US and UK.

15, when US tariffs on some USD 156 billion in Chinese goods are scheduled to take effect.

Brexit and EU

The world will be watching the next British general elections with great anticipation. While polls show that the Conservative Party is ahead of its opponents, numbers are tight, and there could be a hung parliament which will bring more misery for Britain and its trading partners. If the Conservatives get an outright majority, we expect the parliament to ratify Prime Minister Boris Johnson's Brexit withdrawal deal. The deal would see the UK leave the EU, but stay in a transition period until the end of 2020, or until the end of 2022, if mutually agreed by the UK and EU by next summer.

Regardless of the outcome, considerable uncertainty about the precise future trading arrangement between the EU and UK will remain,

CROSSWORD BY THOMAS JOSEPH

- ACROSS**

1 Useful skills

7 Snake sound

11 Eat a lot, in slang

12 Not fooled by

13 Heart pain

14 Baseball's Willie

15 Moulin Rouge dance

17 Louver piece

20 Sphinx setting

23 Sold-out show

24 Brandy cocktail

26 Thurman of film

27 Perfect serve

28 Clumsy one

29 Was excited

31 Sailing site

32 Flair
- 33 Sassy

34 Italian cheese

37 Casserole bits

39 Snookers

43 Feedbag fill

44 Broad street

45 Low card

46 Make blue
- DOWN**

1 In the style of

2 Heir, often

3 Slump

4 Decree

5 Melt base

6 Reach across

7 Tribute

8 No matter what

9 Pig's place

10 Sinking signal
- 16 Handed over

17 Closes

18 Put a cap on

19 Nevertheless

21 Origami need

22 Pay for every-one

24 Witch trial town

25 Tea cooler

30 Not matte

33 Did some modeling

35 Woeful cry

36 Flaring star

37 Cook's need

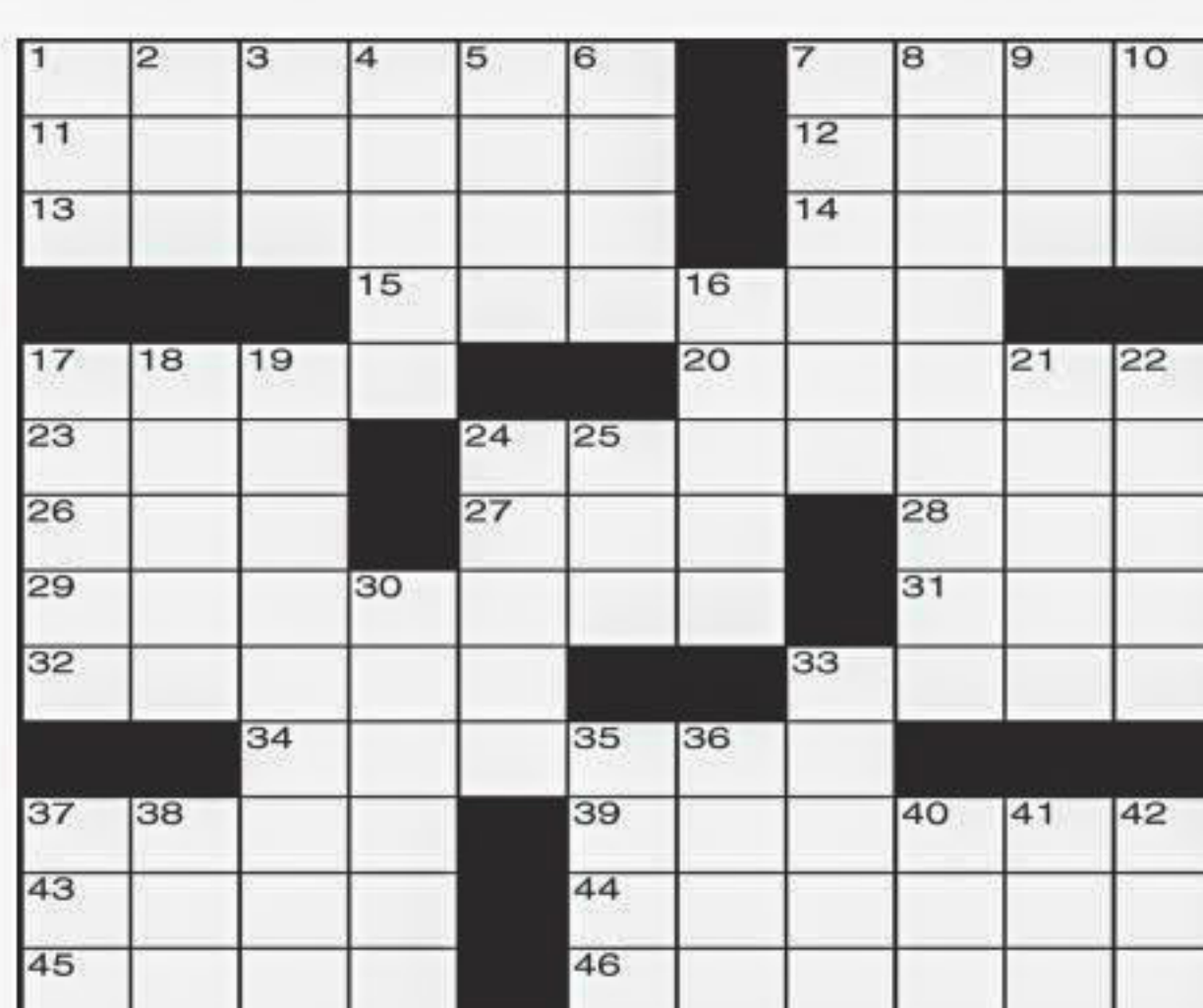
38 Corn helping

40 Conclude

41 Wish undone

42 D.C. VIP

WRITE FOR US. SEND US YOUR OPINION PIECES TO dsopinion@gmail.com.



11-27

YESTERDAY'S ANSWERS

M	A	S	T	S		T	E	A	S	E
O	C	T	E	T		E	A	S	E	D
T	H	E	D	E	P	A	R	T	E	D
H	E	M		W	E	B		A	N	Y
				D	E	G	A	S		
A	W	A	R	D		G	I	M	M	E
C	A	P	E				F	E	A	R
T	R	E	S	S		O	T	T	E	R
				S	P	U	D	S		
S	O	B		O	N	E		E	L	K
T	H	E	I	R	I	S	H	M	A	N
I	N	E	R	T		S	A	U	D	I
R	O	P	E	S		A	S	S	E	T