

# **International Conference**

## **Borders Without Boundaries: Reimagining Asia**

### **Inaugural keynote Lecture**

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## **Borders Without Boundaries: Reimagining Asia**

### **Fluid boundaries integrated peoples**

Borders originate in history. Boundaries are products of human geography. Borders enclose the modern nation state with its traditional badges of distinction, the passport, immigration officials, national anthems and national flag carriers. Boundaries are more fluid constructs which encapsulate economic and social spaces which transcend borders and have provided the porous dividing lines between peoples through much of history.

Through millennia humans have moved across various parts of the globe and across the globe in search of livelihood, security against the forces of nature and from their fellow humans. Boundaries tended to be proclaimed when one set of migrant invaders of a land felt strong enough to exclude other migrants who chose to follow their path. For example, nation states such as the United States and Australia were once states without borders which kept expanding their boundaries through armed conquest of the lands of indigenous populations who never managed to either establish boundaries over their domain or to sanctify these within borders. Land, water, air, were seen as part of a divine inheritance to these indigenous peoples, to be shared not enclosed for parochial exploitation.

In the world of today, the fair skinned invaders of the open spaces of North America and Australia would be classified as illegal immigrants. Once those illegal immigrants felt strong enough to proclaim their own state within the 13 areas colonized by them on the East coast of what is now the United States, they had no compunction in perpetuating their illegal immigration and conquest over the lands of what remained of the indigenous populations as well as the lands in Texas and California occupied by Mexicans.

This narrative of waves of immigrant invaders populating lands, not their own and then drawing boundaries around their conquests was once the norm around the world. These boundaries were set not by the force of law but were established by the sword. Those invaders, who remained within their conquered domain long enough to proclaim it a kingdom or a state, eventually felt strong enough to collect taxes or tribute from their subjects. They used these revenues to enforce their authority and construct an infrastructure for governance. Such states survived

long enough, until challenged by stronger invaders or by separatist revolts by their subjects to establish their own set of boundaries. Such was the order which prevailed across Asia and our own, more focused sphere of interest, South Asia. In such a world order boundaries historically remained fluid and people continued to freely move across these boundaries for settlement, provided they acknowledged the authority of the prevailing ruler and were willing to meet their fiscal demands.

The game changer in large parts of the world, in what is now Asia and Africa, appears to have been the advent of European colonialism. The Europeans, drawing upon their superior weaponry and military might continued in the path of their ancestors and set out to first move into and then militarily occupy lands which were not their own. No force of law guided their illegal invasions beyond the authority enforced by their guns. What set aside these militarised illegal immigrants from their predecessors was the competition for plunder within their respective domains of occupancy.

Eventually they recognized that the resources of Asia, Africa and the Americas were more than enough to satisfy the commercial greed of the invaders. They sensibly decided to divide the spoils of their conquests through the expedient of drawing lines around their respective spheres of conquest. The infamous Treaty of Tordesillas in 1494, sanctified by the Pope, divided the world as it was then perceived, between the Spanish and Portuguese empires for purposes of exploration and exploitation. Such treaties did not have the power or authority to keep out other adventurers from England, France or the Netherlands who were no less equipped to compete for the spoils of faraway lands.

### **The colonial legacy: from boundaries to borders**

In the next phase which evolved from forced trade to armed conquest, *sans* papal blessings, these contending invaders were more inclined to engage in military competition for the spoils of conquest. But this more hazardous approach to economic competition became increasingly costly and demanded more pragmatic solutions. It was eventually recognized that it would be more sensible for the Europeans to transform, what were historically no more than boundaries set by all who had the power and means to enforce them, into borders which could be both defended by force of arms and also accorded the legitimacy of the colonizer's law.

Today the borders of South Asia, inherited from our colonizers derive, in no small measure, from their military power. Our British masters, as the emerging superior military power in the land, could delimit the domain of the French and Portugese on the Indian peninsula to a few small coastal enclaves. The boundaries proclaimed by the British for their imperial domain remained fluid down to their last days in South Asia. These boundaries, for mostly opportunistic or strategic reasons, were expanded through military conquest into what is now North East India and Burma, southward into Sri Lanka, northward into Nepal and Tibet and eventually towards the north west into the fluid domain of what is now Afghanistan. What were once porous borders where peoples moved back and forth were, as the end result of wars of aggression or enforced treaties on weaker vulnerable neighbours, redefined as borders, sanctified with the legitimacy of the authority of the then world's dominant power, the British Empire.

As a parting gesture the British chose to leave behind a divided land where its borders were finally delimited by a British barrister, Viscount Cyril Radcliffe, who for the first and only time invested 5 weeks of his life in the Indian subcontinent, during the heat of summer in 1947. Radcliffe, did not need to know anything of the history, geography or peoples of the land he was dividing or to even visit any part of the land. The lands he partitioned could only be visualized through a series of maps where he was expected to pencil out the boundaries which determined the future lives of close to a billion people.

The outcome of the labours of an itinerant British barrister left more than a million dead, through what we now recognize as ethic cleansing on both sides of the borders drawn by him. Many millions were rendered homeless and forced to become refugees in alien lands. On a personal note I was exiled from my ancestral home in Murshidabad in what is now Purbobangla. In an act of political opportunism the British Barrister opted to trade off Murshidabad, a Muslim majority area, to India in return for retaining the Hindu majority district of Khulna in what then became Pakistan and is now Bangladesh.

What is remarkable and more relevant to my presentation today is that these borders, drawn on paper by the British barrister six decades ago, the outcome of British adventurism, conquest, geostrategic and political opportunism, have now been set in stone by their successor states. As a result three wars have been fought between the two successor states of India and Pakistan

and another nation state, Bangladesh, has been carved out of the body politic of Pakistan at the cost of countless lives, in order to preserve the borders bequeathed to the subcontinent by our British masters. A short war and a number of military skirmishes have also strained relations between India and China for half a century, because of contestation over border lines drawn in the snow again by gentleman with unindian names such as MacMohan, Johnson and Younghusband.

Within the residual domains of India, Pakistan and more recently in Bangladesh, contestations over what should be a border and what should be a boundary continued, unabated, over the years. These contestations have broken down what was once the most integrated institutional and physical infrastructure in the post-colonial world, fragmented an economy which was more integrated than the European Union today and disconnected people who had, for all their internecine conflicts, co-existed and interacted with each other for a millennia.

Little thought was invested either by our British rulers or by the main protagonists in the Congress and Muslim League parties contending for power in a post-colonial India, on the full implications of such a division. It appears that the founding fathers of Pakistan were innocent of the discipline of geography when they argued for a faith denominated Pakistan state to be carved out of the body politic of India. Such a state would have implied creating a thousand Pakistans, dispersed across India. But Jinnah settled for autonomy for two Muslim majority areas of India, divided by 1000 miles of a Hindu majority India. Within the borders of this version of the Pakistan state more than 40% of its populations would be non-Muslims, whilst at least a third of the Muslim population of India would be left behind in enclaves across India.

The concept of a state, inspired exclusively by religion was, thus, from the outset, a flawed project. The inherent contradiction in such a state emerged when the religious minorities in both Punjab and Bengal demanded that their provinces also be divided on confessional lines. The outcome of those various partitions was massive bloodshed, mass migration and after 24 years, the emergence of another nation state, Bangladesh, who eventually chose to proclaim their Bengali identity as the basis of their nationhood.

Neither Jinnah or the Congress or even the British imagined that a political partition would also mean an economic partition of India. Nor did they imagine that an integrated labour market and shared waterways would need to be disrupted. Within South Asia people moved freely

across the land in search of work and better economic opportunities. The waters of the Indus, and the Himalayan waters in the eastern region were visualized as a shared resource to be used by the peoples of India, Pakistan, Bangladesh, Nepal and Bhutan. The transformation of work spaces and resource boundaries into borders where each party would exercise exclusive claim to once shared resources and opportunities left South Asia with a legacy of conflict and distrust which still plagues us today after six decades.

### **The human costs of disintegrating an economic community**

I came of age in an Indian subcontinent which had been bifurcated into the states of India and Pakistan but remained sufficiently integrated in its transport infrastructure for me to not fully appreciate the fact of partition for around 5 years after the event. Between 1947 and 1949, I could, as a student of St. Paul's school in Darjeeling, travel with the school party on the North Bengal Mail from Sealdah station in Kolkata to Siliguri, passing over the Hardinge Bridge through what was then East Bengal. In early 1951 I could fly from Delhi to Lahore without a passport. As late as 1956, when I returned from Cambridge, I could buy a ticket at Lahore railway station for travel to Howrah station in Kolkata. Upto 1965 we could travel by train from Sealdah to Goaland Ghat on the banks of the Padma enroute to Dhaka. Upto 1965 the main artery of commercial traffic between West Bengal and North East India was though the rivers of East Bengal. Once these travel boundaries were closed, following the 1965 war between India and Pakistan, it has taken half a century to move towards re-opening them. In this disconnected world which has imposed severe economic costs on all countries, political and strategic concerns rather than their economic and human costs have dominated decision making.

While shared waters and fractured boundaries have remained a source of contestation between the successor states of India the disruption of an integrated labour market has had a no less pernicious impact on the lives of ordinary people who once moved freely across India in search of a livelihood. Most such people were unfamiliar with the concept of borders or passports and continued to seek work across borders which had been set without reference to their concerns. Over the years the livelihood compulsions of ordinary people evolved into a source of inter-state tensions.

While Nepalese were given unrestricted access to India's labour market, no such privilege was extended to the people of what is now Bangladesh, who once saw the industrial suburbs and

docklands of Kolkata as sources of employment. Over the years these poor people continued to seek work where they could find it. The once open boundaries and uncultivated lands of North East India provided opportunities for the then impoverished landless peasants of eastern Bangladeshi to eke out a living cultivating hitherto uncultivated land. Rakhaine state in Myanmar was another historic area of expansion which had provided opportunities from the Mughal era, into British times and in the years after the partition of India, for Bengali peasants, mostly from the Chittagong area, to seek their fortunes.

Eventually, the enterprising working people of Bangladesh, in perpetual quest for opportunity moved further afield when the boundaries of South Asia became too constrictive for their aspirations. An increasingly globalized world now beckoned them. Once Bangladeshis discovered the wider realms of opportunity outside South Asia the world has become their work place. Today Bangladeshis will be found in virtually every part of the globe, in the jungles of Bolivia, the streets of metropolitan Europe and as far as afield as the frozen wastes of Northern Finland, driving taxi cabs in New York or working and even owning restaurants across the UK. As East Asia has developed Bangladeshis have moved east to sustain the plantations of Malaysia, work in the industries and service sectors of South Korea, Hong Kong, Singapore and Japan.

These workers invest large sums of money extracted from meagre family savings, incurring crippling debt to pay off cruel human traffickers who expose them to ruthless exploitation and compel them to take unimaginable risks, to reach their destination. Dispersed across the world migrants work night and day to sustain their families back in Bangladesh, in the process helping their country to build up foreign exchange reserves from less than a billion dollars in 1975 to nearly \$40 billion today. Today there are few households in Bangladesh who do not have some member working outside Bangladesh or who at least know of someone from their village or its environs who is working abroad. There is no home where some member, below the age of 25, does not aspire to travel abroad whatever it may cost them.

The Bangladesh of today has moved a long way from the age when they sought their livelihood in neighbouring countries. The image of Bangladesh as visualized by Sanjoy Hazarika in his excellent book, *Strangers of the Mist*, written in 1994, of a backward, impoverished, least developed country needing to move into its equally impoverished but naturally richer, neighbouring regions, is a distant memory. Bangladesh's GDP growth this year has exceeded



7%, its foodgrain production has quadrupled from 10 million tons in 1972 to 40 million tons, its poverty levels have fallen to around 25% its external earning are around \$40 billion, and it has emerged as the second largest exporter of readymade garments in the world, behind China but ahead of India.

In the 1980s a million Bangladeshis moved to Pakistan in search of work and helped to sustain entire industries and many urban households with their labour. Today, Pakistan is lagging behind Bangladesh in terms of providing economic opportunities. As a result few Bangladeshis contemplate moving into a now more impoverished and increasingly intolerant Pakistan state. At best they would see Pakistan as a stepping stone towards moving to the Arabian peninsula. Similarly those who seek work opportunities in India are more interested to move to the more developed states of India where there are conspicuous labour shortages which are not readily being filled from their domestic labour market.

The once more proximate areas of migration to the North Eastern states of India and in Myanmar, which once provided opportunities for impoverished landless peasants of Eastern Bangladesh are now far less attractive outlets of opportunity. The North Eastern states have, over the last two decades, lagged behind Bangladesh in terms of levels of development, economic growth rates and diversification of the economy. We can see from Table-1, that Bangladesh's most recent GDP figures have reached \$226 billion compared to a GDP of \$58 billion for all the 7 NE states, \$21 billion for Nepal and \$66 billion for Myanmar. It is to be expected that the better educated, more globally aware *Bangladeshis* will now prefer to migrate towards countries which provide significantly better opportunities than their own.

Table 1  
Economic Trends in Eastern South Asia, Myanmar and Yunnan

2016	Population in million	GDP in \$ billion	GDP growth %	GDP per capita in \$
Bangladesh	163	226	6.5	1466
Nepal	29	21	3.4	751
Myanmar	52	66	7.6	1268
Yunnan Province	47	224	10.1	4714
NE India		58		
Assam (2017/18)		37.0		
Tripura (2014/15)		4.5		
Meghalaya (2014/15)		4.5		
Arunachal Pradesh (2015/16)		2.9		
Manipur (2015/16)		2.7		

Nagaland 2014/15)		2.6		
Mizoram (2017/18)		2.9		

In this now globalized and more connected world order transformation in the horizons of working people manifests itself not just in Bangladesh but across South Asia. The Asian region is no stranger to outmigration. Not only has the demography of most regions within South Asia been transformed over the years by inward migration but the tradition of outmigration from specific regions or communities has been ongoing from pre-colonial days. Our colonisers took advantage of this enterprising trait among South Asians. Working peoples from specific regions in South Asia were transported by our colonisers to work abroad in other parts of their colonial domain, in Burma, in the Caribbean, in South and East Africa, in Mauritius, in Malaysia and into Fiji in the Pacific. These workers have been followed everywhere by traders, professionals and academics who have travelled even more widely than the more concentrated working populations of South Asia. Today, the diaspora of South Asia have established themselves as significant contributors to the economies of not just the Middle East, but also in other developing and developed countries around the world. The world view of these working populations has undergone further transformation in a more integrated, increasingly globalized world.

### **Reconnecting Asia**

South Asia still appears to be mesmerized by memories of their divisive history and remain captives within the borders bequeathed to them by their colonial rulers. In the remainder of my presentation I will attempt to interpret the consequential outcome of our complex inheritance of moving from an integrated community to a divided region. We can then explore how we may attempt to transcend our legacies from another century in order to move forward through the 21<sup>st</sup> century where our borders can evolve into boundaries so that our peoples can reconnect with each other to build a better future for themselves and their countries.

The narrowing of South Asia's horizon's at a time when the global community is becoming more integrated appears to be costly for its peoples and politically counterproductive. Reliving the conflicts bequeathed to us by our ancestors, aggravated through colonial intrigues, appears less meaningful to our peoples than it once appeared a long while ago.

In an age where the world was smaller and we were one of the more backward regions of the world, the compulsion to reconnect ourselves was less evident. Early relations, in the wake of

a costly divorce, tended to turn into zero sum games where minor irritants escalated into major quarrels. Our erstwhile brothers and sisters were now perceived as the sinister, 'other'. Statesman were replaced by more inward looking leaders. Some of these leaders chose to make a political livelihood out of demonizing their erstwhile neighbours, confusing their opportunistic counterparts with the entire population, who were being misled for political gain. Whilst similar conflicts remain alive and well within every nation state, conflicts across borders become particularly dangerous because people with limited means at their disposal to engage in conflicts are replaced by uniformed combatants, equipped with expensive toys and a vested interest in being rewarded with ever more expensive toys.

In a world dominated by the North Atlantic nations who once ruled the world and hoped to continue to do so, even in a post-colonial world, opportunities for their once colonized subjects remained limited. A world economic order created in the image of our colonisers and designed to perpetuate their hegemony was increasingly coming under challenge as once subject peoples grew more proficient in the rules of the game and could now use it to their own advantage. Over time particular countries of the once colonized world took the lead in establishing autonomy over their own economic destinies and other, resource rich countries who discovered the exponential benefits to be gained from resource nationalism, were better positioned to challenge the economic domination of the West.

The fluidity of capital and labour within a more interconnected world opened up areas of opportunity for the once less developed world. The phenomenal rise of Asia, led by Japan followed by the Asian tigers and then taken to a new level by China, followed by India, has progressively transformed the global balance of economic power. The changed balance of power has encouraged the Asian giants to reach out to the rest of Asia and further afield into other regions in Africa and Latin America, encouraging them to come together to build up their collective strength to lay claims to seats at the high table of global economic power. The phenomenal growth of China has further stimulated growth within the neighbouring countries of East and South East Asia. Exporters of energy and other natural resource producers in West and Central Asia, Africa and Latin America have moved away from their traditional dependence for markets on the capitalist West, towards Asia where new economic ties are being forged. The concept of an Asian community, once perceived as a fantasy of unworldly statesman such as Pandit Jawaharlal Nehru, is now coming to life through strengthened

economic ties and access to enhanced investible resource from within Asia to underwrite their own development.

It is this changing world order that has inspired me to make this presentation today and to contextualize the opportunities opening up to those parts of Asia which are of more immediate concern to me and for those of us assembled here. For all the dynamism of Bangladesh today the peoples of our regions, which include NE India, Nepal and Myanmar, remain the most backward parts of the Asian region and have a long way to go before we can share in the new Asian drama where at least some of the more economically advanced regions of India are important players. If we are to fully participate in these expanding opportunities we need to explore, more closely, the advantages of transforming our borders into boundaries where goods, capital and people can move more freely across our lands. The concluding part of my address seeks to track some of the opportunities now available to our people and to examine what may be done to realize these possibilities.

### **Borders without boundaries**

Today the inherited commitment of nation states to use their borders as self-contained enclosures rather than boundaries for shared movement of goods, people and ideas, remains a driving force dividing the states of South Asia and its immediate neighbours. This tendency to transform boundaries into enclosed borders is not limited to South Asia but is becoming more pervasive within the less dynamic parts of the global economy.

Over the last year we have observed that border nationalism is being enforced by the present President of the United States. He fought an election, campaign on the slogan ‘America first’ premised on building a wall along the border with Mexico to exclude Mexican immigrants who he has projected as murderers, rapists and drug traffickers. He has also sought to exclude even legal immigrants or visitors from countries of a particular religious persuasion. Similar sentiments against prospective immigrants, legal and otherwise, have emerged as a staple of electoral politics in Europe.

In our own neighborhood we continue to bear witness to the resort to ethnic cleansing of Rohingya minorities from Rakhine State in Myanmar where murder, arson and rape have assumed the dimensions of a possible genocide. We have recently noted that in the state where

we are meeting today, lists are being enumerated and published to identify those of a certain linguistic identity and also faith as 'illegal' residents to be presumably sent back to where their ancestors once originated. Interestingly, this exclusion does not apply to those who speak the same language as the excluded but who share the same faith as the majority community. This suggests that the ghost of Mohommed Ali Jinnah, who once argued that faith should serve as the border to divide a historically integrated people, continues to haunt these parts.

Such exclusionary enterprises whether, in what is fancifully perceived as the world's oldest democracy or closer to home, suggest that mind sets still appear encapsulated in the post-colonial area where once non-existent borders came to assume the properties of divinely ordained legacies intended to divide people whose ancestors saw the world as their inheritance.

For better or worse this bequest of our colonizers has progressively been eroded by the improved connectivity and progressive economic integration of the world. The digital revolution has now connected the remotest parts of the globe which no longer remain part of a mysterious domain but is viewed as a visible and possibly reachable destination. We all recollect the narrow village world of little Apu in Satyajit Ray's epic film, *Pather Panchali*, set in the Bengal of the 1920s where Apu's boundaries extended upto the railway line carrying a train to Kolkata. Today the Apus of Bangladesh think nothing of boarding trains not to Kolkata but Mumbai or boarding planes or even creaky boats, to travel to Dubai, Benghazi, Greece, Italy and even across the Atlantic.

In such a universe borders which are recognized as legitimate enclosures which should preferably be crossed with bonafide documents are seen by the subaltern classes of the world, largely as an inconvenience. In a contemporary world order where it is has been made increasingly difficult to cross borders using recognized documents many more people are crossing borders than at any time in history. As a consequence the demographics of nation states across the world are experiencing changes. Today, for example, in the United States, in such states as California and progressively so in states along the southern borders of the country, the hitherto dominant Euro-centric populations are being reduced to minorities with the continuing expansion of populations of Hispanic, Afro-American and even Asian origin.

The ruling empires from the Mauryas to the Mughals had established an integrated market for labour and capital, and even constructed the Grand Trunk road to facilitate such connectivity.

The British Empire in South Asia built on this inheritance to further integrate the economy of the region and its labour markets where people were free to move across the land in search of work and opportunity. The British, where needed for their business interests, actively promoted such movements. Such an open labour market occasionally created tensions between more enterprising migrant communities and their hosts who were rarely consulted by the British in such ventures. However, people kept moving across India in search of work. Not just Bangladeshi peasants, but doctors and lawyers from Bengal, various classes of Biharis, Sikhs, Tamils and Gujratis treated India as a common trading and labour market.

The emergence of independent nation states with clearly defined borders dividing Pakistan, Sri Lanka, Nepal and Myanmar from India did not immediately put an end to such labour movements. Incoming working people were now viewed with greater hostility by local host communities and eventually invited official action by states to determine the terms and condition of cross border movements. Imposition of such formal barriers discouraged free movement but did not altogether arrest it. In the case of Bangladesh its out-migrants changed their direction and began to increasingly moving westward to the faster developing states of India.

In the globalized world of the 21<sup>st</sup> century, where the once unknown now falls within the horizon of expectation of all peoples, even if such expectations have little practical possibility of being fulfilled, people will continue to move across borders in search of work. Nothing short of ethnic cleansing of such immigrants is going to abridge the expectations of the outwardly mobile peoples of Bangladesh or other parts of South Asia and beyond. Nor can we expect to contain movements of people to wherever opportunity presents itself, particularly where prospects at home remains limited. In such circumstance the primary goal would be to widen opportunities at home through promoting more expansive and inclusive policy agendas underwritten by a sufficiency of resources both from abroad and from within. However, it takes time for such developments to fully fructify so that the more excluded peoples from such countries will continue to aspire to move away from home. It would, thus, be more sensible to see how far these movements can be accommodated within the reality of nation states with national borders.

## **Reimagining Asia**

The world is too large and my expertise too limited to address such an issue on a global scale so I will limit my horizons to South Asia and beyond to Asia. I believe that South Asia, on its own, needs to view its future within the wider domain of Asia since each of its component states have already become increasingly integrated with the economies of both East and West Asia. For example, India's largest export destination today is in China, whilst most of its energy imports originate in West Asia which is also a major destination for its migrant labour, West Asia is correspondingly the largest destination for migrants from all other South Asian countries as also for energy imports into these regions. To the East, China has established itself as the principal source or imports for all countries of South Asia and is also emerging as the largest source of capital inflows. China has already established itself as the principal trading partner of South East Asia, and East Asia, including Japan, ROK and Taiwan and is attaining a similar status in many countries such as West and Central Asia, Africa, Latin America and even with the United States.

The central assumption underlying my subsequent discussion argues that tensions and conflicts over the crossing of borders originate in economies and societies, whether developed or underdeveloped, where economic opportunity and scope for social mobility remain abbreviated, stagnant or even moves into recession. It is in such circumstances that the 'other' from across the borders is seen as a competitor for work and opportunities, possibly a societal threat and even a potential rival for personal and social advancement. Within the framework of a more dynamic economy, situated within a dynamic region, which can construct a more inclusive society, scope for transforming borders into boundaries of opportunity would appear to provide a more sensible course of action for addressing the problems of the Asian region.

I believe that such opportunities are now opening up for the once entombed states of North East India, Myanmar, Nepal and Bangladesh. Our location at the heart of Asia, at the cross roads between East/SE Asia, India, West and Central Asia, uniquely position us to transform our economies and societies. Four decades ago such a possibility tantalized such scholars as George Verghese in his prescient work, *India's North East Resurgent*. In the Asia of today such possibilities remain tangible and merit serious address.

The world's largest economy (in PPP terms) China and the world's third largest economy, India, which are also among the fastest growing most dynamic economies in the world are the direct neighbors of our sub-region. Where location is now accepted as one of the critical

variables in promoting development and growth, our region needs to view its future without looking backwards to the 20<sup>th</sup> century but towards the unprecedented opportunities provided by the 21<sup>st</sup> century.

If we look at the world economy in 2016/17 it may be observed that during a period of low growth in Europe, North America and Japan a major share of global growth originated in South, South East and East Asia. A recent study has presented evidence which indicates that East/South Asia will contribute 53% of global growth between 2010 and 2050. This would dramatically reposition Asia's presence in the global economy.

The new dynamic in the Asian economy does not originate in the good fortune of booming commodity prices but in the growing global competitiveness of its economies and the capacity of their working people to not only uplift their domestic economies but to make a decisive contribution in the transformation of energy rich but labour scarce economies within Asia. These assets which have driven Asia's growth are not likely to disappear within the next few years, but will sustain its competitiveness over the years.

### **Underwriting the Asian century**

Asia's enhanced competitiveness has served to relocate global capital surpluses away from the North Atlantic capitalist economies to Asia. In 2017 over two thirds of global foreign exchange reserves, and over 70% of assets located in Sovereign Wealth Funds (SWF), were provided by Asia. China alone is the world's largest holder of foreign exchange reserves valued at \$3.5 trillion as well as the largest owner of SWF holdings which are valued at \$1.5 trillion. As a result, capital resources from within the region retain the capacity to underwrite a new era of development opportunities which can diversify, expand and transform the economies of every Asian country, including the countries within our sub-region.

The availability of such an abundance of capital within Asia has already inspired the launch of the BRICS Bank, which brings Brazil, Russia, India, China and South Africa together to build a South based financial institution to support growth across the developing world. China has moved on to take the initiative in establishing the Asian Infrastructure Investment Fund (AIIF) and the Belt and Road Initiative (BRI), where the major share of the investible capital originates from China. Whilst there are reservation in some countries in Asia, such as India and Japan, about the BRI, which is an exclusively Chinese project there is no strong reason why both these



countries should not collaborate in this venture. The BRI is likely to be the principal vehicle for Chinese investment in Asia and regions beyond and could provide almost unlimited resources for infrastructure investment which could expand the developmental capacities of the region and particularly its less developed members.

Chinese engagement in Asia should not be viewed as an act of benevolence anymore than was the post-war Marshall Plan, established by the US to underwrite the reconstruction of Western Empire after the devastation of World War-II. China visualizes significant economic benefits for itself insofar as many of the BRI infrastructure projects will be constructed by Chinese construction firms, using the surplus capacity accumulated in their steel, construction materials and engineering industries which are today the largest in the world. Such Chinese supported infrastructure projects are expected to establish durable, long term links between China and the recipient countries, which will provide future markets for Chinese goods and services and further access to the natural resources of West and Central Asia, Sub-Saharan Africa, Latin America and Central Asia. By midcentury, if not earlier, China and its economic partners would have possibly replaced the United States as the main drivers of globalization not just within the Asia region but with Europe.

It is unlikely that China's upward trajectory within the global system will move smoothly. This rarely happens for economic superpowers who increasingly tend to be viewed as prospective hegemon. However there is no strong reason to believe that this will discourage most countries in the Asian region or in Africa and Latin America from accessing Chinese capital to strengthen economic ties with China. In such circumstances India, for example, would need to seriously decide whether it should position itself as an adversary rather than a prospective partner of China in the transformation of the global political and economic landscape. It is natural for India's leaders and the people they represent to decide what best serves India. But within the boundaries of Asia, neighbours of both countries would much prefer to be part of an Asia, where India and China work together to transform the region and in the process reconstruct the global balance of power from an unipolar to a multipolar world.

The neighbours to the two Asian giants, such as Bangladesh, Myanmar and Nepal may prefer not to be held captive within a zero sum game where they have to take sides between their two neighbors. Bangladesh and Nepal's have strong historic ties with India. We are inseparably linked by geography and share ethnicity, languages and faiths. We also benefit from both trade and aid from India. Ties with China have been more remote. But in recent years Bangladesh

and Nepal have developed strong economic links with China as has Myanmar where China is its principal economic partner. Today these countries look to China as an unprecedented source of capital for meeting their massive infrastructure needs and as a prospective market with unlimited potential for accommodating their exports. These countries as well as other near and more distant neighbours such as Sri Lanka, Maldives and Afghanistan, look towards a future where their two large neighbours share a vision to transform the region and collaborate in the development of their respective economies.

Pakistan, which has had longer standing and deeper ties with China has already received around \$60 billion from China, under the BRI, which has significantly improved its infrastructure. It is however less clear if the dysfunctional nature of the present Pakistan state can effectively utilize these investments to transform its underperforming economy.

### **Reimagining the North East**

The case of the North Eastern states is somewhat more complex. It is an integral part of the Indian state and therefore needs to define its relations with its neighbours within the external alignments of the nation state. However, it is recognized by the policymakers of India as much as by the leaders and people of North East India, that the economic potential of the region can be more fully realized through enhancing its connectivity with its immediate neighbours to the West, South and East. The hitherto land locked region of the North East states, more than other states in India and its neighbors needs to convert their borders into boundaries for purposes of trade, capital movements and for opportunities for the people of the North East to move freely in and out of their neighbouring regions.

As we have earlier observed, the compulsion for a reverse flow of people into the North East is less compelling than it once was as countries such as Bangladesh have accelerated their economic development. Their outward aspirations now extend beyond South Asia into East and West Asia and beyond to Europe and North America. But what Bangladesh would welcome is the opportunity to trade and contribute to the development of the rich natural resources of the North East. To this end Bangladesh needs to move much more rapidly than it has done so far in opening up connectivity with the North Eastern states. The port of Chittagong and the prospective ports that are under development further south, more than Kolkata or Haldia, should provide the most competitive outlets for the exports and imports of the NE

region. Well-developed transit links to connect the North East to these ports as well as to the interior of Bangladesh and beyond to Purbobangla and Bihar, should move ahead more rapidly.

In spite of the provision of \$5 billion in soft loans from India to Bangladesh for investment in such infrastructure projects, the elephantine movements of our respective bureaucracies have ensured that in the last decade, since transit protocols were concluded between the respective governments, the progress in expanding connectivity has been modest. With the expansion of the Bangabandhu Bridge over the Jamuna and the completion of the massive Padma bridge project, fully developed transport arteries connecting India with the North East should be in place. However, the complementary road and rail development components of the project must also be in place to realize the full transit potential of the bridge.

Even with well-developed transit routes between mainland India and North East India, in the days ahead it is Bangladesh which is likely to serve as the most competitive trading partner for the region. Given the much closer proximity of the North East states to the markets of a now fast growing Bangladesh economy it would make good business sense to invest in the development of the resources of the North East which can establish itself as a prospective source of supply for Bangladesh for its natural resource based projects. Similarly Bangladesh's now more diversified manufacturing base can use duty free access to the Indian market to be a competitive source of supply to the NE.

Such possibilities should be more fully explored by Bangladesh who should offer to invest in joint ventures in the North East by involving Indian, East and South East Asians as partners in such projects. Such investments should not just be designed to exploit the natural resources of the North East but should invest in adding value to those resources which can then be marketed in Bangladesh, Myanmar, Thailand and Yunnan province in China.

It is hoped that investments by both India and also by China, drawing on its BRI and AIIF resources, can be utilized to make the massive investments needed to connect the North East with its neighbours. We can visualize major investments in the Asian Highway and Railway, which have been agreed upon to connect Yunnan province and Thailand with India, Myanmar, North East India and Bangladesh. Here the extant but direct Stillwell road, constructed at high cost in 1945, to provide a northern road link between Assam and Yunnan province, should be reconstructed as a superhighway, underwritten by funds from China, India and possibly

multilateral financial institutions such as the AIIF and ADB. Similar investments, enhancing the North East's connectivity with Myanmar and Bangladesh can be made. The prospects for the North East emerging as a major transit destination for both Bangladesh as well as its neighbours from China and South East Asia hold out unlimited opportunities for benefitting the economies and serving as sources of employment for the local population.

It should be kept in mind that Yunnan province, the most proximate Chinese region to Myanmar, NE India and Bangladesh, is today the third fastest growing state in China. Table 1 shows that Yunnan's GDP of \$224 billion is now larger than that of Bangladesh. Yunnan was, until two decades ago one of China's most backward regions. For this reason, in the late 1990s, the Chinese state encouraged the Social Science Research Council of Yunnan Province to join hands with think tanks in India, Bangladesh and Nepal to initiate a track-2 process to identify scope for sub-regional cooperation. My own organization, CPD, was involved in this exercise. This came to be known as the Kunming initiative which has now matured into a Track-1 programme of cooperation between the states of Bangladesh, China, India and Myanmar (BCIM).

### **Inclusive cooperation**

The exclusive and exploitative nature of projects underwritten by external capital tend to be one of the principal concerns of less developed regions and countries rich in national resources. Historical experience has driven the fear that more entrepreneurial investors from abroad and even domestic comprador elites will come across their boundaries to exploit their resources and extract the value added benefits and profits for themselves, leaving little for the local population. This is an enduring and valid concern. We have absorbed many lessons from our colonial encounters as well as from contemporary foreign investors, particularly in weak countries such as a Sub-Saharan Africa, coming in to exclusively exploit their natural resources on unequal terms.

Some energy rich countries, have attempted to address such problems by nationalizing their energy wealth and exploiting it themselves. Foreign multinationals have been demoted from primary beneficiaries to junior partners where needed, in resource development ventures. Such a model has worked less well in other natural resource rich countries.

Such concerns about exploitative external partners are no less valid in the North Eastern states. In most major projects to exploit the natural resources of the region, starting with multinational

investments during the colonial era in the energy resources of Assam and in its tea gardens, the principal returns from these investments accrued to non-indigenous people whether from abroad or from business communities from mainland India. In the specific case of Bangladesh we have greatly benefitted in the extraction and processing of limestone into cement from the quarries in Meghalaya, across the border from Sylhet.

I have, in a recent book, *Challenging the Injustice of Poverty: Agendas for Inclusive Development in South Asia*, attempted to address the concerns of primary producers through a suggested strategy for promoting more inclusive development. I have argued that primary producers need to be moved upmarket in the value chain. The principal gains from exploiting natural resources accrue to the extractors and marketers of these resources and eventually to the corporates who add value to the resources.

My own suggestion has been to promote a more inclusive approach to resource utilization by negotiating a direct partnership stake for the natural resource providing country, state or even the local community where the resources originate, in any project designed to develop these resources. This would ensure that the local resource provider would not just realize the immediate revenues provided through resource concessions or even the primary sale of these resources but would share, for all time, in the profits from the final value addition extracted from these resources. As a Bangladeshi I would gain no friends at home by making such a suggestion but I would have advised the state of Meghalaya to negotiate an equity stake in the multinational Lafarge Cement project, so they could continue to share in the rich profits accruing to the company.

As a further refinement to the idea of the state sharing in value addition, thought may be given to providing a similar stake, whether in addition to or in lieu of, depending on circumstances, to the tribal group or local community traditionally living in the lands from where the resources are extracted. Similar arrangements could apply for tribal communities in other Indian states, where these communities have been reduced to destitution through the takeover of their ancestral lands for resource exploitation by corporate groups. A number of such tribals have reportedly taken to insurgency to resist such exploitation.

### **Conclusion: A Reimagined Asia**

This address before you is not about migration, illegal or otherwise. Nor is it about geo-strategy. It is an exercise in stretching the limits of our imagination to explore the realistic possibilities

of transforming the lives of nearly three billion people across Asia and in the process rebalancing global power to end two centuries of domination and dependence on a western dominated world order. What elevates my presumptions from the realm of fantasy into the realm of the possible is the changing objective circumstances of the world order. Today, for the first time in history, the Asian region has collectively established itself as the principal source of investable capital. Particular countries in the region are now emerging as the most competitive exporters of goods and services whilst people within the region are now moving out across the world to provide their labour services to underwrite the prosperity of not just other Asians countries but even the aging societies of the developed world. This dynamic and fast growing region has now created its own engine of economic growth and is no longer dependent on the vagaries and instability of the US and European economies which once served as the sole engine of global growth. Today Asia's large and growing economic capability has also emerged as a source of growth, markets, competitive exports and capital for the countries of Latin America as well as Africa. Asia has now also emerged as an important source of growth for the developed world.

In these changed circumstances which were neither conceivable or possible three decades ago, it is indeed possible to visualize a new world order. However the realm of the possible is not necessarily the realm of the realizable. For such a reimagined Asia to emerge we would, above all, need enlightened leadership not just from the principal players in the region, China, India and Japan but from many of the smaller partners whose compulsion for regime survival have tied them to the apron strings of the still militarily more powerful Western world or who have nurtured suspicions about the intentions of their larger neighbours.

These observations are made without prejudice to the security and strategic concerns which divide India from China or some of its more immediate neighbours. Such issues merit redress but remain outside the remit of my address. What I have attempted here is to highlight the gains to be derived from a reimagined Asia and its consequential importance for resolving differences with greater urgency if such historic opportunities are to be seized.

For such a transformational agenda to move ahead we need more visionary thinking within the leadership of India and China which can set the direction for a new Asia. China is the dominant economic power in the region. It will therefore need to be more attentive to the political concerns as well as the sensitivities of their Asian partners. They will have to be particularly

conscious of the political and security concerns of India so that they can travel together on this historic journey rather than drive India to engage in a zero sum competition for power and influence in Asia.

India in turn will need to move beyond frozen attitudes influenced by past encounters and look ahead to the transformative role it can play in the years ahead. They should take inspiration from the enlightened observations of Pandit Jawaharlal Nehru, a genuine visionary of his time, made at the *Asian Relations Conference* convened by him in Delhi in March 1947, on the eve of India's independence. In his address to the conference Pandit Nehru observed,

‘Asia is again finding herself... one of the notable consequence of the European dominance of Asia has been the isolation of the countries of Asia, one from the other. Today this isolation is breaking down because of many reasons, political and otherwise – this conference is significant as an expression of the deeper urge of the mind and spirit of Asia which has persisted. In this conference and in this work there are no leaders and no followers. All countries of Asia have to meet together in this common task.

If we truly aspire to transform Asia's borders into boundaries of opportunity this historic message of Nehru could be delivered again today, inspite of the needless delays in the realization of his vision.