

BCIM and reflections on the prospect of Bangladesh's development through regional connectivity

Sajjad Zohir

Research Director, Economic Research Group, and
Professor in Economics, BRAC University

Bangladesh, China, India and Myanmar have long been members of the BCIM forum; and efforts are being made to showcase K2K (Kolkata to Kunming) car rally. The eleventh meeting of the Forum was recently held in Dhaka, facilitated by the Centre for Policy Dialogue; and I had the opportunity to attend one of its sessions. The exchanges on cooperation (or lack of it) in the fields of trade, investment and finance, reminded me of a talk that Dr. Ishwar Ahluwalia (a distinguished Indian) had delivered in a Dhaka hotel back in 2004. The Professor's focus was on India-Bangladesh cooperation with one of the issues dealing with security of Indian investment in Bangladesh that targets to access Indian market – a viable cooperation that would benefit both the countries. I recall raising a question: how about joint investment so that the partner in Bangladesh is motivated to secure the investment and the Indian partner negotiates easy access to Indian market? Visibly, the silence revealed a lack of interest in pursuing such routes! Listening to the participants at the BCIM Forum meeting, I suddenly realized that things have moved a lot beneath the surface; and we may pause to ponder on the future that appears to stroll with looming uncertainty in political space. When politics appears to dominate (which generally happens when it is messed up!), digging into the economics may be the most appropriate way to seek clarity.

The home front in Bangladesh had passed through eventful years since the turn of the century and the drama continues to take unanticipated twists and turns! The high hopes around extractive industry on land and offshore, several mega infrastructures and increased recognition of potential gains from regional connectivity raised our hopes, at the backdrop of which the sixth five year plan was adopted. There have been praiseworthy achievements – in education, food management, holding back the chaos in the power generation and distribution, etc. Soon after, the hopes started to crumble – threats implicit in speeches of foreign diplomats tying the assistance with 'good conduct' in labor relations and foreign relations (particularly, TIFCA); the sudden burst of Rohingya-related diplomacy followed by the unfortunate Ramu incident; fire in an RMG factory causing death of many workers; break of all negotiation on the Padma bridge with the World Bank; etc. raised too many questions that remain to be resolved. In addition, long unattended mis-governance in the financial sector got badly revealed in both the share market and bank lending. Then, we hear of the consortium of parties from India, China, Malaysia and Bangladesh returning to the scene, raising another round of hope for the bridge; a soft negotiation with JICA to initiate the process to build one route of the metro rail; selected commuter rails to start operations shortly in the north west and several connecting east with Dhaka; flyovers with a bias making progress in the capital. And on the political front, everyone seems to know what is going to come; and yet, repeatedly we are caught by surprises.

A BCIM meeting could not have been better located at a better time! Listening to Dr. Probir De of India during the first technical session and to other discussants, let me summarize the economics of the story.