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Abu Salah Md. Yousuf

COUNTERING LONE WOLF TERRORISM: CHALLENGES AND STRATEGIES

Abstract

The increasing trend of lone wolf terrorism has emerged as a new security threat for many nations of the world. Though it is not a new phenomenon, due to technological expansion and online radicalisation, the fear of lone wolf attacks is rising all over the world. When countries have developed a strong surveillance mechanism against group terrorism, the terrorist masterminds are spreading extremist ideologies to motivate individuals for lone wolf attacks. However, there are many unresolved questions among the academics and practitioners on the issue of understanding and countering lone wolf terrorism: How to define lone wolf terrorism? What are the challenges to face lone wolves and what types of strategies are necessary to counter lone wolf attacks? Based on the existing literature, this study tries to review the ongoing debates on the definition of lone wolf terrorism and summarises some common features of lone wolf attackers. Nevertheless, due to diversified motivational and ideological factors, it is difficult for security forces to identify lone wolf attackers. Moreover, many lone wolves have psychological disorders and mental instability which is a problem to identify or convict them as a criminal before they carry out any attack. In addition, since lone wolves do not maintain any connected network, it is difficult to adopt preventive measures against them. To face lone wolves, the security forces need special surveillance mechanism and strong community engagement. Three dimensional strategies are recommended in the existing literature: motivational, surveillance and hard security approaches. The strategies need to be context-specific and compatible with particular country's cultural and legal traditions.

1.   Introduction

Lone wolf terrorism is emerging as an important area of study in the contemporary terrorism literature. The threat of lone wolves is felt by the policy makers and security practitioners alike. In 2011, the then President of the United States (US), Barak Obama noted, "the most likely scenario that we have to guard against right now ends up being more of a lone wolf operation than a large, well-coordinated terrorist attack".[1] A report by the Department of Homeland Security of

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[1] "Obama says "lone wolf terrorist" biggest U.S. threat", *Reuters*, 16 August 2011.

the US in 2009 concluded, "lone wolves and small terrorist cells embracing violent right-wing extremist ideology is...the most dangerous domestic terrorism threat in the United States"[2]. However, the academic contributions in the area are not very old and the resources to understand lone wolf terrorism is still limited.[3] In 2003, Christopher Hewitt published a book titled *Understanding Terrorism in America: From the Klan to Al- Qaeda* where he surveyed three thousand terrorist incidents drawn from the Federal Bureau of Investigation (FBI) terrorism reports and identified thirteen lone wolf attacks in the United States of America (USA) from 1955 to 1999. He argued that lone wolf terrorism is predominantly a US phenomenon and claimed, "in that a significant portion of terrorist attacks have been carried out by unaffiliated individuals rather than members of original groups".[4] Renowned terrorism scholar Bruce Hoffman made an important point, "...the traditional way of understanding terrorism... in some cases is no longer relevant. Increasingly, lone individuals with no connection with or formal ties to establish or identifiable terrorist organizations are rising up to engage in violence"[5]. In the revised edition of his famous book, *Inside Terrorism* (2006), Bruce Hoffman tried to develop a working definition of lone wolf terrorism.[6] In 2011, Alex P. Schmid mentioned the phenomena in the *Routledge Handbook of Terrorism Research* primarily in the context of radical right.[7] Ramon Spaaij in 2012, for the first time, made a comprehensive argument about the patterns, motivations and prevention mechanisms for lone wolf terrorism.[8] Spaaij took a case study approach to understand micro-dynamics of lone wolf terrorism and studied five cases: Austria, Israel, the Netherlands, the United Kingdom and the USA. In addition, security professionals of many countries are now concentrating to refine their strategies against lone wolf attacks and reshaping their surveillance mechanism against individuals who they think can individually pose a security threat.

There are a number of debates on how to define lone wolf terrorism. One argument is that an individual who is motivated himself without any direction or guidance from outside can be identified as lone wolf. But, it is very difficult to prove that a lone wolf is motivated by others or not. Rather, every terrorist subscribes to at least one particular ideology for perpetrating clandestine activities; although the individual may not have direct connection with the masterminds. On the other hand,

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[2] "Rightwing Extremism: Current Economic and Political Climate Fueling Resurgence in Radicalization and Recruitment", Washington, D.C.: Department of Homeland Security, 2009, p. 9.

[3] Mark S. Hamm and Ramon Spaaij, *The Age of Lone Wolf Terrorism*, New York: Columbia University Press, 2017, p. 13.

[4] Christopher Hewitt, *Understanding Terrorism in America: From the Klan to Al-Qaeda*, New York: Routledge, 2003, p. 78.

[5] Bruce Hoffman, "Al Qaeda, Trends in Terrorism, and Future Potentials: An Assessment", Santa Monica: RAND, 2003, pp.16-17.

[6] Bruce Hoffman, *Inside Terrorism*, New York: Columbia University Press, 2006.

[7] Jeffrey Kaplan, Helene Loow and Leena Malkki, "Introduction to the Special Issue on Lone Wolf and Autonomous Cell Terrorism", *Terrorism and Political Violence*, Vol. 26, Issue. 1, 2014.

[8] Ramon Spaaij, *Understanding Lone Wolf Terrorism: Global Patterns, Motivation and Prevention*, London: Springer, 2012.

some scholars argue that lone wolves may maintain very close connections within their very limited network, which is not widespread like group terrorists.[9] Therefore, question arises, when the Islamic State in Iraq and Levant (ISIL) instigates its followers to mount lone attacks, but attackers do not maintain any connection with ISIL, can these lone actors be termed as lone wolf terrorist? Moreover, the motivational and ideological factors of lone wolf terrorists are also an interesting area of study. What is their psychological status and how they become involved in such activities need proper understanding. Since lone wolves do not have connected networks, therefore, detection of their activities is very difficult. Their motivational factors and tactics of operation are also different from terrorist organisations. It is often argued that the spread of the internet and social media are responsible for individuals' motivation towards lone wolf terrorism.[10] Therefore, what types of challenges states are facing to counter lone wolves and what should be an effective strategy to face the menace of such kinds of terrorism are getting wider attention from the policy makers, security professionals and academia.

In this backdrop, based on the existing literature, this paper is an endeavour to understand lone wolf terrorism and challenges to counter lone attackers. It also evaluates response strategies recommended by different stakeholders in the field of counterterrorism. The paper is divided into five sections including introduction and conclusion. Section two explores definitional debates on lone wolf terrorism. Section three highlights the challenges of countering lone wolf terrorism. Section four analyses the response strategies to face lone wolves. The key debates on the issues of countering lone wolf terrorism are summarised in conclusion.

2.   Understanding Lone Wolf Terrorism

The term "terrorism" itself is a "contested and intensely political concept, and there is neither academic nor policy consensus on its definition"[11]. Alex P. Schmid notes, "the term is used promiscuously for such a wide range of manifestations...that one wonders whether it is a unitary concept."[12] Like terrorism, "lone wolf terrorism" is also a contested concept and no academic consensus has been achieved yet to understand this phenomenon.[13] The way radical actors explain themselves, in the scholarly

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[9] Group terrorists denotes the terrorist groups who have financial and physical networks with a hierarchical command structure.

[10] Jeffrey D. Simon, "What makes lone-wolf terrorists so dangerous?", *UCLA Newsroom*, 18 April 2013, available at http://newsroom.ucla.edu/stories/what-makes-lone-wolfe-terrorists-245316, accessed on 02 February 2018.

[11] Ramon Spaaij, *Understanding Lone Wolf Terrorism: Global Patterns, Motivations and Prevention*, *op. cit.,* p. 15.

[12] Alex P. Schmid, "Terrorism - The Definitional Problem", *Case Western Reserve Journal of International Law*, Vol. 36, Issue. 2, 2004, p. 380.

[13] Catherine Appleton, "Lone Wolf Terrorism in Norway", *The International Journal of Human Rights*, Vol. 18, No. 2, 2014, p. 128 and Michael Becker, "Explaining Lone Wolf Target Selection in the United States", *Studies in Conflict and Terrorism,* Vol. 37, Issue. 11, 2014.

writings the term refers to different meaning.[14] There are a number of buzzwords that characterise lone wolf terrorism: loner, lone actor, solo actor, solo terrorist, solitary, freelancer, self-starter, lone offender, lone avenger, leaderless, self-directed, self-motivated, lone wolf pack, one-man pack, self-activating and idiosyncratic.[15] Nevertheless, the nomenclature debate does not hamper the understanding of lone wolf terrorism in the academic literature. When policy makers and security experts subscribe to a particular understanding of lone attackers, it plays significant role in the policy making and counterterrorism strategy. Therefore, the existing definitions of lone wolf terrorism need an assessment.

Lone wolf terrorism is as old as the history of terrorism. David Rapoport's wave theory of terrorism recorded the terrorism history from the anarchists originated in 1880s in Russia, when Russian anarchist Mikhail Bakunin carried out political assassinations and bombings under the strategy of "propaganda by deed"[16]. Records suggest that lone wolves were active in all four waves of terrorism depicted by Rapoport: the anarchist, the anti-colonial, the new left and the religious.[17] However, some scholars identify "lone wolf" as the fifth wave of terrorism.[18] While others argue that "comparative historical analysis" of Richard English[19] would be relevant to understand lone wolf terrorism.[20] Because, a broader and historical understanding of lone wolf terrorism can specify the context for policy making. Therefore, Ramon Spaaij evaluated lone wolf data from 1968 to 2008 and tried to understand the incidences and motivations. In the contemporary literature, there is a tendency to understand lone wolf terrorism from a context-specific perspective. Because, every lone wolf has some unique features which may not be applicable to others. But, still scholars and policy makers are keen to identify some common features of lone wolf terrorism.

Bruce Hoffman provided a working definition of lone wolf terrorism drawn from the Strategic Plan 2004-2009 of the FBI of the USA. According to the definition, lone wolves "typically draw ideological inspiration from formal terrorist organizations, but operate on the fringes of those movements. Despite their *ad hoc* nature and generally limited resources, they can mount high-profile, extremely destructive

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[14] Ramon Spaaij and Marks S. Hamm, "Key Issues and Research Agendas in Lone Wolf Terrorism", *Studies in Conflict and Terrorism*, Vol. 80, Issue. 3, 2015.

[15] *Ibid* and Burcu Pinar Alakoc, "Competing to Kill: Terrorist Organizations Versus Lone Wolf Terrorists", *Terrorism and Political Violence*, Vol. 29, Issue. 3, 2017, p. 6.

[16] Walter Laqueur, *A History of Terrorism*, London: Transaction Publishers, 2012, p. 49.

[17] Raffaello Pantucci, Clare Ellis and Lorien Chaplais, "Lone-Actor Terrorism: Literature Review", Countering Lone-Actor Terrorism Series No. 1, the Royal United Services Institute for Defence and Security Studies (RUSI), 2015.

[18] Jeffrey D. Simon, "Technological and Lone Operator Terrorism: Prospects for a Fifth Wave of Global Terrorism", in Jean E. Rosenfeld (ed.), *Terrorism, Identity and Legitimacy: The Four Wave Theory and Political Violence*, London: Routledge, 2011, pp. 44-65.

[19] Richard English, *Terrorism: How to Respond,* Oxford: Oxford University Press, 2009.

[20] Raffaello Pantucci *et. al., op. cit.*

attacks, and their operational planning is often difficult to detect".[21] Jeffrey D. Simon identified five basic types of lone wolf terrorism: secular, religious, single-issue, criminal and idiosyncratic.[22] He also mentioned, "some lone wolves fall into more than one category"[23]. According to him, secular lone wolves attack for political, ethno-nationalist and separatist causes. Religious terrorists attack in the name of their respective religion which may be Islam, Christianity, Judaism, or some other belief system. The single issue lone wolves are those who try to propagate any special issue like abortion, animal rights, or the environment. The criminal lone wolf terrorists are those who attack for money or personal gain as opposed to political, social, religious, or ethno-nationalist goals. Lastly, the idiosyncratic lone wolves commit attacks for any particular causes, which may be irrational and they may have severe personality and psychological problems.

However, like group terrorism, the political nature of lone wolf has raised controversies about its definition. In addition, lack of adequate academic study also made it difficult to formulate an effective framework for understanding lone wolf terrorism. The main definitional debates are surrounded by three critical arguments: the number of perpetrators, the ideological contingency and the degree of external connection.

The first debate is regarding the number of perpetrators. Jeffrey D. Simon argues that lone wolf terrorism is "the use of threat of violence . . . by an individual acting alone or with minimal support from one or two other people".[24] Christopher Hewitt also studied lone wolf attacks in the USA between 1955 and 1999. He accepted that the terrorist act of any "close group", less than four individuals, can be identified as lone wolf terrorism.[25] On the contrary, Burton and Stewart argue that a lone wolf is a person, "who acts on his or her own without orders from or even connection to – an organisation"[26]. In terms of number of perpetrators, they divide terrorism in three categories: lone wolves, sleeper cells and group terrorists. They consider that if more than one individual engaged in terrorist activities and if they are not connected like terrorist groups, such terrorists would be termed as sleeper cells. They argue that sleeper cells infiltrate in a society and wait for the direction from any terrorist groups. Burton and Stewart emphasise that a lone wolf is a "stand alone operative who by his very nature is embedded in the targeted society and is capable of self-activation at any time"[27]. Ramon Spaaij defines three features of lone wolf terrorists: (a) operate

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[21] Bruce Hoffman, *Inside Terrorism*, *op. cit*., p. 40.

[22] Jeffrey D. Simon, *op. cit*.

[23] *Ibid*.

[24] Jeffrey D. Simon, *Lone Wolf Terrorism: Understanding the Growing Threat*, New York: Prometheus Books, 2013, pp. 37-38.

[25] Christopher Hewitt, *op. cit*.

[26] Fred Burton and Scott Stewart, "The "Lone Wolf" Disconnect", *STRATFOR: Global Intelligence*, 30 January 2008.

[27] *Ibid*.

individually, (b) do not belong to an organised terrorist group or network, and (c) whose *modus operandi* are conceived and directed by the individual without any direct outside command and hierarchy.[28]

The second debate emanates from the ideological contingency of lone wolf attackers. As mentioned, Burton and Stewart argue that lone wolves must perpetrate as a lone actor. But, they think that lone attackers can take their ideological motivation from a network or from terrorist organisation, either through personal connections, inspirational speeches or materials, or via online access.[29] Mark S. Hamm and Ramon Spaaij note, "Lone wolves do not operate in isolation, and their radicalization can be traced in various social networks. Often they are radicalized more than one network"[30]. But, Kaplan identifies the lone wolf operation "in which an individual, or a very small, highly cohesive group, engages in acts of anti-state violence independent of any movement, leader, or network of support"[31]. This definition underlines that ideological linkage is also important in defining lone wolf terrorism. Kaplan's definition is similar to the understanding of Simon and Hewitt in terms of numbers of perpetrators. However, it is very difficult to claim that an individual perpetrated terrorist activities without any ideological motivation. Because of the expansion of social media and internet connections, it has been possible for any individual to be motivated by extremist ideology.[32] Therefore, if anyone receives motivations from internet sources, Kaplan has no objection to identify him as lone wolf terrorist.

The third debate involves the external connection of lone wolf attackers. The question lies on the issue of individual initiative versus external directives. The proponents of "lone wolf pack" argue that lone wolves do not maintain any "contact with operational extremists", but they may have "a formal connection" with any terrorist organisation.[33] Ramon Spaaij's definition also denies any *modus operandi* directed by the individual with any outside command and hierarchy.[34] His argument excludes many high profile terrorist acts where the perpetrators were motivated by extremist ideological groups. For example, the Oklahoma City bombing on 19 April 1995 is well known as lone wolf attack where Timothy McVeigh was the main attacker and Terry Nichols played a critical role in the operation. Ramon Spaaij's features may not include such incidents as a lone wolf attack. On the other hand, Pantucci defines lone wolf terrorism as "individuals who, while appearing to carry out their actions alone and

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[28] Ramon Spaaij, "The Enigma of Lone Wolf Terrorism: An Assessment", *Studies in Conflict & Terrorism*, Vol. 33, Issue. 9, 2010, p. 856.

[29] Fred Burton and Scott Stewart, "The "Lone Wolf" Disconnect", *op. cit.*

[30] Mark S. Hamm and Ramon Spaaij, *op. cit.*, p. 59.

[31] Jeffrey J. Kaplan, "Leaderless Resistance", *Terrorism and Political Violence*, Vol. 9, Issue. 3, 1997, p. 80.

[32] Ramon Spaaij and M. Hamm, "Key Issues and Research Agendas in Lone Wolf Terrorism", *Studies in Conflict and Terrorism*, Vol. 38, Issue. 3, 2015, p. 170.

[33] Matthew Feldman, "Comparative Lone Wolf Terrorism: Towards a Heuristic Definition", *Democracy and Security*, Vol. 9, Issue. 3, 2013, p. 276.

[34] Ramon Spaaij, *Understanding Lone Wolf Terrorism: Global Patterns, Motivations and Prevention*, *op. cit.*

without any physical outside instigation, in fact demonstrate some level of contact with operational extremists"[35]. In this context, some analysts differentiate between "solo terrorism" and "lone wolf terrorism". As reported by the Danish Security and Intelligence Service, if an individual was connected with any terrorist organisation, terrorist activities would be termed as "solo terrorism", but if individual terrorists were not connected with any groups, they would be termed as "lone wolves".[36]

Within such debates, the Countering Lone-Actor Terrorism (CLTA) project by the Royal United Services Institute for Defence and Security Studies (RUSI) has developed a working definition as, "the threat or use of violence by a single perpetrator (or small cell) not acting out of purely personal material reasons, with the aim of influencing a wider audience, and who acts without any direct support in the planning, preparation, execution of the attack, and whose decision to act is not directed by any group or other individuals (although possibly influenced by others)"[37]. The CLAT project subsequently divided their definition in certain criterion, which gives a wider understanding regarding lone wolf terrorism[38]:

- Violence, or the threat of violence, must be planned or carried out.

- The perpetrator(s) must be an individual, dyad or triad.

- The perpetrator must act without any direct support in the planning, preparation and execution of the attack.

- The perpetrator's decision to act must not be directed by any group or other individuals.

- The motivation cannot be purely personal-material gain.

- The target of the attack extends beyond those victims who are immediately impacted by the act.

All scholars of lone wolf terrorism agree that the attacker must be alone and every lone wolf has an ideological motivation. The debate comes regarding their ideological connection and linkage with hierarchical command. The CLAT project included a broader understanding of lone wolf terrorism and tries to focus the target of the lone attackers. However, the policy makers and security institutions mainly

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[35] Raffaello Pantucci, "A Typology of Lone Wolves: Preliminary Analysis of Lone Islamist Terrorists", London: International Centre for the Study of Radicalisation and Political Violence, 2011, p. 19.
[36] "The Threat from Solo Terrorism and Lone Wolf Terrorism", the Danish Security Intelligence Service, 05 April 2011, p. 3.
[37] Clare Ellis, Raffaello Pantucci, Jeanine de Roy van Zuijdewijn, Edwin Bakker, Benoît Gomis, Simon Palombi and Melanie Smith, "Lone-Actor Terrorism: Final Report", Countering Lone-Actor Terrorism Series No. 11, the Royal United Services Institute for Defence and Security Studies (RUSI), 2016.
[38] *Ibid*.

divide terrorism in two groups: group terrorism and lone wolf. From a policy making perspective, any individual or close group who do not take any instant command from any hierarchical command can be termed as a lone wolf. Some common features of lone wolf terrorists can be identified: the ideological motivations of all lone wolf terrorists are not same, lone wolf terrorists may be sympathiser to an extremist movement, but they are not part of such movement, the spectrum of motivations for lone wolf terrorists may be same with any terrorist organisation and lone wolf terrorists do not necessarily seek to establish their own group or join an existing group, and may be disconnected from group terrorism.

3. Challenges to Counter Lone Wolf Terrorism

The increasing attacks by lone wolf terrorists are emerging as a global concern. The Institute for Economic Peace (IEP) in the Global Terrorism Index 2017 shows that while in 2008 there was only one lone wolf attacks in the Organization of Economic Cooperation and Development (OECD) countries, in the first half of 2017, 58 such kinds of attacks were recorded (Figure 1).[39] As such, dealing lone wolf terrorism has become a challenge for many countries. Since lone wolves do not act like group terrorists, it is difficult for the security forces to detect them and to take any necessary actions against them. Their ideological and motivational factors are also varied and multi-dimensional. The new and emerging challenges necessitate new policies and strategies. In most cases, the challenges of all types of terrorism are same, but lone wolves need more attention due to their special features in terms of motivation, operation, tactics and target. Ramon Spaaij identified five features of lone wolf terrorists[40]: (a) lone wolves make a combination of their ideological and broader political and religious grievances, (b) while previous studies did not focus on mental illness of lone wolf terrorists, Spaaij identified that lone wolves are likely to suffer from some forms of psychological disturbance, (c) they normally live an isolated life and to a varying degree, they are loners with few friends and prefer to act alone, (d) they may not maintain any connection with any terrorist group, but they are sympathiser to a terrorist organisation or group, and (e) even though lone wolves live isolated, before their activities they try to disclose their demands to the society. Due to such unique features, facing lone wolf terrorism is an issue of concern for the policy makers and security practitioners.

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[39] "Global Terrorism Index 2017: Measuring and Understanding the Impact of Terrorism", Institute for Economics and Peace (IEP), 2017.
[40] Mark S. Hamm and Ramon Spaaij, *The Age of Lone Wolf Terrorism, op. cit.*

Figure 1: Lone Actor Attacks and Fatalities (2008 - June 2017) in OECD Countries (Excluding Israel and Turkey)
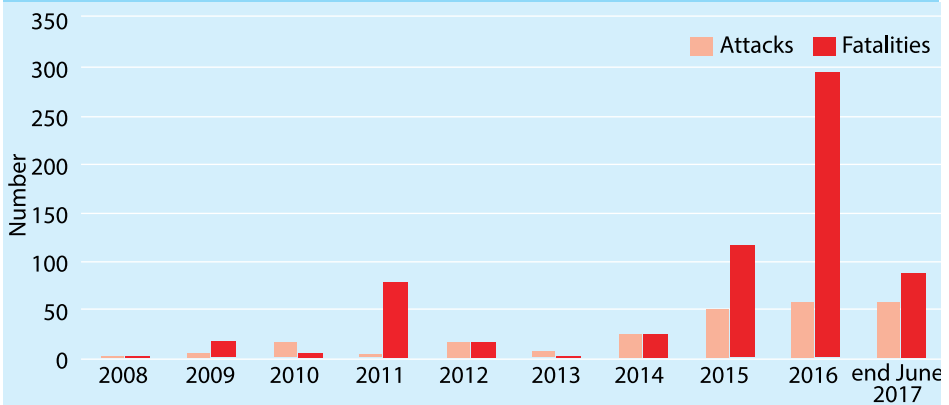
Source: Global Terrorism Index 2017, Institute for Economics and Peace, 2017.

A key counterterrorism challenge to face lone actor terrorism is identifying the interaction points between lone actors and their social environments.[41] In this respect, challenges to counter lone wolf terrorism can be divided into three criteria: prevention, interdiction and prosecution.[42] In all these three cases, lone actors present difficulties to authorities for a number of reasons: (a) large part of the activities of lone wolves is isolated in nature; hence, it is not easy for the security forces to identify them, (b) there are wide ranges of ideological and motivational factors influencing lone wolves to be violent. Thus, defining trends of them are difficult, and (c) lone wolves are mostly "self-tasking" and "self-radicalising". Sometimes, they take very shorter time to be radicalised than group terrorists. Former US Department of Homeland Security Secretary, Janet Napolitano noted that lone terror actors are "the most challenging" from the perspective of law enforcement "because by definition they're not conspiring. They're not using phones, the computer networks...they're not talking with others".[43] David Irvine, former Director General of the Australian Security Intelligence Organisation, mentioned, "the rampant use of internet" caused new and effective means for individuals to propagate and absorb unfettered ideas and information and to be radicalised – literally, in their lounge room."[44] Therefore, challenges for countering lone wolf terrorism can be categorised in threefold: ideological and motivation centric, psychology centric and challenges for security forces.

Since lone wolves are not connected with any group, hence, how an individual gets motivated is difficult to detect. There are widespread extreme ideologies, which

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[41] Ramon Spaaij, "Lone Actors: Challenges and Opportunities for Countering Violent Extremism" in Aaron Richman and Yair Sharan (eds.), *Lone Actor – An Emerging Security Threat*, Amsterdam: IOS Press, 2014, p. 120.
[42] *Ibid*.
[43] *Ibid*.
[44] *Ibid*.

can influence any individual to be motivated towards clandestine activities. It has been widely discussed how an individual can be motivated by internet sources and be involved in the terrorist activities, where he may not need any help from any other individual. When an individual is indoctrinated in any extremist ideology, he becomes violent and acts accordingly to attack people. Since lone wolves are isolated from society, it is difficult to identify the responsible ideologies and motivational factors which instigate an individual to be a lone wolf terrorist. When lone wolves act, they do not share their actions with others. It is also not clear who is motivated by which ideology and how he comes in touch with that ideology. Global Terrorism Index 2017 identified five motivational factors for lone wolf terrorism: white supremacist, political, Islamic fundamentalism, individual issues and unknown issues.

Figure 2: Motivations for Lone Wolf Terrorist Attacks (2008-June 2017) in OECD Countries (Excluding Israel and Turkey)
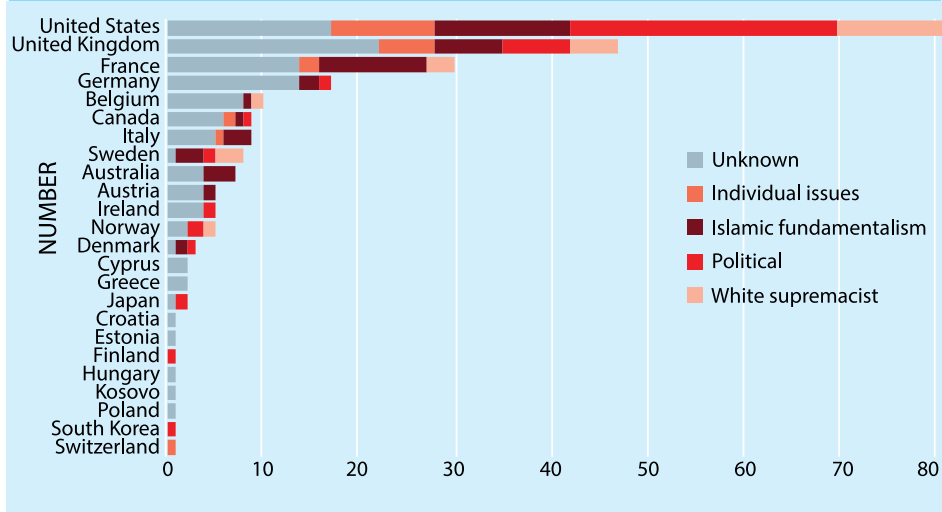
Source: Global Terrorism Index 2017, Institute for Economics and Peace, 2017.

Among a wide spectrum of issues, it is difficult to monitor which factors influence an individual and which sources of internet attract any one to be engaged in violent and terrorist activities. In addition, lone wolves have a wide variety of ideological, social and political background. Therefore, the motivational factors are also diversified and it is difficult to monitor the sources of motivation. The local factors are also important to understand lone wolf terrorism. Hamm and Spaaij claimed that forty per cent of world's lone wolf attacks occurred in the USA and the causes behind such trend is "America's tradition off individualism, its gun culture, or its foreign policies, the echoes of slavery, the appeal of conspiracy theories, celebrity worship, or what Richard Hofstadter famously called the "paranoid style" in American Politics".[45]

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[45] Mark S. Hamm and Ramon Spaaij, *The Age of Lone Wolf Terrorism*, *op. cit.*, p. 261.

The European Police Chiefs convention concludes, "the changing dynamics in our societies, together with technological advances, may encourage isolated, disaffected individuals to turn into violent extremists, to the extreme of becoming 'lone wolf' terrorists"[46]. Motivational factors are mainly context-specific. What may be applicable in the context of the USA, may not be applicable for rest of the world.

By analysing lone wolf terrorism data of 15 years from 1968 to 2010, Spaaij identified main ideological sources of lone wolf terrorism: right-wing terrorism/white supremacy (17 per cent), Islamism (15 per cent), anti-abortion (8 per cent) and nationalism and separatism (7 per cent).[47] Spaaij showed that most of the recent terrorist attackers are mainly inspired by radical Islam. He thinks that it is a response "to the call by Al-Qaeda ideologues for individual Jihad."[48] In 2014, Paul Gill, John Horgan and Paige Deckert analysed the motivations and the antecedent behaviours of 119 lone wolves in Europe and the United States, and listed ideological motivations as Al-Queda 43 per cent, right-wing ideology 34 per cent, single issue (such as anti-abortion and environmental campaign) 18 per cent and others 5 per cent.[49] Analysing 98 lone actor terrorist plots in Europe between 2000 and 2014, the CLAT project highlighted increasing trend of religiously inspired terrorist attacks and the right-wing terrorist attacks. The data set verified that 2000-2014; right-wing attacks caused 260 injuries and 94 fatalities, while religiously inspired attacks killed 16 and injured 65 people.[50] The CLAT project also highlighted that the main motivational factor for religiously inspired groups are taking political revenge against Western European Foreign Policy towards Middle East, national governments support and relations with Israel and insult to the prophet of Islam.[51] On the other hand, most of the other right-wing attackers are inspired by anti-migration or Islamophobic beliefs, which are mainly supported by white supremacists.[52] European Union Terrorism Situation and Trend Report (TE-SAT) 2017 mentioned about ethno-nationalist and separatist terrorism in Europe, left-wing and anarchist terrorism and single issue terrorism.[53] All types are analysed under the act of group or individuals rather than being studied under lone wolf terrorism. The report only made some references to lone actor terrorism and the discourse to focus lone wolf terrorists or individuals. The issue of lone terrorists is only referred by "*Jihadists*", who are mainly motivated by Al-Qaeda and the ISIL. However, it is still a major concern to identify the motivational factors of lone wolf terrorists and before an attack no one can identify that who is motivated for terrorist activities.

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[46] European Police Chiefs Convention, Counter Terrorism Working Group Conclusions, Europol, The Heague, 2011.
[47] Ramon Spaaij, *Understanding Lone Wolf Terrorism: Global Patterns, Motivations and Preventions*, *op. cit.*
[48] *Ibid.*
[49] P. Gill, J. Horgen and P. Deckert, "Bombing Alone: Tracing the Motivations and Antecedent Behaviors of Lone-Actor Terrorists", *Journal of Forensic Sciences*, Vol. 59, Issue. 2, pp. 425-435.
[50] Clare Ellis *et. al., op. cit.*
[51] *Ibid.*
[52] Melanie Smith, Sabine Barton and Jonathan Birdwell, "Lone-Actor Terrorism Policy Paper 3: Motivations, Political Engagement and Online Activity", Countering Lone-Actor Terrorism Series No. 7, the Royal United Services Institute for Defence and Security Studies (RUSI), 2016.
[53] "European Union Terrorism Situation and Trend Report 2017", *Europol*, European Union Agency for Law Enforcement Cooperation, 2017.

Psychological factors of a lone wolf terror are also difficult to identify. In some cases lone wolves are mentally disturbed and remain disconnected from mainstream society. Their regular behaviour and lifestyle are not similar to other people. They become obsessed with their target and do not consider the consequences of terrorist attack. Obsession on particular issues deviate them from rational thinking and they can easily attack anything, which may be disastrous for them also. Fred Burton argues that "Mentally disturbed lone wolves pose particular problems because they often have an extremely narrow focus of interest and cannot be diverted to an easier target by heightened security measures. . . Mentally disturbed lone wolves also frequently have an almost total disregard for the consequences of their actions, and quite often show no concern about escaping after they attack."[54]

Though there is "no unified, consistent profile of a lone wolf terrorists, it is widely argued that lone wolf terrorists suffer greater degrees of mental illness"[55]. CLAT project identified that 35 per cent of lone wolves are affected by mental health disorders.[56] Pantucci claimed that psychological disorder and general social inability are the main causes of many lone wolf terrorists.[57] Spaaij studied five cases regarding lone wolves' mental state. He found that four of the five were diagnosed with personality disorders and four of the five case studies have experienced depression during one particular stage of their lives.[58] A study by Gruenewald, Chermak and Frelich also found that 40 per cent of lone wolves experienced mental illness, which is significantly higher than the 7.6 per cent among the group base terrorist actors.[59] It needs to be mentioned that though a good portion of lone wolf terrorists are "mentally ill", it would not be right to think that lone wolf terrorists are irrational actors or "emotional" mass murderers. Rather, in most of the cases, these acts of violence are launched by determined and rational individuals.[60] Till the end of their operation, they remain very silent and lone. Therefore, it is not possible for other members of the community to prevent them from their brutal activities.

Detecting terrorist activities is difficult for the security forces. In the case of lone wolf terrorism, security forces face some special difficulties, which are not applicable for group terrorists. Since lone wolves have no connection or network, therefore, it is difficult for security forces to identify the perpetrators. Moreover,

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[54] Fred Burton, "The Challenges of Lone Wolf", *Security Weekly,* Strat for, 30 May 2007, avaiable at https://worldview.stratfor.com/article/challenge-lone-wolf, accessed on 22 February 2018.
[55] Ovgu Kalkan Kucuksolak, "Lone Wolf Terrorism: Discussions on Definitions and Constructions", in Ovgu Kalkan Kucuksolak (ed.), *Current Debates in International Law*, Vol. 4, London: IJOPEC Publication Limited, 2017, p. 34.
[56] Clare Ellis *et. al., op. cit.*
[57] Raffaello Pantucci, Clare Ellis and Lorien Chaplais, *op. cit.*
[58] Ramon Spaaij, *Understanding Lone Wolf Terrorism: Global Patterns, Motivations and Preventio*n, *op. cit.*
[59] J. Gruenewald, S. Chemak and J. Freilich, "Distinguishing "Loner" Attacks from Other Domestic Extremist Violence", *American Society of Criminology and Public Policy*, Vol. 1, Issue. 12, 2013, pp. 65-91.
[60] Matthew Fledman, *op. cit.*

gathering information and engaging communities are also major challenges for security forces when they operate for detecting lone wolf terrorists. Therefore, methods like community policing may not be always effective, because it is difficult for communities to ensure surveillance of the activities of every individual.

It is extremely difficult to differentiate between who intends to commit attacks and who simply expresses their radical beliefs or hollow threats.[61] In addition, in cyberspace, they may operate which is not legally right, but it is difficult for the security forces to detect. However, if anyone does not violate any existing law, it is difficult for the security forces to arrest them or to take any legal measures against one who is going to be a lone wolf attacker. As Bakker and de Graaf pointed out, "Knowing that all terrorists are radical, but that most radicals are not terrorists, it is extremely difficult to single out potential lone wolves before they strike, even with the help of most sophisticated intelligence gathering tools"[62]. They went further by commenting that lone wolf terrorists, "provide the most puzzling and unpredictable form of terrorism" for counterterrorism organisations, the police and intelligence communities.[63] Every lone wolf bears unique character, which does not match with others. Therefore, pre-emptive measures by the security forces are difficult.

4.   Response Strategies

Increasing trend of lone wolf terrorism has raised the attention of policy makers, security forces and academic communities to develop an effective counterterrorism strategy. Existing literatures suggest that counterterrorism strategy for both kinds of terrorism, lone wolf or group, can be same. Nevertheless, some additional measures may be necessary in the case of lone wolves. Academic literatures suggest that counterterrorism strategy needs to be a country *or* region specific. Every country's counterterrorism strategy should be developed based on its historical factors, experiences with terrorism, political system and its culture.[64]

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[61] Catherine Appleton, *op. cit.*
[62] Edwin Bakker and Beatrice de Graaf, "Lone Wolves: How to Prevent This Seemingly New Phenomenon", The Hague: International Centre for Counter-Terrorism, 2010.
[63] Edwid Bakker and Beatrice de Graaf, "Preventing Lone Wolf Terrorism: Some CT Approaches Addressed", *Perspective on Terrorism*, Vol. 5, No. 5-6, 2011, p. 46.
[64] Alex P. Schmid and Ronal D. Crelinsten (eds.), *Western Responses to Terrorism*, London: Frank Cass, 1993; Marianne van Leeuwen (ed.), *Confronting Terrorism: European Experiences and Policies*, The Hague: Kluwer Law International, 2003; Yonah Alexander (ed.), *Combating Terrorism: Strategies of Ten Countries*, Michigan: Michigan University Press, 2002; Karin Van Hippel (ed.), *Europe Confronts Terrorism*, London: Palgrave, 2005; Jørgen Staun, "Radicalisation, Recruitment and the EU Counter-radicalisation Strategy", Transnational Terrorism, Security & the Rule of Law (TTSRL), 2008 and "The European Union's Policies on Counter-Terrorism Relevance, Coherence and Effectiveness", The European Parliament, 2017, available at http://www.europarl.europa.eu/RegData/etudes/STUD/2017/583124/IPOL_STU(2017)583124_EN.pdf, accessed on 30 March 2018.

Academics, policy makers and security analysts have recommended multi-dimensional strategies to face attacks of lone wolf terrorism. Ramon Spaaij has shown three broad categories of strategies: legalistic, repressive and conciliatory.[65] Legalistic responses include national and international legal regimes where states unilaterally and multilaterally develop legal systems to face lone wolf terrorists. At the national level, states develop different institutions and laws to respond to terrorism. At the global level, nation states formulate different types of regimes, which can facilitate nations to counter terrorism. The repressive responses include criminal justice system of a country, strengthening security forces and effective intelligence network. Criminal justice system identifies terrorist activities and defines punishment for terrorist groups. State strengthens capacity of security forces in the surveillance and for doing operation against terrorists. In the case of countering lone wolf terrorism, internet surveillance by the security forces is very important. Close monitoring of internet and specific websites help security forces to identify the ideological roots of lone wolf terrorism. However, repressive measures need to be considered carefully, because an extreme level of repressiveness may undermine human rights concerns. The final strategy mentioned by Spaaij is conciliatory responses. It is about improvement of socio-economic conditions, increased political rights, government recognition of ethno-nationalist or religious sentiments and public recognition of the validity of grievances. Lone wolves do not communicate with audience by only violent measures, rather they communicate through statements, letters, manifestos or videos sent to news media. Therefore, conciliatory measures may be useful to prevent lone wolves from terrorist activities.

Edwin Bakker and Beatrice de Graaf have recommended for seven strategies specifically for countering lone wolf terrorism.[66] Firstly, since it is difficult to identify lone wolf terrorists, therefore, instead of locating lone wolf terrorists, security forces need to visualise how such attacks occur. It will help them to take necessary measures, where they apprehend any kinds of threat. Such strategy needs sufficient information management and effective intelligence networking. Secondly, engagement with the communities those are afflicted by the lone wolf terrorist is helpful to develop effective strategies. The role of community in countering terrorism is inevitable. Communities can engage all individual to be aware about the activities in their community, they can motivate perverted individuals and they can take help from security forces. The influential community members can engage all members of the community to face threats. Thirdly, in most of the cases lone wolves consider them as catalysts. Therefore, it is necessary to study what types of issues and activities motivate to attack and to organise violence. It is also necessary to know what are their grievances and what triggers them to be violent. Fourthly, though lone wolves act alone, but they are motivated by extremist ideologies. Therefore, disseminating counterterrorism narratives is an essential strategy to face all kinds of terrorism. However,

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[65] *Ibid*.
[66] Edwin Bakker and Beatrice de Graaf, "Preventing Lone Wolf Terrorism: Some CT Approaches Addressed", *op. cit.*, p. 47.

such narratives have to be context-specific and the ingredients of the strategy should delegitimise the perpetrators and their acts. Fifthly, awareness programme can be effective when parents, schools and universities can motivate individual on certain context. Since lone wolves have no "organisational hierarchy", motivations from family and community can prevent them from violent activities. Sixthly, the lone wolves sometimes develop their manifestos. For example, Norwegian lone wolf Breivik sent email to his possible supporters and posted a video and 1,500 pages manifesto containing what he wanted to establish. In such cases, the security forces can be active to identify such kinds of activities to prevent any types of attack. Seventhly, the security forces need to know the *modus operandi* of lone wolf actors. Defining context based *modus operandi* may help states to determine the nature and operational strategy of the lone wolves. However, these seven strategies are mentioned in the context of the USA.

Referring to the Indonesian context, Kumar Ramakrishna identified five dimensions of countering lone wolf terrorism: Sender, Message, Recipient, Mechanism and Context.[67] The idea is that every lone wolf terrorist is motivated by an ideology where eloquent speeches of motivating masters instigate lone wolves to act violently. In the case of Indonesia, Anwar al-Awlaki[68] was one of them who instigated lone wolf actors to operate at different points of times. Such actors are known as "Senders" of lone wolf terrorism. The speeches of them also motivate lone wolves to target a certain group. The "Message" of "Senders" is another significant dimension of lone wolf terrorism. The "Senders" articulate message based on the theological and ideological context. Such "Messages" spread in the society through different mediums and lone wolves follow such "Messages". The third dimension is "Recipients" who are vulnerable individuals emotionally motivated by these "Messages". However, due to internet such "Messages" spread very quickly all over the world and many individuals are easily motivated. The fourth dimension is "Mechanism" of spreading extremist ideologies. Open societies emphasise on "freewheeling" of ideas. But, extremists abuse this opportunity by spreading elements, which cause lone wolf terrorists to be directed towards violent activities. Therefore, the arguments for legal means to restrict anti-social elements are increasing. Moreover, spreading moderate ideas can help to delegitimise theological weaknesses of lone wolf terrorists. The last dimension is "Context" of the region where lone wolf terrorists have born and grown. If the justice system of the region is weak, governance system is poor and people are grossly marginalised, the region may generate lone wolves. Hence, "Context" can be a factor for lone wolf terrorism. A strategy should be developed by addressing all such dimensions.

In the context of the US, Daniel Byman identified four strategies to counter lone wolf terrorism. Firstly, lone wolves must be kept isolated. It will prevent them to be organised and connected. The communication among lone wolves may help them to be organised to

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[67] Kumar Ramakrishna, "Countering the Self Radicalised Lone Wolf: A New Paradigm?", RSIS Commentaries, No. 019/2014, S. Rajaratnam School of International Studies, 28 January 2014.
[68] Daniel Byman, "How to Hunt a Lone Wolf: Countering Terrorists Who Act on Their Own", *Foreign Affairs*, March/April 2017.

create clandestine activities. Secondly, law enforcement agencies have to develop relations with communities. A good relation with communities will help them to get information about lone wolves, which will facilitate security forces to counter lone attackers. Thirdly, government can engage private sector in monitoring, motivating and reducing security threats from lone wolf terrorism. Fourthly, countering terrorist ideologies can prevent expansion of lone wolf terrorism. In this respect, detection of extremist ideologies and developing counter narratives are essential. However, this strategy focuses on the engagement of public and private sector in the process of countering lone wolf terrorism. In addition to state actors, Non-State Actors (NSAs) also can play important role in countering terrorism. Particularly, state actors need NSAs to communicate communities and to motivate individuals. Basing on the existing literature, at least three strategies can be recommended for countering lone wolf terrorism: motivational, surveillance and hard security.

Motivational factors are intrinsically connected with lone wolf terrorism. Motivation is the main cause of an individual to be a terrorist. Therefore, addressing motivational factors should be the main strategy to face lone wolf terrorism. As mentioned earlier, when lone wolves get obsessed with particular ideology, they become intolerant and act violently. The "Message" they receive from the masterminds, they want to implement it. Moreover, by using internet sources, they become obsessed with such ideologies and acts abnormally. In those cases, motivations for lone wolf terrorism are essential. An individual's family, community and society can influence him to act rationally. Engaging community in monitoring and de-radicalisation of lone wolves would help to motivate lone wolves to return in normal life. Moreover, some of the socio-economic and political factors which motivate an individual to be a lone attacker need to be addressed adequately.

Surveillance is always an important element in countering lone wolf terrorism. Electronic surveillance can help security forces to monitor lone wolves effectively. Moreover, developing a network to collect information from people may help security actors to identify the location and activities of lone wolf terrorists. At the tactical level, countering lone wolf terrorism is an intelligence-centric challenge. In a context where anticipation and prediction are low, intelligence operations must focus, not on knowing *who* is planning an attack, but rather one knowing *how* such attacks are formulated.[69] Community engagement may facilitate intelligence forces to know about the individuals who spread extremist ideologies.

Hard security issues will include legal system which should define and develop legal processes to take necessary actions against lone wolf terrorism. The legal systems must define what types of activities would be identified as terrorist acts and what are the rational punishments for such activities. The security forces need to act

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[69] Alex Shone, "Countering Lone Wolf Terrorism: Sustaining the Contest Vision", The Henry Jackson Society, 17 May 2010, available at http://henryjacksonsociety.org/2010/05/17/countering-lone-wolf-terrorism-sustaining-the-contest-vision/, accessed on 30 March 2017.

according to law and ensure preventing activities of the lone wolves. It is sometimes difficult to prosecute lone wolves before their operations. Security forces should get permission to intervene when they find any one's activities are not usual and seem to act violently. The institutional development to ensure surveillance of threats from lone wolf terrorism is important. The timely surveillance of internet by identifying radical websites through developing "cyber surveillance" or "cyber intelligence" can be effective to ensure long term prevention of lone wolf activities.[70] However, it may not be possible to detect lone wolves before their clandestine operation. Hence, emergency preparedness and resilience to minimise the impacts of lone wolf attacks are necessary.

Some of the features of lone wolf terrorism collate with the acts of group terrorism. Therefore, the strategies to counter group terrorism are applicable in case of lone wolf terrorism. But, lone wolf terrorism has some extra features which need to be dealt carefully. Lone wolves always try to remain isolated and their communication networks are very sophisticated. Hence, the engagement of communities is necessary. NSAs have to play a proactive role in the process of motivation and detection of lone activities. The state and NSAs have to fight together against extremist ideologies which motivate individuals to be violent. The existing literature shows that a wide range of counterterrorism strategies has been adopted by many countries with mixed success and there are substantial differences among such counterterrorism strategies of different countries. Responses to lone wolf terrorism need to be "context-specific, reflecting a variety of counterterrorism and police cultures and legal traditions"[71.]

5.   Conclusion

The increasing fear of lone wolf terrorism has drawn attention of the policy makers, security practitioners and academia to understand the trend, motivation and operational nature of such attackers. But, due to diversified profile of lone wolf attackers, developing a common understanding on the issue of lone wolf terrorism remains a challenge. Therefore, like terrorism, lone wolf is still a contested concept. The main debates are boiled down in three points: the number of perpetrators involved in an attack, the ideological contingency of the attackers with any other groups and finally, the level of external connection of an attacker. Within such debate, the CLAT project has developed a working definition of lone wolf terrorism, which tried to bring all the debates in a common understanding of lone wolf terrorism. Therefore, it can be argued that a lone wolf attacker may take ideological motivation from any terrorist group or from online sources, but his operational tactics are designed by himself. Sometimes, a close group may act together to perpetrate any attack, but lone wolves do not have any physical and

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[70] Ramon Spaaij, *Understanding Lone Wolf Terrorism: Global Patterns, Motivations and Preventions, op. cit.*, p. 87.
[71] *Ibid*.

financial network like terrorist organisations. They do not maintain any hierarchical command to perpetrate their clandestine activities.

Due to the uniqueness of every individual lone attackers, it is difficult to ensure effective surveillance for detecting lone wolves. Their motivational and ideological factors are diversified and some of them are motivated by more than one ideology at a time. The expansion of technology and internet sources makes it easy for them to be indoctrinated in violent path. The existing studies identified a number of motivational factors, *i. e.*, rightist or white supremacist ideology, religious, political, environmental and Islamophobic. The security forces may take help from the communities, when an individual has a psychological problem. But, accusing any lone wolf before carrying out an attack is always challenging. When a lone attacker is motivated by online sources, it is difficult to identify him. Since lone wolves do not maintain any network, effective surveillance and gathering intelligence against them is a major difficulty.

In the context of emerging realities, nations are developing their own counterterrorism strategies to face the threats of lone wolf terrorism. It is argued that counterterrorism strategy for group terrorism and lone wolf terrorism do not differ much. But, due to unique features, lone wolves need some specific attention, which may not necessary in case of group terrorism. The existing literature suggests that an effective counterterrorism strategy to face lone wolf terrorism should be composed of three components: motivational factors, surveillance mechanism and hard security approaches. State and NSAs need to work together for developing narratives against the ideologies which motivate an individual to operate as a terrorist. At the same time, it is necessary to identify which social and political factors deviate an individual to act as radical. Therefore, security forces need to design their surveillance and intelligence network in line with the emerging threats. To face lone wolf terrorism, a proper and continuous surveillance of internet and effective community engagement is essential. Nevertheless, the existing literature also suggests that counterterrorism strategy of every country has to be context-specific and compatible with the cultural and legal systems. It is more applicable in the context of lone wolf terrorism. Because a lone wolf is mostly motivated by the socio-cultural, political and religious realities of the respective society.

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Mohammad Atique Rahman

COMPARATIVE ANALYSIS OF TRANS-BOUNDARY WATER GOVERNANCE OF GANGES-BRAHMAPUTRA-MEGHNA (GBM) AND LA PLATA RIVER BASINS: ISSUES AND CONCERNS

Abstract

It is an un-denying fact that trans-boundary waters are the most critical natural resources which are not attributed to the political frontiers of the modern day countries. Trans-boundary water resources are essential to the continued life and wellbeing of the people, villages, cities and societies across the basin countries. However, the complexity arises on the issue of governing trans-boundary water resources. In this backdrop, this article attempts to bring examples of water governance practices aimed to manage La Plata river basin in Latin America in order to assess the current state of trans-boundary water governance of Ganges-Brahmaputra-Meghna (GBM) river basin in South Asia. The paper is based on the argument that sharing of the trans-boundary river requires governance mechanism at the regional level to make it effective and beneficial for all basin countries.

1.   Introduction

South Asia and South (Latin) America from the global-south will emerge as major economic powerhouses in near future. South Asia and China as well as Latin American countries will cover over sixty per cent of the world's Gross Domestic Products (GDPs) by 2050. These two regions have now Big Emerging Markets (BEMs) such as Brazil, Argentina, India and China. In this, the present times have been called the "Asian Century" and the "Decade of Latin America and the Caribbean" at once.[1]

Both the regions, thus, have emerging economies as well as increasing growth of population which have strides on the extraction of natural resources including resources from the trans-boundary rivers. Latin America and South Asia are well known for their great rivers. The Ganges, Brahmaputra and Meghna (GBM) river basin of South Asia is the third largest freshwater outlet to the world's oceans, being

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[1] Iromi Dharmawardhane, "South Asia and Latin America: A Powerful Friendship to be Nurtured", paper presented to the Second Global South International Studies Conference of the International Studies Association (ISA)'s Global South Caucus (GSCIS) and Singapore Management University (SMU), Singapore, on 08-10 January 2015.

exceeded only by the Amazon river system in Latin America and the Congo river systems in Africa.[2] The Amazon, the Orinoco and the Rio de la Plata (La Plata) rivers of the Latin America contain 28 per cent of the world's freshwater resources.[3] These three trans-boundary rivers system is the world's largest groundwater body covering more than 1,200,000 square kilometres (kms).[4] Among the three trans-boundary rivers, the La Plata river basin extends over 3.1 million kms., comprising the Paraná, Paraguay and Uruguay river systems including important parts of Argentina, Bolivia, Brazil and Uruguay, and the whole territory of Paraguay.[5] La Plata covers around fifty-seven large cities, about 132 million inhabitants (nearly 60 per cent of the total population of Latin America) and about 70 per cent of the GDP of basin countries.[6] The potential hydropower in La Plata basin has been estimated as 92,000 Megawatts (MWs).[7] The waterways of the drainage system provide an important transportation artery linking Brazil, Paraguay, Uruguay, Bolivia and Argentina.

GBM basin of South Asia has coverage over 1.9 million kms.[8] The GBM constitutes the economic and cultural backbone of this region. This basin is mainly shared by the South Asian countries *e.g.,* India, Nepal, Bhutan, Bangladesh and also China. The Ganges, the Brahmaputra and the Meghna Rivers have contributed to the rise and prosperity of many great civilizations in South Asia and China, and now are the sources of livelihoods for billions. The tributaries of these three rivers are also trans-boundary in nature which constitute rich ecosystem and sources of irrigation to millions of hectares of agricultural fields.[9]

The two regional trans-boundary river basins, La Plata and GBM are facing similar problems. The increasing growths of economic activities, over extractions of water resources, growth of population and expansion of industrial and agricultural frontiers have caused significant pressures on these water resources. The Latin American countries realised these potential resource problems in the days to come. Since 1967, Latin American countries have been working together to manage water resources of the La Plata river. It is evident that, historically, trans-boundary water

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[2] Rashed Chowdhury and Neil Ward, "Hydro-meteorological Variability in the Greater Ganges-Brahmaputra-Meghna Basins", *International Journal of Climatology*, Vol. 24, Issue 12, October 2004, pp. 1495-1508.

[3] David Steven, Emily O'Brien, Bruce D. Jones (eds.), *The New Politics of Strategic Resources: Energy and Food Security Challenges in the 21st Century*, Washington D.C.: Brookings Institution Press, 2014.

[4] Available at http://www.gwp.org/gwp-in-action/South-America/, accessed on 11 December 2017.

[5] Víctor Pochat, "The La Plata River Basin", paper presented at the 7th Biennial Rosenberg International Forum on Water Policy on Water for the Americas: Challenges and Opportunities, Buenos Aires, Argentina, 15-17 November 2010, available at http://ciwr.ucanr.edu/files/168777.pdf, accessed on 10 October 2017.

[6] Víctor Pochat, *Transboundary Dimensions in Managing La Plata System*, 2004, available at ciwr.ucanr.edu/files/168979.doc, accessed on 12 September 2017.

[7] *Ibid.*

[8] Food and Agriculture Organization (FAO), "Ganges-Brahmaputra-Meghna River Basin", available at http://www.fao.org/nr/water/aquastat/basins/gbm/index.stm, accessed on 15 February 2017.

[9] Asit K. Biswas and Juha I. Uitto, *Sustainable Development of the Ganges-Brahmaputra-Meghna Basins*, 2001, available at http://unu.edu/unupress/backlist/ab-ganges.html, accessed on 14 February 2017.

management of La Plata river has been less confrontational when compared to African or South Asian countries. No doubt, the absence of cooperation, sharing of information about water development projects and negotiations for equitable distribution of water resources among the co-basin countries make trans-boundary rivers governance process a daunting task. The La Plata river management and governance process over the decades have been promising and noticeably open and candid in nature among the Latin American countries. They have identified common threats, interests and future goals regarding trans-boundary water governance of La Plata. Management of trans-boundary rivers in South Asia is critically important for the basin countries in this region. Increasing demands on water resources in South Asia make trans-boundary waters a competitive commodity which engaged South Asian countries in competition to each other to ensure their adequate access and utilisation. This means that the South Asian nations are in water stress conditions due to the increasing growth of population and rapid growth of industrialisation which requires power and energy. Policy makers of the South Asian countries are concerned about how to utilise trans-boundary rivers for generating hydraulic electricity and commercial irrigation for supporting their agricultural and industrial sectors.

In this backdrop, this paper brings examples of water governance good practices regarding La Plata river basin in order to assess the current state of trans-boundary water governance of GBM in South Asia. The paper is based on the argument that sharing trans-boundary rivers may instigate conflicts in the region if there is no effective water governance mechanism in place. In this regard, the paper attempts to make case by case analysis between La Plata river governance mechanism and the current state of GBM river governance in South Asia. With this view, the paper is divided into five sections including introduction and conclusion. Section two discusses about the conceptual understanding of trans-boundary water governance and its relations with the looming water related conflict and crisis in current day inter-state relations. Section three briefly discusses about the geographical, environmental and socio-economic features of the La Plata and the GBM river basins in Latin America and South Asia. Section four draws examples of good practices regarding La Plata river governance in order to reflect on the current states of the GBM river basin governance.

2.   Conceptual Understanding of Trans-boundary River Governance and Water Conflict

Nature's water resources are not contained by the political frontiers of the modern day countries. It is an un-denying fact that water is the most critical natural resource, essential to the continued life and wellbeing. However, complexity arises regarding the water governance due to the uneven distribution of this resource. As countries progress technologically, the amount of water that is desired and used by

its population increases.[10] The river which crosses two or more countries' borders is known as trans-boundary river. According to the Atlas of the International Freshwater Agreement (2000), nearly half of the trans-boundary rivers are shared by two or more countries.[11] However, the Atlas pointed out that in the question of utilisation of these rivers, friction might arise among the basin states and can pose strain on the trans-boundary water governance mechanism. The conflict related with the river basin is likely to emerge when the rate of changes and alterations of water flows exceeds the institutional capacity to manage and absorb such changes.[12] As for example, constructions of dam, barrage and water diversion projects cause unpredicted and permanent changes of water flows and that reduce institutional capacity to resolve water disputes emerging out of these changes. In the absence of trans-boundary water management treaty and governance mechanism, construction of dams gives leverage to the powerful and upper stream countries to divert water unilaterally from the trans-boundary river system. It becomes a problematic issue when a river is shared by more than one country. When multiple countries are jointly dependent on the same international river system, the diversion of water may cause upstream/ downstream conflict. Basin countries engage in conflict and hostile relations on the question over adequate access to water resources. Access to water remains as key concern of all countries. Within states, water scarcity can assume an increasingly contentious and violent role when, for example, water-dependent sectors such as irrigated agriculture can no longer sustain farming livelihoods, leading to destabilising migration flows.[13] Realising this, former Secretary General of the United Nations (UN), Kofi Annan remarked that "fierce competition for fresh water may well become a source of conflict and wars in the future".[14]

It is interesting to note that the word ¨rival¨ derives from the Latin word ¨rivus¨ which means using the same stream (rivus).[15] The potential rivalry between riparian countries over the construction of dams and water diversion may start at the diplomatic level. If it is not properly addressed, it can culminate to the level of conflict *i.e.,* non-armed or armed characters. As for example, there has been conflict and tension between Israel, Jordan, Lebanon, Syria and West Bank regarding the

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[10] Peter Gleick, "Water and Conflict: Fresh Water Resources and International Security", *International Security*, Vol. 18, No. 1, pp. 79-112, 1993.

[11] United Nations Environment Programme (UNEP), *Atlas of International Freshwater Agreements-2000*, available at http://www.transboundarywaters.orst.edu/publications/atlas/atlas_pdf/1_Front_atlas.pdf, accessed on 14 December 2017.

[12] D. Petersen-Perlman, Jennifer C. Veilleux, Matthew Zentner and Aaron T. Wolf, "Case Studies on Water Security: Analysis of System Complexity and the Role of Institutions", *Journal of Contemporary Water Research & Education*, Vol. 149, Issue 1, December 2012, pp. 4-12.

[13] Alexander Carius, Geoffrey D. Dabelko and Aaron T. Wolf, "Water, Conflict, and Cooperation", The United Nations and Environmental Security, *ECSP Report*, Issue 10, 2004, p. 60, available at https://www.wilsoncenter.org/sites/default/files/ecspr10_unf-caribelko.pdf, accessed on 05 August 2017.

[14] *Ibid.*

[15] Ashok Swain, *Managing Water Conflict: Asia, Africa and Middle East*, New York: Routledge, 2004.

sharing of water from Jordan River basin.[16]   Since 1920, Egypt and Sudan have been sharing Nile river based on mutual agreement. Now, Ethiopia is planning to build dam on Nile which will affect water supply to Egypt and Sudan. In Europe, Hungary and Slovakia have been struggling over controlling water of Danube river. Slovakia, several times in the past had blamed Hungary for constructing Gabcikovo/Nagymaros dam on Danube river.[17] The construction of dam on Han river by the South Korea led to the potential conflict between South and North Korea in early 1980s.[18] Given these increasing phenomena of water conflicts, the World Bank Vice President for Environmentally Sustainable Development, Ismail Sergeldin in 1995 argued that "the war of the next century will be over waters."[19] Therefore, lack of adequate water governance institutions and lack of necessary infrastructure create and sustain water related conflicts among the basin countries.

The Hague Conference on water security defines trans-boundary water governance as a process to governing the water wisely, to ensure that involvement of the people and the interests of all stakeholders are included in the management of water resources.[20] Latter, the Global Water Partnership Dialogue on Effective Water Governance creates a framework of characteristics for good governance that is specifically related to water.[21] In this, the water governance should be open, transparent, equitable, accountable, responsive and sustainable. The principles of trans-boundary water governance have also been codified by the UN General Assembly in the UN Watercourses Convention (UNWC) in 1970. The convention recognised three fundamental principles of water governance *i.e.,* equitable and reasonable use, duty to cooperate, and dispute prevention and compliance. These principles ensure certain obligations to the riparian states. Among them equitable and reasonable use is considered as the fundamental principle for maintaining effective trans-boundary water governance. Moreover, transparency in river management initiatives by the riparian states is crucial to determine whether these usages are equitable and

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[16] Munther J. Haddadin, *The Jordan River Basin: A Conflict Like No Other*, 2014, available at https://environmentalpeacebuilding.org/assets/Documents/LibraryItem_000_Doc_933.pdf, accessed on 12 October 2017.
[17] Heiko Fürst, *The Hungarian-Slovakian Conflict over the Gabèíkovo-Nagymaros Dams: An Analysis*, Institute for Peace Research and Security Policy, available at http://www.columbia.edu/cu/ece/research/intermarium/vol6no2/furst.pdf, accessed on 10 October 2017.
[18] Jin-Tae Hwang, "The Chun Doo-Hwan Authoritarian Regime's Securitisation of Water: The Case of the Peace Dam, South Korea", *Scottish Geographical Journal*, Vol. 132, Issues 3-4, 2016, pp. 234-245.
[19] Barbara Crossette, "Severe Water Crisis ahead for Poorest Nations in Next 2 Decades", *The New York Times*, 10 August 1995, available at http://www.nytimes.com/1995/08/10/world/severe-water-crisis-ahead-for-poorest-nations-in-next-2-decades.html, accessed on 11 October 2017.
[20] Ministerial Declaration of The Hague on Water Security in the 21st Century, available at http://www.worldwatercouncil.org/fileadmin/world_water_council/documents/world_water_forum_2/The_Hague_Declaration.pdf, accessed on 10 October 2017.
[21] Peter Rogers and Alan Hall, "Effective Water Governance Global Water Partnership Technical Committee (TEC)", TEC Background Papers No. 7, *Global Water Partnership*, 2003, available at http://www.orangesenqurak.org/UserFiles/File/GWP/GWP%20TEC%20Paper%207_English.pdf, accessed on 10 October 2017.

reasonable. Helsinki rules demonstrated that each state is entitled to a reasonable and equitable share in beneficial usage of waters of an international drainage basin.[22] The UNWC also obliges the basin states that they should participate in the use, development and protection of an international watercourse in an equitable and reasonable manner. Therefore, trans-boundary river governance requires both rights and duties of the basin states. Basin states have the right to utilise the watercourse and they also have duties to cooperate with basin states in the protection and development of trans-boundary water resources.

The cooperation principle of trans-boundary water governance refers to the duty of the basin states to manage their shared water resources in a cooperative manner. In this, mutual information exchange, response and process of notification are important aspects of cooperation principles of trans-boundary water governance.[23] The free flow of information about water development policies and plans among the basin states help to reduce misconceptions and alleviate the level of accountability. Article 8.1 of the UNWC declares that the watercourse states shall cooperate on the basis of sovereign equality, territorial integrity, mutual benefits and good faith in order to attain optimal utilisation and adequate protection of an international watercourse.[24] The third and final important principle of trans-boundary water governance cooperation is dispute resolution mechanism and compliance in the basin. The UNWC proposes for the creation of a fact-finding commission in the event of dispute among the basin states to facilitate negotiation process for resolving such dispute.

In light of the above three main principles of water governance, it can be argued that the La Plata river management framework has proved to be effective and depicted the goodwill of the basin's five riparian countries to ensure cooperation and joint management of water resources. The La Plata river basin encompasses an area of 3.2 million square kms including territory in Argentina, Bolivia, Brazil, Paraguay and Uruguay. Like GBM, the basin is comprised of three large river systems, namely, the Paraná, the Paraguay and the Uruguay rivers. The basin is the life sustenance for much of the agricultural and industrial sectors of the riparian states and has become a source of alternative energy and economic possibility. This river basin has been treated as the backbone of agricultural and industrial interdependence of these countries. As for example, Bolivia, Paraguay and Uruguay's agriculture economies

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[22] "The Helsinki Rules on the Uses of the Waters of International Rivers", available at http://www.colsan.edu.mx/investigacion/aguaysociedad/proyectofrontera/Helsinki%20Rules%201966.pdf, accessed on 10 August 2017.

[23] United Nations Water, "Water Cooperation in Action: Approaches, Tools and Processes", 2013, available at http://www.un.org/waterforlifedecade/water_cooperation_2013/pdf/water_cooperation_in_action_approaches_tools_processes.pdf, accessed on 08 December 2017.

[24] "Convention on the Law of the Non-navigational Uses of International Watercourses-1997", available at http://legal.un.org/ilc/texts/instruments/english/conventions/8_3_1997.pdf, accessed on 11 October 2017.

depend on the basin as crucially as the industrial sectors of Argentina and Brazil.[25] Large amounts of grain, beef, wool, timber and some manufacturing goods are exported from this region to other parts of the world.[26] The 1969 La Plata River Basin Treaty, the umbrella treaty, of which all of the riparian are signatories, provides a framework for joint management, development and preservation of the basin. As compared to La Plata, water governance is highly critical in the context of GBM basin. The GBM river basin covers the areas of China, India, Bhutan, Nepal and Bangladesh. The GBM basin is the most populous area in the world with a population density of around 700 per sq. km. The basin as a whole covers approximately one per cent of the earth's total land surface and contains the largest concentration of people on the planet.[27] The management of trans-boundary river without ensuring basic principles of good water governance makes water sharing a complex issue in GBM basin. Countries of GBM basin have commissioned hundreds of water development projects including constructions of hydro-dam, barrages, embankments and water resource management projects. In the subsequent sections this paper attempts to explore La Plata river governance mechanism further and compare this with the existing water governance in the context of managing GBM trans-boundary river basin.

3.   Geographical, Environmental and Socio-Economic Features of the La Plata and the GBM River Basins

The La Plata river Basin is considered as one of the greatest river systems of the world draining approximately one-fifth of the South American continent. The basin is comprised of three large river systems, namely, the Paraná, the Paraguay and the Uruguay Rivers. The table below presents lengths and distribution of three major rivers of La Plata basin[28]:

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[25] Aaron T. Wolf and Joshua T. Newton, *Transboundary Dispute Resolution: The La Plata Basin*, available at http://www.transboundarywaters.orst.edu/research/case_studies/La_Plata_New.htm, accessed on 09 October 2017.

[26] Arun P. Elhance, *Hydropolitics in the 3rd World: Conflict and Cooperation in International River Basins*. Washington D.C.: United States Institute of Peace, 1999.

[27] FAO, "Ganges-Brahmaputra-Meghna River Basin", *op. cit.*

[28] United Nations Environment Programme (UNEP), Global Environment Facility (GEF), Concept Document for Sustainable Water Resources Management in the La Plata River Basin, prepared by the Intergovernmental Coordinating Committee of La Plata River Basin Countries (CIC) and the General Secretariat of the Organization of American States (GS/OAS), 2003.

Table 1: Rivers of the La Plata Basin				
	Area (km²)			
Basin Countries	Paraná	Paraguay	Uruguay	Total for Country
Argentina	565.000 (37.5%)	165.000 (15.0%)	60.000 (16.4%)	920.000 (29.7%)
Bolivia	*	205.000 (18.7%)	*	205.000 (6.6%)
Brazil	890.000 (59.0%)	370.000 (33.9%)	155.000 (42.5%)	1415.000 (45.7%)
Paraguay	55.000 (3.5%)	355.000 (32.4%)	*	410.000 (13.2%)
Uruguay	*	*	150.000 (41.1%)	150.000 (4.8%)
% of La Plata Basin	1510.000 (48.7%)	1095.000 (35.3%)	365.000 (11.8%)	3100.000 (100%)

Source: "A Framework for Sustainable Water Resources Management in the La-Plata Basin with Respect to the Hydrological Effects of Climatic Variability and Change", Concept Paper Annexes (1) Profiles of GEF International Waters Projects in the La Plata Basin, pp. II-3, available at https://iwlearn.net/resolveuid/3e3cc fe4669709702c3e4e8df58aa0aa, accessed on 11 January 2018.

Note: * Not applicable

The La Plata basin remains at the economic heartland of Latin America. Almost fifty-seven large mega cities are located across La Plata basin areas. Its total population has grown from 61 million in 1968 to about 132 million in 2000.[29] Almost 60 per cent of the total population of the five countries is living in this basin.[30] The urbanisation in La Plata basin is increasing rapidly from an average of 45 per cent at the beginning of the 1960s to an estimated present average of 77.5 per cent.[31] According to the United Nations Environmental Programme (UNEP), about 70 per cent of the GDP of the five countries is generated within this drainage area.[32] However, the levels of industrialisation vary among the basin countries. The economy of Brazil is thriving along with Argentina and Uruguay, while the economies of Bolivia and Paraguay remain more broadly-based on agricultural production. La Plata is the source of hydropower (almost 92,000 MW) in the Latin American region.[33] Basin countries have already used 60 per cent of them. More than 90 per cent of

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[29] United Nations Environment Programme (UNEP), "Patagonian Shelf", *GIWA Regional Assessment,* No. 38, 2004.

[30] Víctor Pochat, *Transboundary Dimensions in Managing La Plata System*, op. cit.

[31] *Ibid.*

[32] Alberto Garrido and Mordechai Shechter, *Water for the Americas: Challenges and Opportunities*, New York: Routledge, 2014.

[33] Mariana Suzuki Sell, "International Water Law in the La Plata Basin: Regional Application of Principles and Procedural Rules of General International Water Law", *Journal of Law and Politics in Africa, Asia and Latin America,* Vol. 39, No. 2, 2006, pp. 176-191.

the energy used by Brazil comes from hydropower, with the greater part of it being generated by impoundments on the Paraná river and its tributaries of La Plata.[34] La Plata basin countries also adopted bi-national type river development infrastructural development to share cost and benefits. As for example, Brazil and Paraguay signed a bilateral agreement in 1973 to build Itaipu hydroelectric project on Parana river.[35] Major bi-national hydroelectric projects on La Plata are mentioned in the following table[36]:

Table 2: Joint Mega Water Development Projects on the La Plata River Basin				
Countries sharing dam	Name	River	Year	Purpose
Brazil and Paraguay	Itaipu Dam	Parana River	1994	Hydroelectricity
Argentina and Paraguay	Yacyretá Dam	Parana River	1994	Hydroelectricity
Argentina and Uruguay	Salto Grande Dam	Uruguay River	1979	Hydroelectricity
Argentina and Brazil	Proposed Garabí	Under negotiations		

Sources: Patrick Gilman, Víctor Pochat and Ariel Dinar, "Whither La Plata? Assessing the State of Transboundary Water Resource Cooperation in the Basin", *Natural Resources Forum*, Vol. 32, 2008, pp. 203-214; and Víctor Pochat, "The La Plata River Basin", *op. cit*.

The waterways of the La Plata river drainage system provide an important transportation artery linking the five basin countries. The industrialisation of the cities of these countries attracts many rural poor to migrate and settle in cities around La Plata. Therefore, water demand is increasing in the urban areas. Moreover, incomplete treatment of urban wastewater affects both water quantity and water quality in the basin. At present, it suffers from pollution due to the growth of population, industrialisation and over use of waters and unplanned waste disposals. The erosion of productive land, silting of waterways and reservoirs, soil and water pollution, and loss of habitat for fish and wildlife are also present in the La Plata river basin.

The GBM rivers constitute the main trans-boundary river basin in South Asia. This basin is the source of fertile agricultural flood plains which feed millions of people in South Asia. GBM is also contributed to the creation and sustenance of the largest mangrove forests Sunderban in this region. However, the region's socio-economic conditions are low. In terms of social indicators such as education, health, malnutrition, child mortality, access to safe drinking water and energy, this region lies well behind other regions of the world.[37]

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[34] Alberto Garrido and Mordechai Shechter, *op. cit*.

[35] Guillermo J. Cano, "Argentina, Brazil, and the De La Plata River Basin: A Summary Review of Their Legal Relationship", *Natural Resources Journal*, Vol. 16, No. 4 (Symposium on Water Resources Management in a Changing World), Fall 1976.

[36] For details see Víctor Pochat, *The La Plata River Basin*, 2010, available at http://ciwr.ucanr.edu/files/168777.pdf, accessed on 10 September 2017.

[37] Asit K. Biswas, "Water and Regional Development", in A. K. Biswas, O. Unver and C. Tortajada (eds.), *Water as a Focus for Regional Development*, New Delhi: Oxford University Press, 2004.

The three rivers of GBM basin have different characteristics and flow through different countries in this region. The GBM covers 1.7 million kms area owned by five countries. These are India (63 per cent), China (18 per cent), Nepal (9 per cent), Bhutan (3 per cent) and Bangladesh (7 per cent).[38] These three rivers have joined together only few hundred kms., upstream of the mouth in the Bay of Bengal. The GBM has unique geographical characteristics as the three rivers have created different tributaries/ main arteries of rivers, canals and water bodies in different countries. As for example, Nepal is located in the Ganges river basin, whereas Brahmaputra constitutes the main tributary in Bhutan. According to the Joint Rivers Commission in Bangladesh (JRCB), GBM basin covers the following areas:

Table 3: Rivers of the GBM Basin				
Rivers	Area in kilometers	Countries included	Area of country in basin (in km)	As % of total area of the basin
Ganges	1087300	India China Nepal Bangladesh Bhutan	860000 33500 147500 46300 *	79 3 14 4 *
Brahmaputra	543400	India China Nepal Bangladesh Bhutan	195000 270900 * 39100 38400	36 50 * 7 7
Meghna	82000	India China Nepal Bangladesh Bhutan	47000 * * 35500 *	57 * * 43 *
Total	1712700	India China Nepal Bangladesh Bhutan	1102000 304400 147500 120400 38400	64 18 8 7 3

Source: Food and Agriculture Organization (FAO), "Ganges-Brahmaputra-Meghna Basin", Regional Report 37, 2011, available at http://www.fao.org/nr/water/aquastat/basins/g b m/in dex.stm, accessed on 12 December 2017.

Note: * Not applicable

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[38] Thomas S. Bianchi, *Deltas and Humans: A Long Relationship Now Threatened by Global Change*, London: Oxford University Press, 2016.

Both the Ganges and the Brahmaputra rivers originate in the Himalayan mountain range in China. From the origin, the Ganges river takes the southwest route to enter into the Indian region and creates many tributaries in India and Bangladesh when it turns southeast and enters Bangladesh as the Padma river. On the other hand, the Brahmaputra river originates from the Angsi Glacier in Himalayan region near Burang County in Tibet as the Yurlung Tsangpo river.[39] Brahmaputra takes the southeast route to flow over Yarlung Tsangpo Grand Canyon and enters the Arunachal Pradesh in India. In Arunachal, it is known as Dihang or Siang. After that it turns southwest through the Assam valley as Brahmaputra and enters Bangladesh from the north and flows through south of Bangladesh as Jamuna river.[40] About 1,800 miles (2900km) long, the Brahmaputra is an important river for irrigation and transportation in this region. The tributaries of the Meghna river originate in the mountains of the eastern India mainly Manipur called Barak. It flows south-westerly winding its way along the hill ranged for about 250 kms. It changes direction to the west and follows a course until it enters Bangladesh. Near the border the Barak is bifurcated into two rivers, the Surma and the Kushiyara, which joins again, and takes the name of Meghna before it meets Padma near Chandpur inside Bangladesh.[41] All the three rivers are flowing over Bangladesh towards the Bay of Bengal. Bangladesh has mainly fertile lowland constituted by the GBM and become part of the Greater Bengal plain. The GBM is the highly populated basin in the world. Almost 630 million people live in the GBM river basin which is almost two thirds of the population of Africa.[42] Interestingly the size of the GBM is 18 times smaller than the African continent. Therefore, GBM is the highly densely populated area *i.e.,* about one-fourth of the world's population but only contains about 4.5 per cent of the world's annual renewable water resources. Due to increasing pressure of population and related agricultural, industrial and domestic usage of water in GBM basin, the per capita access to water is low as compared to the other regions of the world. The per capita investment in water resource management is also very low. The volume of per capita water usage goes down due to the increase of population. The big challenge that GBM basin countries face today is to manage water resources along with the trans-boundary rivers for ensuring maximum benefits including access to safe drinking water, sanitation, irrigation for agriculture and electricity for supporting growing manufacturing sector of these countries. Water management also includes controlling floods, river banks erosions and most importantly river pollutions across the countries. The water quality of GBM has been deteriorating due to the increasing rate of industrialisations along the river banks, discharges of industrial chemicals, wastes and agrochemicals into the rivers.

The water development activities in GBM basin dates back to 2000 years ago in which people thought about irrigation system in the rivers to support their agricultural

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[39] Nayan Sharma, *River System Analysis and Management*, Springer, 2017.
[40] For details, see http://www.fao.org/nr/water/aquastat/basins/gbm/gbm-CP_eng.pdf, accessed on 18 December 2017.
[41] Mahesh Chandra Chaturvedi, *Ganga-Brahmaputra-Meghna Waters: Advances in Development and Management,* Florida: CRC Press, 2012, p. 5.
[42] *Ibid.,* p. 3.

productions.[43] The canal systems were built to direct water from the GBM main rivers to the agricultural fields. At present the total area of GBM river basin that is covered for irrigation is estimated to be around 35.1 million ha., of which 82.2 per cent in India, 14 per cent in Bangladesh, 3.3 per cent in Nepal, 0.4 per cent in China and 0.1 per cent in Bhutan.[44] In spite of building canals, countries of GBM basin have also built mega dams for water diversion, irrigation and hydroelectricity generation. In Bhutan, several dams were constructed for hydroelectric power generation. These include the 40m high Chhukha dam on the Wang river, 91m high Tala-Wankha dam on the Raidak river and 33m Kurichhu dam on the Kuri river.[45] The total hydropower generation capacity was 477 MW which is 96 per cent of the country's electricity generating capacity in Bhutan. India is considered as high potential of hydropower country in the world. The country has potential to generate 1,48,700 MW hydropower in which the combined Ganges, Brahmaputra and Indus river can contribute about 80 per cent of the power. In Nepal, two large water diversion barrages were built on the Kosi and Gandaki rivers in GBM basin.[46] Being a lower riparian country Bangladesh has not been able to build any large dam on the GBM river basin. Bangladesh has constructed three barrages on the Teesta, Tangon and Manu rivers for irrigation purposes.

Table 4: Dams and Barrages on GBM Basin					
Country	Name	Nearest City	River	Year	Purpose
Bhutan	Chhukha	Chhukha	Ti Chu	1988	Hydropower
	Tala-Wankha	Phuntsholing	Wang (Raidak)	2006	Hydropower
	Kurichhu	Gyelposhing	Kuri	2002	Hydropower
	Basochu	Wangduephodrang	Baso Stream	2001	Hydropower
India	Rihand	Sonbhadra	Rihand	1962	Hydropower
	Farakka Barrage	Murshidabad, Malda	Ganges	1974	Irrigation
	Bhimgoda	Haridwar	Ganges	1983	Hydropower
Nepal	Kali Gandaki	Mirmi	Gandaki	2002	Hydropower
	Kosi	Sunsari and Saptari	Kosi	1956	Flood control
Bangla-desh	Manu Barrage	Maulvibazar Sadar	Manu	1990	Irrigation and fish pass
	Tangon Barrage	Boda, Panchagarh	Tangon	1989	Irrigation and fish pass
	Teesta Barrage	Saidpur	Teesta	1998	Flood control and irrigation

Sources: FAO, "Ganges-Brahmaputra-Meghna Basin", *op. cit.*; International Rivers, "Status of Hydropower Dams in Bhutan", 2015, available at https://www.internationalrivers.org/resources/8703, accessed on 11 January 2019; and Anil Bose, "List of Dams and Barrages in India with River", available at https://www.importantindia.com/4399/list-of-dams-and-barrages-in-india-with-river/, accessed on 12 January 2018.

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[43] FAO, "Ganges-Brahmaputra-Meghna Basin", *Water Report 37*, 2011, available at http://www.fao.org/nr/water/aquastat/basins/gbm/index.stm, accessed on 08 August 2017.

[44] *Ibid.*

[45] *Ibid.*

[46] *Ibid.*

Recently, countries of the GBM basin have been increasingly planning to construct large and mega dams on these rivers. Two of the three rivers of GBM are originated from the Himalayan belt which is the source of freshwater resources for the countries downstream. Most of the existing and under construction dams are mainly storage dams which have larger reservoir capacity of water. These vast reservoirs of water provide as the first line of defence against flooding. Also these dams are built to provide irrigation to the agricultural sector, store water for dry seasons and power generations. China has adopted the newly North-South water transfer project which will contribute to the country's economic, security, energy and food production.[47] Therefore, nationally constructed water projects by the basin countries in this region are nothing but a reality which increases the need for water resource governance mechanism as well. In this context, the following section reflects on the water governance mechanism of La Plata river to explore present situation of the GBM governance mechanism.

4.   Comparative Analysis of the Trans-boundary Water Governance of the La Plata River Basin in Latin America and the GBM River Basin in South Asia

The trans-boundary water governance has been regular discourse since the 1992 UN Conference on Environment and Development (UNCED). The Rio-sustainable development principles have been modified and integrated into the trans-boundary water governance issues at the Expert Group Meeting on Strategic Approaches to Freshwater Management in Harare in 1998, the Ministerial Meeting on Water Resources and Sustainable Development and the Sixth Session of the Commission on Sustainable Development.[48] In these meetings trans-boundary water governance includes universal guiding principles. These are:

- Principle I: Fresh water is a finite and vulnerable resource, essential to sustain life, development and the environment.

- Principle II: Water development and management should be based on a participatory approach, involving users, planners and policy-makers at all levels.

- Principle III: Women play a central part in the provision, management and safeguarding of water.

- Principle IV: Water has an economic value in all its competing uses and should be recognised as an economic good.[49]

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[47] "China's Water Diversion Project Starts to Flow to Beijing", *The Guardian*, available at https://www.theguardian.com/world/2014/dec/12/china-water-diversion-project-beijing-displaced-farmers, accessed on 01 October 2016.
[48] Dr Owen McIntyre, "Improving Trans-boundary Water Governance through the Application of Integrated Water Resources Management", *Background Paper*, National University of Ireland, available at http://www.unep.org/environmentalgovernance/Portals/8/ENGLISH%20Improving%20Transboundary%20Water%20Governance.pdf, accessed on 05 January 2018.
[49] *Ibid.*

Based on the above universal guiding principles, trans-boundary water governance is recognised as a process which promotes the coordinated development and management of water, land and related resources in order to maximise the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems and livelihoods of people. However, the major challenges trans-boundary water governance face are about water management and appropriation at the individual, local, national and the regional levels. Trans-boundary rivers like La Plata and GBM are the sources of freshwater which are shared and used by multiple users across the boundaries. The beneficiaries of these rivers have diverse needs, aspirations and values toward water usages among the basin countries. In this way La Plata and GBM rivers not only cross boundaries of basin countries but also encompass different economic and agricultural sectors, legal jurisdictions, policy goals, security concerns and political interests. Trans-boundary water governance is a complex one as the governance mechanism requires management of political, cultural and social aspects of water and this integrated management is dependent on extremely intricate awareness of the decision-making process by the policy makers.

Drawing from the examples of La Plata river governance, the following discussion analyses the current state of trans-boundary water governance of GBM in South Asia on the basis of three principles of water governance. These are: equitable and reasonable use of water; duty to cooperate; and dispute prevention and compliance that are elaborated below.

4.1 *Equitable and Reasonable Use of Trans-boundary Water Resources in La Plata and GBM River Basins*

Nearly half a century ago five countries of the La Plata basin had initiated their joint efforts to develop water resources and ensure equitable and reasonable usages. As mentioned earlier, trans-boundary rivers collate different regions and their diverse interests emerged out of different historical, geographical, social and political background. La Plata was not an exception. However, the basin countries did overcome and had pursued their common goals. In this regard, the five basin countries first organised a meeting at the Foreign Minister's level in 1967 in Buenos Aires to assess their needs and declared their joint goals regarding the La Plata basin as "it is a decision of our governments to carry out the joint and integral study of La Plata Basin, with a view to the realization of a program of multinational, bilateral and national works, useful for the progress of the region."[50] By this declaration, they expressed their solidarity towards achieving progress of the region. The Intergovernmental Coordinating Committee of the Countries of La Plata Basin (CIC) was established with the aim of drawing up a statute for its definitive constitution. Since 1967, there had been regular meetings and negotiations among the basin

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[50] Alberto Garrido and Mordechai Shechter, *op. cit*.

countries. In regard to the equitable and reasonable use of La Plata, Article V of the Basin Treaty states that:

> "Any joint activities undertaken by the Contracting Parties shall be carried out without prejudice to such projects and undertakings as they may decide to execute within their respective territories, in accordance with respect for international law and fair practice among neighbouring friendly nations".[51]

However, there was a disagreement between Argentina and Brazil regarding this principle. Brazil proposed that instead of accepting general rules applicable for all basin countries La Plata basin treaty should encompass context based rules and guidelines. Brazil had a logic that a country possessing the sources of a drainage of the basin could not willingly limit itself on the use of the water. As for example, the long Paraná river sub-basin, situated in Brazilian, Argentinean and Paraguayan territories, has relevant conditions for hydroelectricity, such as appropriate slope, important flow, basaltic structure and embanked stretches.[52] Since 1960, Brazil had launched the construction of numerous dams in the basin, in a restless building effort which is still current and will extend into the future. Paraguay and Argentina, lower riparians, had planned to construct two important dams in their shared stretch at the same period in the 1970s. Uruguay is not a riparian state of the Paraná river and Paraguay adopted a waiting role. To avoid such disagreement among the basin countries, in 1971, they adopted basic principles for water management applicable to La Plata basin riparian states in the 'Asunción Declaration on the Uses of International Rivers' for ensuring equitable and reasonable use of trans-boundary water resources.[53] These are:

1. In contiguous rivers, as riparians share their sovereignty, every use of the watercourse should be preceded by bilateral agreement of riparian states.

2. In successive international rivers, where riparians do not share their sovereignty, each state is able to use the watercourse according to its needs provided the uses thereof do not cause appreciable harm to another basin state.

3. And states are required to take into consideration the living resources of basin waters into their planning.

These basic principles upheld the international watercourse principle of equitable and reasonable use of freshwater resources. In this regard, basin countries of La Plata agreed upon causing no "appreciable harm" in the utilisation of trans-boundary rivers.

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[51] Lilian del Castillo-Laborde, *The Río de La Plata and Its Maritime Front Legal Regime*, Leiden, Bostin: Martinus Publishers, 2008.

[52] Víctor Pochat, *Transboundary Dimensions in Managing La Plata System*, *op. cit.*

[53] *Ibid.,* p. 15.

The principle of equitable and reasonable use of trans-boundary water resources is challenging in GBM basin. It is imperative to note that the GBM basin countries have faced challenge to collate their national demands with the regional demand and interest regarding the use of GBM water resources. It is a reality that all GBM basin countries are constantly facing scarcity of water at their domestic levels. As for example, India is currently facing rapid decreasing of water supply. It is expected that by 2030, water shortage will reach up to 50 per cent.[54] The largest rivers of South Asia *i.e.,* Indus, Brahmaputra and Meghna are under special consideration for all its basin countries.

GBM basin is located on the foothills of Himalayas. Geographically China is situated in the upper riparian of GBM basin. Therefore, China has geographic advantage over its neighbouring basin countries. China is currently facing rapid industrialisation, urbanisation and population growth. These issues foster China to develop water resources management infrastructures. China's energy needs are estimated to grow up to 60 per cent from 2012 to 2035.[55] China is now building huge hydro project to meet its energy demands. The UNEP and the Asian Institute for Technology (AIT) in 2009 published a report[56] that indicated over-exploitation, climate change and inadequate cooperation among countries threaten some of the world's greatest river basins including GBM. South Asia's struggle for gaining control over rivers has already gaining international attentions regarding the future stability of the region. The race for water will make South Asia a water-stressed region. Lower riparian countries like Bangladesh in South Asia witnesses too much water during the monsoon. The growing population, rapid industrialisation, farming and domestic usages of water in South Asia make policy makers to develop policy or strategy to build infrastructures on GBM which needs to have a comprehensive trans-boundary governance mechanism to ensure equitable and reasonable use of GBM's resources among the basin countries.

4.2 *Cooperation Principle of Trans-boundary Water Governance in La Plata and GBM River Basins*

The cooperation principle of trans-boundary river governance requires mutual cooperation for the development of river basins for common interests. In this regard, cooperation principle stimulates basin countries to share their information

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[54] Anjal Prakash, Medhavi Sharma and Jayati Chourey, *Water in India: Situation and Prospects*, Delhi: UNICEF, 2013.

[55] U.S. Energy Information Administration (EIA), "Annual Energy Outlook 2012 with Projections to 2035", available at https://www.eia.gov/outlooks/aeo/pdf/0383(2012).pdf, accessed on 12 January 2018.

[56] Mukand S. Babel and Shahriar M. Wahid, "Freshwater under Threat: Vulnerability Assessment of Freshwater Resources to Environmental Change, Ganges-Brahmaputra-Meghna River Basin, Helmand River Basin, Indus River Basin", 2008, available at https://digital.library.unt.edu/ark:/67531/metadc28587/m2/1/high_res_d/southasia_report.pdf, accessed on 10 January 2018.

regarding respective water development projects. Basin states also need to notify the potential project and impacts of such project on the water resources of basin countries. The La Plata river basin agreement enhances the cooperation principle in various ways. During the second Ministerial Meeting in May 1968 basin countries have agreed on the following principles to enhance their cooperation in the development of basin areas.[57] These are:

1. Joint inventory and analysis of basic information on the basin's natural resources and related subjects;

2. Initiate joint study of problems to be solved and projects of measures to be taken (dredging, obstacle removal, signalling, buoyage, *etc*.) in order to allow permanent navigation and to secure its maintenance in the Paraguay, Paraná, Uruguay and La Plata rivers;

3. Provide facilitation and assistance with regards to navigation;

4. Achieve the preservation and the improvement of animal and vegetal life; and

5. Promote other projects of common interest and especially, those that have relation to the inventory, assessment and development of the natural resources of the area.

The basin treaty preceded by 'Asunción Declaration on the Uses of International Rivers' in 1971 recognised that:[58]

- Riparian states of La Plata should exchange hydrological and meteorological data and cartographic results from field measurements;

- There is an emphasis on the improvement of river navigability and a warning that future works should not hamper navigation; and

- States are required to take into consideration the living resources of basin waters in works planning.

Based on the above cooperation principles, La Plata basin countries have initiated many bi-national and regional development projects in early 1970s. In

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[57] Victor Pochat, "Identification, Collection of Information and Compilation of Examples of Relevant Practices Concerning the Integration Into Policy/Normative Frameworks and Implementation of Key Priority Issues", *International Policy in Shared River Basins*, 2009, available at http://staging.unep.org/dams/files/Compendium/Report_InterRivers.pdf, accessed on 08 January 2018.

[58] FAO, *International Conventions of Regional Application*, available at http://www.fao.org/docrep/005/w9549e/w9549e03.htm, accessed on 02 January 2018.

1973, Brazil and Paraguay have concluded a bilateral treaty for constructing Itaipú development project. On 19 November 1973, Argentina and Uruguay signed the 'Treaty on the La Plata River and the Corresponding Maritime Boundary'.[59] This treaty settled the controversial situation about the exercise of jurisdiction over that vast river waters and improvement of navigation, fishing, bed and subsoil of the river. Both the countries supported the setup of two permanent commissions: the Administrative Commission of the La Plata River and the Joint Technical Commission for the adjacent maritime zone and the overlapping common fishing zone to monitor and prevent pollution, pilotage, works, scientific research and rescue operations.[60] On 3 December 1973, the Yacyretá Binational Entity was established by agreement between Argentina and Paraguay, with the purpose of constructing Yacyretá development.[61] Subsequently, on 26 February 1975, Argentina and Uruguay agreed on the establishment of a special body for their shared stretch of the Uruguay river to work for improving navigation, works, pilotage, bed and subsoil resources, fishing, pollution prevention *etc*.[62] On 7 July 1977, Brazil and Uruguay signed the 'Treaty on Cooperation for the Utilization of the Natural Resources and Development of Mirim Lagoon Basin', aiming to improve water supply for domestic, urban and industrial uses, stream flow regulation and flood control, setting up of an irrigation and drainage system, production, transmission and utilisation of hydroelectric energy and increase of means of transport and communication.[63]

In 1980, Brazil and Argentina agreed upon the use of their shared stretch of the Uruguay river and decided to build the Garabí dam as a joint project. And, in the financial field, it should be noted that the Financial Fund for the Development of La Plata Basin (FONPLATA) was created during 1976 within the framework of the Treaty to lend financial support to the activities envisioned in the Treaty.[64] The GBM basin countries can take into consideration these impressive examples of cooperation in La Plata river basin. GBM requires greater degree of cooperation among the basin countries in future. It is a fact that all basin countries require huge amount of water and energy. China at present is engaging in a push to build hydroelectric dams on a scale unprecedented in human history.[65] China in search

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[59] Victor Pochat, "International Agreements, Institutions and Projects in La Plata River Basin", *International Journal of Water Resources Development*, Vol. 27, Issue 3, 2011.

[60] Asit K. Biswas, Newton V. Cordeiro, Benedito P. F. Braga and Cecilia Tortajada (eds.), *Management of Latin American River Basins: Amazon, Plata, and São Francisco*, Tokyo: United Nations University, 1999.

[61] Asit K. Biswas (eds.), *Managing Transboundary Waters of Latin America*, London: Routledge, 2013.

[62] Del Castillo Laborde, "The Plata Basin Institutional Framework", in *Management of Latin American River Basins: Amazon, Plata and São Francisco*, 1999, *op. cit*.

[63] Víctor Pochat, *Transboundary Dimensions in Managing La Plata System*, *op. cit*.

[64] Alberto Garrido and Mordechai Shechter, *op. cit*.

[65] Lewis Charlton, "*China's Great Dam Boom: A Major Assault on Its Rivers*", available at http://e360.yale.edu/feature/chinas_great_dam_boom_an_assault_on_its_river_systems/2706/, accessed on 15 December

of renewable electric power has been constructing mega dams. Some of them are larger than the world known *viz.*, Hoover Dam on the Colorado river which is 221 metre high and capable of generating more than 2000 MWs power.[66] By 2020, China aims to generate more than 120,000 MWs of hydroelectric renewable energy. China recently undertook the South-to-North water project which is considered as the largest project ever taken in China.[67] The project will link China's four main rivers *i.e.,* the Yangtze, Yellow, Huaithe and Haihe. Chinese dam building project will require cooperation among the basin countries as these rivers are shared by many countries including Mekong in Southeast Asia and the Nu called the Salween in Burma and Yarlung Tsangpo known as Brahmaputra in India and Bangladesh.[68] Originated from Tibetan plateau, the Brahmaputra river is considered to be the highest river on earth with an average altitude of 4,000 metres. It runs 2,057 kms in Tibet before flowing into India, where it becomes the Brahmaputra. China has already commissioned Zangmu Hydropower station in Tibet which stands more than 3,300 metres above the sea level. [69]

The Brahmaputra/ Tsangpo in the GBM basin is always considered as the fresh water source of the millions of people of lower riparian countries including India and Bangladesh. This river has been divided in hundreds of channels and tributaries and forms the Bengal delta. Therefore, constructions of numbers of dams on Brahmaputra would require assessment of the needs of the basin countries. Also, all the basin countries should act together to tackle increasing salinity and sedimentation and ensure fishing and navigation in this river. Brahmaputra has been the key issue of the policy makers in this region for quite a long time. Bangladesh as a lower riparian country has reason to concern that such constructions of dams in upper streams of the GBM basin would significantly cause reductions of water flow in future. This may lead to the adversarial ecological and environmental conditions. It will upset the natural balance of water flow and those sedimentation processes that are vital to the survival and growth of floodplains in the Bengal delta. This may result in a rise in sea level in the Bay of Bengal which will in turn result in submergence of land and displacing millions of people in Bangladesh.

2017.

[66] "Do Dams Bring More Harm or More Good?", *Environmental News Network*, 04 November 2013, available at https://www.enn.com/articles/46634?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+GlobalPollutionAndPreventionNews-Enn+%28Global+Pollution+and+Prevention+News+-+ENN%29, accessed on 10 January 2018.

[67] "China's Water Diversion Project Starts to Flow to Beijing", *The Guardian,* available at https://www.theguardian.com/world/2014/dec/12/china-water-diversion-project-beijing-displaced-farmers, accessed on 19 February 2018.

[68] Lewis Charlton, "*China's Great Dam Boom: A Major Assault on Its Rivers*", *op. cit.*

[69] "China opens Mega dam on Brahmaputra", *The Daily Star,* 25 Novermber 2014, available at https://www.thedailystar.net/china-opens-mega-dam-on-brahmaputra-51969, accessed on 10 January 2018.

4.3   *Dispute Resolution Mechanism of La Plata and GBM River Basins*

It is quite clear that water development projects in any river basin may lead to dispute among basin countries. In this regard, International Water Laws which are mostly treaty laws offer some dispute mechanism remedies. The transboundary river basin must require treaty to develop regional water development mechanism for water resources which are critical for improving human access to water, irrigations, energy productions and meeting human health goals. The experience of La Plata river treaty and subsequent bilateral treaties and water development project stipulate the fact that if riparian countries start cooperation from the outset of a conflict, instead of letting it to create deeper position, the economic and joint management prospects are much greater.[70] Neither Brazil nor Argentina has used their economic or military superiority to maintain greater control over water resources or hydroelectric potential in La Plata. The La Plata basin has allowed for increased cooperation between the riparian nations when many times conflict could have arisen and defeated the benefits the states are receiving today. As for example, on 26 February 1975, Argentina and Uruguay agreed on the establishment of a special body for their shared stretch of the Uruguay river. The purpose of setting this body was to resolve dispute between the two riparian countries and also extended cooperation regarding navigation, works, pilotage, bed and subsoil resources, fishing and pollution prevention.[71]

The La Plata treaty ensures open communication among the basin countries. The treaty has helped bring five nations together and resolve their disputes. These countries have been able to extend their cooperation in improving education, health and management of 'non-water' resources (*e.g.*, soil, forest, flora and fauna) across the La Plata basin. Drawing from the example of La Plata basin, it is argued that an effective treaty is the pre-requisite for successful management of shared water resources.[72] Such treaty contains some basic principle to avoid dispute among riparian nations. As for example, the 'Doctrine of Absolute Integrity' stipulates that a state may not alter the natural flow of waters passing through its territory in any manner which will affect the water in another state, be it upstream or downstream.[73] And the 'Doctrine of Limited Territorial Sovereignty' conforms to the general legal obligation to use one's property in a

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[70] Kishor Uprety and M. A. Salman, "Legal Aspects of Sharing and Management of Transboundary Waters in South Asia: Preventing Conflicts and Promoting Cooperation", *Hydrological Sciences Journal*, Vol. 56, Issue 4, 2011,

[71] Victor Pochat, "International Agreements, Institutions and Projects in La Plata River Basin", *op. cit*.

[72] Anna Schulz, "Creating a Legal Framework for Good Transboundary Water Governance in the Zambezi River and Incomati River Basins", *Georgetown International Environmental Law Review,* Winter, No. 19, Issue 2, 2007.

[73] Obja Borah Hazarika, "Riparian Relations between India and China: 63 Exploring Interactions on Transboundary Rivers", *International Journal of China Studies*, Vol. 6, No. 1, 2015.

manner which will not cause injury to others. The third doctrine is the 'Harmon Doctrine of Absolute Sovereignty'. This doctrine claims the absolute freedom of a riparian state, often the uppermost riparian, to utilise the waters flowing through its territory, regardless of the effect of its actions on other riparian states. Article 5, contained in Part II of the Convention on the Law of the Non Navigational Uses of International Watercourses of 1997, requires that a state sharing an international watercourse with other states utilises the watercourse, in its territory, in a manner that is equitable and reasonable *vis-à-vis* the other states sharing it.[74] The dispute settlement mechanism in GBM is highly critical in future to resolve concerns which may arise among the basin countries out of increasing need for the utilisation of trans-boundary water resources. Future demands of trans-boundary water resources in GBM suggest that countries will share information about their projects and engage in negotiations for their effective and beneficial utilisations.

5.   Conclusion

This paper has highlighted the evolving governance mechanism in the La Plata river basin where respective countries engage in cooperation and adopt pragmatic approach to meet their own needs as well as other basin country's interests. In GBM, the future of effective utilisation of trans-boundary water resources also requires cooperation among the basin countries. In fact, in a longer timeframe, there is no other viable alternative for the countries of GBM than to co-operate with each other in managing their transboundary water bodies. Trans-boundary river management is complex, which involves many cross-cutting political, cultural and security issues of the region. Therefore, only an evolving governance mechanism can resolve such issues and lead to successful water sharing and development mechanism. Over the decades, La Plata governance mechanism has been consistent and helped to develop political interrelationships between the co-basin countries. The experience of La Plata gives clear indication to the GBM that trans-boundary river governance is essential to generate water as regional public good which could provide benefits to the people of South Asia.

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[74] "Convention on the Law of the Non-navigational Uses of International Watercourses 1997", available at http://legal.un.org/ilc/texts/instruments/english/conventions/8_3_1997.pdf, accessed on 20 December 2017.

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Rubel Molla

THE 'NEW NORMAL' IN CHINA'S FOREIGN POLICY: IMPLICATIONS FOR BANGLADESH

Abstract

Since 1980s, China has experienced double digit growth, termed as 'old normal'[1] but recently the scenario has changed and the growth has slowed down significantly. President Xi Jinping has declared this trend as the 'new normal' which has been labelled by the analysts as a new strategy of Chinese foreign policy. China's 'new normal' is based on a 'political economy' approach which is, through greater integration, anticipated to ensure sustainable relations with various regions and economies through trade and investment. China is expanding geoeconomically and geopolitically. It is promoting new economic model and pioneering new institutions to promote broader connectivity across different regions. Chinese foreign policy is also designed in line with the new economic and geostrategic ambitions. So, a deeper understanding is crucial about China's foreign policy and its geopolitical and economic expansion through the 'new normal' policy that the Chinese leaders are promoting now. It is considered as the ideological basis of China's economic and strategic expansion. This paper is to see how China's expansion or geoeconomic and strategic ambition in Asia is realising through this new policy. Considering 'new normal' from the liberal perspective, this paper argues that China's 'new normal' will facilitate its integration with the global and regional economy providing China with geostrategic leverages in Asia. Besides, it argues that 'new normal' manifests the strategic significance of neighbouring countries like Bangladesh with several positive impacts. Hence, the paper analyses the impacts of 'new normal' on a developing country like Bangladesh and addresses different aspects of cooperation and challenges involved with the implementation of 'new normal' policy.

1.   Introduction

China has several impacts on global and regional geopolitical and geoeconomic landscape. It is expanding its frontiers both economically and strategically all around the world. It has focused its strategic energies in Asia and its foreign policy is aimed at enhancing its economic and military prowess to attain

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[1] Vance Wong, "China's Growth: "New Normal" Versus "Old Normal", available at http://www.sharesinv.com/articles/2015/07/01/chinas-growth-new-normal-versus-old-normal/, accessed on 04 December 2017.

regional hegemony in Asia[2] and beyond. It has experienced double digit growth since 1980s. China is extending its influence from South China Sea to Indian Ocean; stretching connectivity over Asia, Africa and Europe; countering the influence of India and USA in different regions; trying to internationalise Renminbi (RMB); leading the climate movement through upholding the Paris Climate Accord; patronising Brazil Russia India China South Africa (BRICS) economic bloc *etc*. It has appeared on the global stage, to facilitate the expansion, with new mechanisms and institutions like Belt and Road Initiative (BRI), New Development Bank (NDB), Silk Road Fund (SRF) and Asian Infrastructure and Investment Bank (AIIB), challenging the existing institutions. It has appeared before Asia and Africa with multi billion dollars fostering connectivity through infrastructure development and port development. So, this trend cannot be perceived in general view, rather one needs to understand this expansion through 'new normal' policy of President Xi Jinping. 'New normal' policy denotes plan to move from high speed growth (Old Normal-double digit growth of about ten per cent) driven by exports and infrastructure investment to slower, steadier, stronger and cleaner growth (around 6.5 per cent) to avoid middle income trap.[3] China's 'new normal' in foreign policy is based on political economy to intensify investments in broader region and encourage sustainable trade relations with different regions to modernise its economic sectors. Through this policy, Chinese authority promises to open its economy to the world by developing transportation routes, building high-tech sectors and infrastructural connections among neighbouring countries and regions to facilitate overseas companies' entry into China and Chinese companies' expansion abroad. So, this policy can be an effective one to exert economic influences while bagging geopolitical leverages for China to facilitate its expansion around the world. Now the question is that, what kind of global and regional impetus it will generate? What are the implications for Bangladesh? This paper will deal with these questions to make a better understanding of the 'new normal' policy in the regional and Bangladeshi contexts.

This paper argues that 'new normal' in China's foreign policy is proactive and it has become a new tool to materialise China dream - a term popularised after 2013 by President Xi which denotes collective effort, socialism, Chinese prosperity and national glory. It is argued that the 'new normal' strategy seeks to ensure equivalence between international trends and domestic interests. Defining China as a transformed rising power Hameiri and Jones argues that it is a fragmented, decentralised and internationalised political system which facilitates different agencies and actors to pursue paradiplomatic relations[4]. For instance, institutions like AIIB and initiatives like BRI play crucial role in the diplomatic relations of China to attain strategic

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[2] Harsh V. Pant (ed.), *The Rise of China: Implications for Asia*, New Delhi: Cambridge University Press, 2012, p. 1.

[3] Carrie Gracie, "China's 'New Normal'- a Bit Too Much Like the Old Normal", available at https://www.bbc.com/news/world-asia-china-35149258, accessed on 17 December 2017.

[4] Shahar Hameiri and Lee Jones, "Rising Powers and State Transformations: The Case of China", *The European Journal of International Relations,* Vol. 22, No. 1, 2016, pp. 72-98.

and economic goals. Moreover, Hille argues that 'new normal' follows trade and investment and pursues defensive measures to protect the interests come from the globalisation.[5] 'New normal' is functional under the umbrella of BRI and it has been promoting Bangladesh China India Myanmar Economic Corridor (BCIM-EC) and China-Pakistan Economic Corridor (CPEC) in Asia to resolve its "Malacca dilemma".[6] So, 'new normal' can be an effective channel to attain its dream to connect different regions and diversify trade and investment.

China is promoting 'new normal' policy as an inclusive approach to ensure balanced economic growth through facilitating connectivity, trade and investment and infrastructural development. This policy has much impacts on the economy of developing countries in South Asia. This paper focuses on positive impacts and challenges of 'new normal' policy in the developing countries especially in the case of Bangladesh.

China's growth is slower but sustainable and steady, which is ultimately accelerating regional development and financial integration. China's economic diplomacy, in which 'new normal' is a significant part, denotes the use of diplomacy to attain economic benefits and use of economic means to pursue political objectives in Asia and beyond. This paper argues that the 13th Five Year Plan (FYP), through which Chinese economy entered into 'new normal', has positive effect on the development process of the Asia-Pacific region. BRI, AIIB, SRF *etc.* are effective tools to materialise the 'new normal' at the international level. Bangladesh is a significant part of 'new normal' as it is a part of BCIM-EC under the BRI theme and it can be benefited from China's new policy. As Bangladesh is not beyond the regional and global economic integration, it is imperative to analyse in detail the potential impacts of China's 'new normal' on Bangladesh's economy and its geostrategic implications. Bangladesh, with huge cheap labour, has the chance to be the destination of China's sunset industries[7]. Moreover, investment in Information Technology (IT), energy and green economy will soar up. It further argues that Bangladesh is geostrategically crucial for China as the latter is trying to curtail the Indian dominance and come out from the Malacca Strait problem. Ultimately, the race between the two, India and China, is an important variable which will determine how much Bangladesh will be benefited from China's 'new normal' economy.

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[5] Kathrin Hille, "Hu Calls for China to be Maritime Power", available at https://www.ft.com/content/ebd9b4ae-296f-11e2-a604-00144feabdc0, accessed on 05 December 2017.
[6] The term "Malacca Dilemma" was coined by President Hu Jintao in November 2003 on the excessive dependence on Malacca Strait for energy imports. The Strait is considered as strategically vulnerable and Chinese authority thinks that whoever controls the Strait of Malacca will have a strong control over the energy route of China. The Strait also prone to pirate attacks and other transnational threats are major concerns. See, Ian Storey, "China's Malacca Dilemma", *China Brief*, Vol. 6, No. 8, 12 April 2006.
[7] An industry in decline which once passed its peak periods. It continues to be very significant for economy but fails to attract investors due to its higher environmental costs and less employment and profit generation capacity.

The paper is based on secondary data sourced from academic journals, books, newspaper articles and reports. This paper is divided into six sections. Following the introduction, section two explains the 'new normal' and President Xi's vision regarding the 'new normal' policy and the nature of China's economic diplomacy and BRI. Section three discusses the different impacts of this policy on the global and regional economy. Section four discusses the strategic and economic implications of this policy in the context of Bangladesh. Section five deals with different challenges and finally, the sixth section concludes the paper.

## 2.	Explaining 'New Normal' and President Xi's Vision

The term 'new normal' was first familiarised by Pacific Investment Management Co., a California-based company which creates fund through selling bond in the market to express below-average growth after the global recession. Chinese President gave the term a ground during his going over visit in Henan province of Central China suggesting the necessity of adjustment to a 'new normal'. Since the third quarter of 2014, China's growth rate has been pulled down by a housing slowdown, reducing internal demand and unsteady exports.[8] This slowdown is labelled as the 'new normal'. This policy portrays a clear move from high speed growth to slower, steadier and more sustainable economy which emphasises quality rather than quantity of growth.[9]

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[8] "China Braces for Slower but Better Economic Growth in 2015", available at http://aiaworldwide.com/news/china-braces-slower-better-growth-2015, accessed on 21 December 2017.
[9] Colin Shek, "A Shift in Key: China Moves Towards the New Normal", available at http://knowledge.ckgsb.edu.cn /2015/12/15/policy-and-law/a-shift-in-key-china-moves-towards-the-new-normal/, accessed on 03 December 2017.

Figure 1: The Growth of Export Volume and GDP of China (year-on-year percentage change)

Source: Aman Saggu and Witada Anukoonwattaka, "China's 'New Normal': Challenges Ahead for Asia-Pacific Trade" *Trade Insights*, United Nations Economic and Social Commission for Asia and the Pacific, Issue No. 11, July 2015, p. 2.

China has experienced nearly 10 per cent growth rate since 1978.[10] However, the growth started to reduce to 7.9 per cent in 2012 and 7.8 per cent in 2013. The figure was 7.3 per cent in 2014 and the average growth between 2015 and 2017 shows a figure of 6.8 per cent, expected to be the same in 2020 (see figure 1), leading it into a 'new normal'.[11] Though the Gross Domestic Product (GDP) growth rate fluctuates between 6 to around 7 per cent, it contributes 30 per cent of the world's total economic growth.[12] Chinese authorities have issued policies that assist the supply-side reforms and sponsor innovation in multiple sectors. Thus, the Chinese authority has adjusted to the 'new normal' and moved its emphasis to supply from demand.

The main features[13] of this policy are: priority to qualitative than quantitative aspects of economic growth; ecological shift with the aim of "going green"; promoting Research and Development (R&D) activities and innovation

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[10] The World Bank, "The World Bank in China", available at http://www.worldbank.org/en/country/china/overview, accessed on 16 May 2018.

[11] Aman Saggu and Witada Anukoonwattaka, "China's 'New Normal': Challenges Ahead for Asia-Pacific Trade" *Trade Insights*, United Nations Economic and Social Commission for Asia and the Pacific, Issue No. 11, July 2015, p. 2.

[12] "China Contributes 30 Per Cent to Global Economic Growth: NBS", *The People's Daily*, 01 June 2018, available at http://en.people.cn/n3/2018/0601/c90000-9466765.html, accessed on 02 July 2018.

[13] Nikola Stakić and Katarina Zakic, "Challenges of Business and Financial Transformation of China in New Normal Economy", *The Review of International Affairs*, Vol. LXVII, No. 1161, January-March, 2016, p. 86.

driven economy[14]; balanced and sustainable growth, consistent with market force; and shift from global manufacturer to sophisticated economic activities. Actually, China's 'new normal' denotes a deep structural adjustments facilitating smooth and steady economic development. 'New normal' has been approved as a target in its 13th Five Year Plan with a hope for creating a wide-ranging economic redirection. The 'new normal' is that the Chinese economy is slowing naturally as it grows larger.[15] The Five Year Plan (2016-2020) intends to weight domestic consumption as a growth driver, drive innovation and R&D, launch new drivers for sustainable and green development, lift value addition in manufacturing sector and join together with new regions and economies of the world under the umbrella of BRI to ensure steady and smooth development through regional connectivity and investments.[16]

As President Xi's vision is evolved with the economic diplomacy and 13th Five Year Plan, the Chinese government is focusing on new economic strategies promoting BRI with a view to developing infrastructures connecting different regions of Europe and Asia. Thus, China is moving forward to make a new economic model with more openness, entering into 'new normal'. Actually, the Chinese government has tried to rebalance its economy to achieve a 'new normal' of less rapid but more sustainable economic growth.[17] As it is the world's number one manufacturer and trader, a top commodity buyer, a large growing market, a significant outward investor and inward Foreign Direct Investment (FDI) destination[18], its slow economic growth leaves significant implications for the future global economy. To understand the 'new normal', a better idea over the nature of China's economic diplomacy and 13th FYP is needed.

2.1   *China's Economic Diplomacy and 13th Five Year Plan*

Economic diplomacy, along with China's rising political and economic influences, has become a significant instrument in the Chinese foreign policy. China has strategically expanded its regional and global economic performances through initiating new institutions and integration mechanisms.[19] It has provided huge incentives, in terms of aid and investments, to different countries of Central, South and Southeast Asia, Africa and Latin America through the BRI channel. Economic

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[14] "New Normal in Economic Development", available at http://www.chinadaily.com.cn/china/19thcpcnationalco ngress/2017-10/05/content_32869258.htm, accessed on 10 December 2017.
[15] Martin Wolf, "China's Struggle for a New Normal", available at https://www.ft.com/content/28ea640e-ef62-11e5-aff5-19b4e253664a, accessed on 29 November 2017.
[16] Sharmila Kantha, "What Does China's New Normal Mean for India?", available at http://www.ideasfor india. in/article.aspx?article_id=1648, accessed on 28 December 2017.
[17] Jing Zhang and Jian Chen, "China's New Normal Economy", *Journal of Chinese Economic and Business Studies*, Vol.15, No.1, 2017.
[18] Sharmila Kantha, *op. cit.*
[19] "The Geopolitical Impact of China's Economic Diplomacy", available at https://www.brookings.edu/ events/the-geopolitical-impact-of-chinas-economic-diplomacy/, accessed on 20 December 2017.

diplomacy of China denotes two things: first, the use of diplomacy to achieve economic goals and benefits and the second is highly related to the notion of statecraft that is the use of economic means in pursuit of political objectives.[20] China's economic diplomacy comprises with different instruments of trade and investments, finance and currency covering multifarious economic dimensions especially in environment and economic issues. Economic diplomacy is connected to its development and economic security. Besides, economic diplomacy involves with the nature of cooperation, aid or sanctions in bilateral, regional and global levels. China's new philosophy on economic diplomacy mirrors its new material power and economic development.[21] The new economic diplomacy of China portrays its success in utilising economic strategy to promote politics after the financial recession in Asia in 1997. Specially, the BRI is the prime focus of economic diplomacy which brings a move to reshape the regional discourse from security to economics and creates an inclusive and open order to prevent United States's attempts to contain China's rise. Again the AIIB and the SRF are remarkable instances of Chinese novelty in economic diplomacy, especially to supply further sources of financing and to promote regional economic integration.[22] These mechanisms are an arrangement of strategic vision to pursue diplomatic and economic gains of China in South, Central and Southeast Asia as well as expose a feedback to the China's shifting domestic economy. Many observers like to feature President Xi's actions as a chequebook diplomacy as he, during his visit to US, Pakistan, Britain, Russia, Belarus and South Africa, made more than US$200 billion worth of state investments, commercial deals, aids and loans.[23] Actually, the Chinese authority is extending China's influence through trade and investment deals with its neighbours and other countries of the world. Zhu Zhiqun, Director of China Institute at Bucknell University expressed that Xi's dollar diplomacy is steady with new diplomacy of China started in 1990s and it emphasises on expanding export markets, promoting soft power and securing resources.[24] Recent Five Year Plan has facilitated the economic diplomacy in a more strategic manner and led the country's economic development into a 'new normal'.

Through the declaration of 13th FYP, China's economy has entered into a 'new normal' which is considered as the final period to attain a prosperous, moderate and economically integrated society and world. This plan follows proactive approach in social investment and conservative approach in social consumptions. It has five

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[20] Audrye Wong, "Chinese Perspectives on Economic Diplomacy" *The Asan Forum*, 22 September 2016, available at http://www.theasanforum.org/chinese-perspectives-on-economic-diplomacy/, accessed on 29 December 2017.

[21] *Ibid.*

[22] *Ibid.*

[23] "The Grand Plan Behind China's Economic Diplomacy: Ease Strain Domestically, Build Status to Rival America", *South China Morning Post*, 28 January 2016, available at http://www.scmp.com/news/china/diplomacy defence/article/1906531/grand-plan-behind-chinas-economic-diplomacy-ease-strain, accessed on 18 December 2017.

[24] *Ibid.*

development philosopies *i.e.* innovation, coordination, green development, opening up and sharing. The core of the philosophy is supply-side structural reform.[25] An overwhelming expectation rises as it is thought that China will be a significant driver of global economic growth and investment. Besides, being a national strategy of development, in a broader sense, the 13th FYP is a great call to development encompassing transformation, reform and openness of economy. BRI is the ultimate outcome of its economic diplomacy and 13th FYP because it envisions the spirit of 'new normal' and better trade and infrastructure connectivity among the different countries of the region.

2.2   *Belt and Road Initiative: Extending New Normal at International Level*

Though China is experiencing slow growth rate recently, its position as a hub for business opportunities and investment has continued as a driver of the global market. The 'overcapacity' of China has led its policy makers to seek higher returns by investing outside. Just after the Second World War, the US government also experienced a perplexing economic situation and went through a transition to a new model, a strategy known as the Marshall Plan.[26] Analysts portrayed BRI as the extended version of 'new normal' at international level.

The BRI initiative is one of the most ambitious projects of 21st Century undertaken by the Chinese leadership formally presented on 28 March 2015.[27] The Old Silk Road was one of the busiest roads between 3rd Century BC and 15th AD to transport goods like silk, tea, silver, porcelain, salt, gold, precious stones, wool, textile, wine etc, from China to Europe and vice versa through Central Asia and Middle East by land.[28] BRI has two parts: first is land based Silk Road Economic Belt (SREB) and the second is sea based Maritime Silk Road (MSR). SREB seeks to link China with the South Asia and the Southeast Asian countries as well as Indian Ocean (see map 1).[29]

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[25] National Development and Reform Commission (NDRC), People's Republic of China, *An Overview of 13th Five-Year Plan*, 07 December 2016, available at http://en.ndrc.gov.cn/newsrelease/201612/t20161207_829923.html, accessed on 09 December 2017.
[26] Vasilis Trigkas, "China's New Normal: An Indispensable Locomotive of Global Growth", *China Business Review*, 20 May 2016, available at https://www.chinabusinessreview.com/chinas-new-normal-an-indispensable-locomotive-of-global-growth/, accessed on 13 December 2017.
[27] Irina Ionela Pop, "Strengths and Challenges of China's "One belt, One road" Initiative", Centre for Geopolitics & Security in Realism Studies, 09 February 2016, London, p. 2
[28] Nikola Stakić and Katarina Zakic, *op. cit.*, p. 90.
[29] Irina Ionela Pop, *op. cit.*, p. 2.

Map 1: Silk Road Economic Belt and 21st Century Maritime Silk Road

Source: Jeremy Page, "China Sees Itself at Center of New Asian Order: Beijing Builds Roads, Pipelines, Railways and Ports to Bind Itself to Region", *The Wall Street Journal*, available at https://www.wsj.com/articles/chinas-new-trade-routes-center-it-on-geopolitical-map-1415559290, accessed on 17 December 2017.

The aim of the initiative is to build a Eurasian land bridge, a logistics chain, from China's east coast to Western Europe; to develop the economic corridors connecting China with Mongolia and Russia, Central Asia and Southeast Asia; to build efficient transport routes between major ports in different countries including the development of an economic corridor through the Indian Ocean. China has huge amount of capital and foreign exchange reserves. BRI targets to open a horizon of investment outside of China and diversify the reserves and new markets for Chinese goods and services. BRI encompasses 65 countries which contain 60 per cent of the World's population and 33 per cent of the global GDP. BRI consists of six economic corridors which effectively constitute the framework of the initiative beyond the border of China.

Previously, China's geostrategic focus was centred in East Asia. Now the concern has been expanded to South and Central Asia. In fact, China is expanding on two fronts: southward towards the Indian Ocean and westward towards Eurasia.[30] China is promoting BRI to curtail the influence of US in the Asia-Pacific region. BRI initiative has been designed to support China to lead the free trade in the Asia-Pacific and it will geoeconomically facilitate China to manage its overcapacity, develop its comparatively poor and remote regions and elevate its industries. Bangladesh is a

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[30] Avia Nahreen, "The Growing Strategic Importance of Bangladesh to China", *The Daily Star*, 21 April 2017.

significant part of BRI as it is a member of BCIM-EC. It holds a strategic position along the 21st Century MSR with Chattogram port as a maritime pivot through the Indian Ocean.[31]

3.   Implications of the 'New Normal'

China is the pioneer of alternative financial institutions to the World Bank (WB) and the Asian Development Bank (ADB) *e.g.*, AIIB. China's slower growth, from the global perspective, denotes less growing stress on commodity prices and slower growth in demand for imports from the global markets. Despite slow growth, China will remain one of the fastest growing economies in the world making huge contribution, nearly a third of global growth. As China's share of consumption in GDP is low, the prime concern of 'new normal' is increasing its share. This will create opportunities for more production in consumer goods worldwide but slow growth in investment will impinge on exporters of raw materials and commodity. Analysts believe that the growth will be slower but sustainable and steadier with reasonable utilisation of resources and the environment and less dependent on booms and busts of credit cycle.

One of the significant aspects of 'new normal' is increasing trade and financial integration globally. The reform will reduce barriers to outward and inward capital flows. China will be a vital source of capital for the other regions of the world. Having large account surplus, China has been exporting large amount of capital. In the 'new normal', capital outflow will be diversified more through different channels and multilateral initiatives like AIIB, SRF *etc*.[32]

An important aspect of 'new normal' is continuous budge to more flexible management of RMB. As China has emerged as one of the largest economy and trader, a flexible exchange rate is important and a stable international monetary system cannot be expected without the flexible move of RMB. The internationalisation of RMB has facilitated the increased use of RMB to meet up trade transactions and created demand for RMB dominated assets among the investors in terms of perception that RMB will continue to appreciate against other international currencies. With the increasing economic role of China, open capital account and flexible exchange rate, RMB is occupying place as one of the major reserve currencies in global market.

This policy will change the intra-regional trade scenario. The countries which export intermediate and primary goods to China particularly Democratic People's Republic of Korea, Mongolia and Turkmenistan will be the prey to slow growth because

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[31] *Ibid.*
[32] R. Lincoln Hines, "Xi Jinping's New Foreign Policy", available at http://nbr.org/research/activity.aspx?id=516, accessed on 25 December 2017.

these countries are highly dependent on commodity exports to China. But countries like South Korea, Japan, Singapore, Vietnam, the Philippines and Malaysia which export final goods *i.e.*, branded and high-tech goods, will be benefited.[33] However, non-tariff barriers are major concern in this regard. China's shift to higher value added services from intermediary activities can open a new horizon of opportunity for Least Developed Countries (LDCs) to reinstate in Global Value Chains (GVC). But the participation of the countries in the chains relies on the ability to extract from competitive labour costs, efficient infrastructure and services, natural resources *etc*.[34]

The new strategy of rebalancing Chinese economy has significant geostrategic and economic implications for Asia and the Pacific. It provides huge trade prospects in the region. The Asia-Pacific region is forecast to remain the fastest growing region of the global economy with growth supported by innovation and change, an important aspect of 'new normal', and different strategies especially through the BRI. China's manufacturing sector has experienced adjustment and rationalisation due to overcapacity and reduction in competitiveness of low-cost manufacturing but rise of consumption has become a crucial growth driver for both domestic and global economy as consumer spending remains moderate in developed economies like Japan, US and the EU.

China's innovation and change will be main factor to transform the economic structure of the Asia-Pacific region. "Made in China 2025" strategy reveals the gradual transition from low-cost manufacturing to higher value added manufacturing. BRI is the key instrument for the long term growth in this region. AIIB and SRF, along with other Chinese bilateral infrastructure assistance, can be a new source of infrastructural finance for the emerging Asian markets. Central and Southeast Asian countries will get benefits from the BRI and "Made in China" strategy, leaving Greater Mekong Sub-region (GMS) as a new global hub for low-cost manufacturing.

BRI can assist Association of Southeast Asian Nations (ASEAN) to develop its connectivity among the member states by incessantly developing their economic zones within and beyond Asia. It can be a medium for China to shore up the economic relationship with the ASEAN nations and it will pave the way for establishing wide ranging railway networks to distribute technology and services regionally *e. g.*, railway construction in Thailand, Malaysia, Laos and Indonesia is quiet visible.[35] Politically, China and ASEAN have no strategic contradictions and the latter is considered as a significant platform for the former to participate in multilateral diplomacy and to put forward and implement its new security model.

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[33] Aman Saggu and Witada Anukoonwattaka, *op. cit.*, p. 1.
[34] *Ibid.*
[35] *Ibid.*

China shares about 5,000 kilometres border with five South Asian countries-Bhutan, Afghanistan, Nepal, India and Pakistan. The trade volume between China and South Asia will increase because of connectivity and trade zones. Some BRI projects in South Asia like BCIM-EC, CPEC, the development of Lhasa-Kathmandu-Lumbini railway and the Quinghai-Tibet railway linking Kerung will facilitate the economic integration of South Asia and China. It can play a significant role in triggering peace, prosperity and stability in South Asia. China is considered as a potential market for Central Asian energy and it is also active in exploring and extracting natural resources like oil and gas. China is the largest trading partner and investor in Central Asia.[36] Central Asia is the key part of the BRI in the Asian and Eurasian landmass. So, BRI, a key part of 'new normal' can be a panacea for the Asia-Pacific region.

Still there exists various economic imbalances in China *e. g.*, excess capacity in some industrial sectors, slowdown in residential constructions and rise of unregulated shadow banking loans between 2010 and 2014. These imbalances and GDP growth rate below 5 per cent (if happens) may create risks to the global economy especially to the vulnerable economies *e. g.*, Hong Kong, Malaysia, Taiwan, Singapore, Thailand, South Korea. So, 'new normal' has various impacts on the global and regional economy. As a neighbour of China, Bangladesh is a significant part of this policy and it will have implications on the country's economy.

4.   Bangladesh in 'New Normal'

The relationship between Bangladesh and China dates back to thousands of years. Both countries cooperate in bilateral, multilateral and regional diplomatic spectrum. Rise of China's vertical economy can create much scope for Bangladesh *e. g.*, on low-end labour intensive manufacturing. Bangladesh can be a hub for low priced apparel. It can narrow down the manufacturing gap through low-end labour intensive industries that are moving out from China. China can be a big export market for Bangladesh, particularly for apparel products. China's domestic Ready Made Garments (RMG) market is around US$ 310 billion. China's 'new normal' in the form of regional connectivity can accelerate both bilateral and regional trade and investment in South Asia. Under the BRI umbrella, China is developing key infrastructures like deep sea ports and industrial parks. Infrastructural development in BCIM states can be supplemented by the Asian Highway network to facilitate ceaseless connectivity in the region. BCIM-EC can facilitate pipeline connections for energy trade within South Asia and beyond. China's comprehensive relationship has shifted to strategic relationship under the 'new normal' which is facilitated by regional connectivity programmes, trade and investments and security cooperation. So, new normal strategy has significant impacts on regional economy and Bangladesh is a significant factor in the regional competition.

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[36] Roman Muzalevsky, "China's Long March into Central Asia", *Stratfor*, 27 April 2016, available at https: // www .stratfor.com/article/chinas-long-march-central-asia, accessed on 19 December 2017.

4.1   *Regional Integration and Connectivity*

Connectivity is the focal point of interests of both Bangladesh and China. China has appeared before Bangladesh with BRI. It is building mega infrastructure projects under the BRI umbrella to foster multilateral relations with different economies. To foster connectivity, Bangladesh and China have discussed a highway project to connect Chattogram and Kunming via Myanmar.[37] BCIM-EC, one of the corridors of BRI, is expected to facilitate connectivity and enhance cooperation in the region. China has invested multi billion dollars in the construction of Padma Bridge, Karnaphuli Tunnel, modernisation of Mongla sea port, construction of marine drive express way in the southern coast, Dhaka-Ashulia Elevated Expressway and broad gauge railway line from Akhaura to Sylhet. Besides, it has offered US$1 billion assistance for digital connectivity.[38] Modernisation of Chattogram, Mongla and Payra ports can facilitate connectivity for the south-western China and northeast India enabling Bangladesh to secure ceaseless transport network with Southeast Asia, China and India. This can facilitate the access of Bangladesh to foreign markets and reduce transportation costs of goods and services. Different projects under BRI especially, the Karnaphuli Tunnel and Padma rail link will improve transportation between southwest and northwest regions. Bangladesh-India connectivity, under the BCIM-EC, will get a new momentum through the establishment of railway connectivity between Bangladesh and north-eastern states of India, reducing 50 per cent of travel costs. This would open a new source of earning of foreign exchanges from the transit fee (handling cargoes and containers) for Bangladesh while India would get benefits from low transport costs and travel time.

4.2   *Economic and Financial Implications*

In China, per unit labour cost is rising and for that Chinese declining sunset industries are looking for suitable places to shift or relocate. China is looking for a huge shift from labour intensive low-tech industries, owing to its rising labour costs and cooling markets to high margin and high-end manufacturing industries like IT, aerospace and telecommunication. Chinese companies which produce low-end labour intensive products are searching for places with cheap labour to relocate their plants. The wage of the Chinese workers has increased 64 per cent since 2011 and in 2016, the wage was US$ 3.60.[39] Bangladesh, having nearly one third of its population

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[37] Borhan Uddin Khan, "China-Bangladesh Economic Cooperation: Current Trends and Future Prospects", available at https://thefinancialexpress.com.bd/views/china-bangla-economic-cooperatio-current-trends-and-future-prospects, accessed on 11 December 2017.

[38] Rejaul Karim Byron and Md. Fazlur Rahman, "$24.45b Deals, Two Countries Put It on Paper," *The Daily Star*, 15 October 2016.

[39] Sophia Yan, "Made in China isn't So Cheap Anymore, and that Could Spell Headache for Beijing", available at https://www.cnbc.com/2017/02/27/chinese-wages-rise-made-in-china-isnt-so-cheap-anymore.html, accessed on 21 December 2017.

between the ages of 15 to 30, offers a significant young labour force at the cheapest rates to the manufacturers of sunset industries along with the huge number of labour intensive industries.

China's economic reform has created much potential for the manufacturing sectors. In Bangladesh, manufacturing sector contributes nearly 20 per cent to GDP. This sector is very important because it is the main driver of productivity growth, innovation and employment. Expansion of manufacturing industries assists in resource allocation, technological advancement and dynamic gains. Bangladesh has much scope to draw the Chinese manufacturing units that are shifting to Vietnam, Indonesia and other Asian countries. This relocation of such units brings skills, capital and technology, creates huge employment opportunities and market in China. Already Chinese government has proposed to develop an industrial park in Chattogram.

BRI is a significant part of 'new normal'. China has created new financial mechanisms e. g., AIIB, SRF to fund the BRI related projects and infrastructural constructions. Bangladesh is one of the 57 founding members of this bank. As Bangladesh has been graduated from the LDCs, it needs more infrastructural development for sustainable advancement. To avail loans from AIIB for its purpose of infrastructural development is crucial for Bangladesh.[40] The bank expects to lend US$ 10-15 billion a year in its first five or six years and Bangladesh has sought US$ 1 billion from the AIIB for various projects in roads, railway and power sectors.[41] In 2018, AIIB has approved US$ 60 million for constructing a 220 megawatt combined cycle power plant in Bhola and it is considering investing US$ 885 million in five different projects in communication and energy sectors.[42] This huge investment will increase power supply in industries and bring huge families under electricity facilities.

Under the 'new normal', Official Development Assistance (ODA) has been increased. China provides assistance in the form of grants, zero interest loans, supplier's credit etc. In the old normal, especially until the year 2005, China provided US$ 32.94 million as grants, US$ 764 million as supplier's credit and US$ 181 million as zero interest loans.[43] But under the 'new normal', the amount of assistance has been increasing. China's foreign assistance to Bangladesh is about US$ 1 billion a year.[44] In 2017-2018 fiscal year, total foreign aid commitment was US$ 14.86 billion where

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[40] Bahauddin Foizee, "AIIB: Opportunities for Bangladesh", *Dhaka Courier*, 16 July 2015.

[41] "Bangladesh Seeks $1b from AIIB", *The Daily Star,* 04 August 2017.

[42] "AIIB Approves $60 Million for Bangladesh Power Plant, Considering Investing $885m More", available at https: //bdnews24.com/economy/2018/02/27/aiib-approves-60-million-for-bangladesh-power-plant-considering-investing-885m-more, accessed on 10 March 2018.

[43] Samia Zaman and Ruksana Islam Sujana, "Bangladesh-China Relations: From Closer Comprehensive Partnership to Strategic Partnership", *BIISS Journal,* Vol. 38, No. 2, April 2017, p.128.

[44] Forrest Cookson and Tom Felix Joehnk, "China and India's Geopolitical Tug of War for Bangladesh", *East Asia Forum*, 11 April 2018, available at http://www.eastasiaforum.org/2018/04/11/china-and-indias-geopolitical-tug-of-war-for-bangladesh/, accessed on 03 May 2018.

China committed US$ 4.35 billion.[45] Again, Bangladesh signed a deal of US$ 2.67 billion Chinese loan for Padma rail project.[46] During the visit of President Xi, China has committed to provide US$ 24.45 billion as a financial assistance in more than 34 projects. China is implementing US$ 10 billion worth of infrastructure projects including Payra Power Plant, the 8th China Bangladesh Friendship Bridge, and Chinese Economic and Industrial Zone.[47] These projects will develop infrastructure, trade and investment and play a positive role in the socioeconomic development of the people.

The idea of regional stock exchange to fund the BCIM cooperation related constructions is also on the table, came from the shared ideas of ILFA (China Kunming International Logistics and Finance Association), South Asia Federation of Exchanges (SAFE) and BCIM member countries. The proposed stock exchange will be established in Kunming and at first will trade products to incorporate RMB dominated securities, RMB bonds, fund and index products which can be annexed in the partner's exchanges allowing the region to participate in cost and financial benefits of such economic corridor construction.[48] Bangladesh, with geographical proximity, bilateral trade potential to Chinese business and investments and diplomatic relations, can harvest most of the benefits from the Kunming Silk Road Stock Exchange Initiative. As a part of the strategic partnership, a consortium of two Chinese stock exchanges - Shanghai Stock Exchange and Shenzhen Stock Exchange - has become a strategic partner of Dhaka Stock Exchange (DSE). They proposed to buy 25 per cent of share and to spend US$ 37 million for the technical and technological development of the DSE.[49]

4.3   *Trade and Investment*

Under the 'new normal', Bangladesh-China economic relations have been reached at a new height. In the 'old normal', trade between the two countries was less than US$ 1 billion in 2002 but it crossed US$ 10.3 billion in 2013 and more than US$ 14.7 billion in 2015 (see table 1 and figure 2). Bangladesh is a huge market of 160 million people and it is considered as the gateway of Southeast and South Asian countries. China's recent economic reform has accelerated the bilateral trade between the two countries. In 2016-2017, the amount of bilateral trade between the two countries crossed US$ 11.14 billion[50]. The data shows that, though the volume of trade is slightly slowed down in 2017, the trend of bilateral trade is increasing.

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[45] Rejaul Karim Byron, "China, India Lead Way in Foreign Aid", *The Daily Star*, 05 July 2018.
[46] Munira Sultana, "PM Gives Nod to $2.67b Chinese Loan", *The Financial Express*, 16 April 2018.
[47] "China Implements $10b Worth of Infrastructure Projects in Bangladesh", *China Daily*, available at http://www.Chinadaily .com.cn/a/201803/22/WS5ab36a0aa3105cdcf65139df.html, accessed on 10 April 2018.
[48] Maruf Khan, "BCIM-EC: The Prospects of a Regional Stock Exchange", *The Financial Express*, 11 November 2017.
[49] Mostafizur Rahman, "Shanghai, Shenzhen Exchanges to Buy 25pc Stake of DSE", *The New Age*, 07 February 2018.
[50] Bangladesh Bank, available at https://www.bb.org.bd/econdata/index.php, accessed on 05 March 2018.

Table 1: Bangladesh's Trade with China		
Year	Export (US$ million)	Import (US$ million)
2000-01	11.67	708.94
2001-02	18.92	657.78
2002-03	19.50	779.50
2003-04	45.65	1,132.72
2004-05	56.07	1,643.77
2005-06	64.35	2,078.99
2006-07	92.97	2,572.62

Source: The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Figure 2: Bangladesh's Trade with China (US$ million)

Source: Shahriar Kabir and Mohammad Maruf Hasan, "Sino-Bangla Bilateral Trade (Trade Analysis and Future Development)", *Journal of Economics and Sustainable Development*, Vol. 8, No.10, 2017, p. 219.

Bilaterally, Bangladesh enjoys duty free access to 5,054 products. Being a developing country, China provides duty free benefit to 97 per cent products of Bangladesh as per the rules of WTO. China reduced its duty structure to 9.8 per cent from 15.2 per cent between 2002 and 2009.[51] Under the 'new normal', more investment opportunities have been created. Due to high labour price, Chinese companies are moving to low labour cost countries like Vietnam and Myanmar. Bangladesh can be a good destination for Chinese companies. Special Economic Zones (SEZs) have been

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[51] "7 Chinese Firms Look to Invest in Bangladesh", *The Daily Star*, 14 October 2016, available at https://www.the dailystar.net/business/7-chinese-firms-look-invest-bangladesh-1298272, accessed on 15 December 2017.

created in Mirsarai of Chattogram and Maheshkhali of Cox's Bazar. There exists much scope for Chinese investment in major sectors like leather, apparel and jute. Besides, Bangladesh provides much scope for investing in heavy industries. In 2017, Yongle Overseas Investment Co. Ltd. has signed a Memorandum of Understanding (MoU) of US$ 2.13 billion to establish iron and steel zone.[52] This huge investment will create job opportunities and reduce dependence on steel import. Again a Chinese company has moved fast to invest US$ 5 billion in a SEZ of Bangladesh for establishing industries including a massive 2,640 megawatt power plant.[53] Moreover, China is set to invest US$ 3.1 billion in Bangladesh railway.[54]

Regional connectivity, under the 'new normal', will facilitate grater preferential access to markets of China which could make Bangladesh an eye-catching destination for FDI. China and India, two economic powers, can be a significant source of FDI for Bangladesh since outward flows of FDI are on the rise in both countries.

Figure 3: Chinese and Indian FDI Inflow into Bangladesh
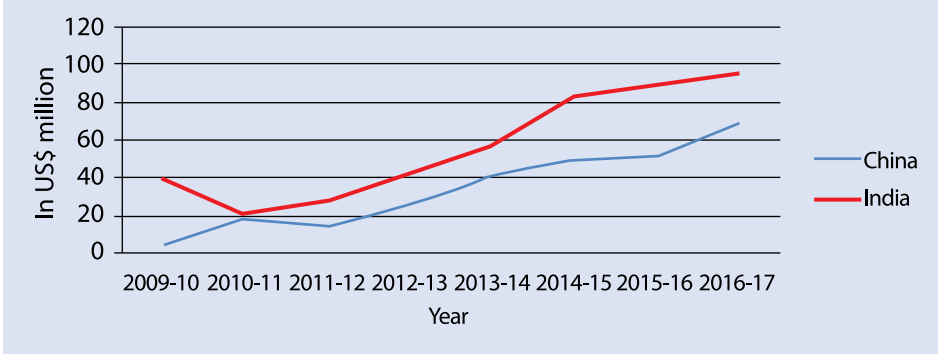
Source: Bangladesh Bank, *Foreign Direct Investment (FDI) in Bangladesh*, Survey Report, January-June 2017, pp. 34-35.

BCIM-EC initiative came to the discussion table at a time while China is, through the 'new normal', passing a transitional period from inward looking economy to global market, playing a strategic role in modelling the development configuration in the Asia-Pacific. China has focused on five core areas to invest *e. g.*, power generation, energy exploration, industry, agriculture and transportation. Through enhancing connectivity with China, Myanmar and India (under BCIM-EC) by constructing roads and railways, Bangladesh can play significant role as connecting corridor between

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[52] "Chinese Company to Invest US$ 2.13 Billion in Bangladesh for Establishing Iron and Steel Zone", *Textile Today*, 03 December 2017, available at https://www.textiletoday.com.bd/chinese-company-invest-2-13-billion-bangladesh-establishing-iron-steel-zone/, accessed on 19 December 2017.
[53] Doulot Akter Mala, "China to Invest $5.0b in BD Economic Zone", *The Financial Express*, 12 January, 2018.
[54] "China Set to Build $3.1bn Bangladesh Railway", *Global Construction Review*, 22 July 2016, available at http://www.globalconstructionreview.com/news/china-set-bui7ld-31bn-bangla7desh-rai7lway/, accessed on 29 November 2017.

Southeast Asia and South Asia and can utilise the chance of transforming itself into a part and parcel of an industrial nexus and business hub.

4.4 Increasing Cooperation in the ICT and Energy sector

Under the 'new normal', China is moving towards high-end manufacturing like IT, telecommunication, aerospace etc. On the other hand, the vision of Digital Bangladesh riding on IT based society is on the air and it is a major government policy initiative. Chinese tech companies rapidly became market leader in mobile phone industry e. g., Huawei, Xiaomi, Lenovo etc. and it is also advancing in 5G technology. So, China's move can be a great assist for the development of IT sector and telecommunication of Bangladesh while opening a new horizon of investment. During President Xi's visit, the foundation of the seventh biggest data centre, Tier-IV National Data Centre was laid which will be built in Bangabandhu Hi-Tech City in Kaliakoir, Gazipur. Three loan assistance agreements were also signed for projects viz., National Infra-Network for Bangladesh Government (Info Sarker-Phase III) and Establishing Digital Connectivity and Modernisation of Rural and Urban Lives in Bangladesh through ICT. These projects will help promote digital connectivity and facilitate education, commerce, agriculture, health and security affairs.

China is working with Bangladesh to develop alternative energy technology through peaceful use of nuclear technology and coal mine.[55] BRI has opened a new hope for energy cooperation through infrastructural connectivity and pipeline connections. Bangladesh has potentials to import electricity from BCIM countries. It has scope to explore electricity trading with Myanmar. Myanmar is going to develop hydropower in the Rakhine state for facilitating electricity export. It has about 1,820 billions cubic feet of natural gas reserves and 139 million barrels of crude oil reserves.[56] The huge gas reserve in Rakhine state has opened a new horizon for industrial development prospects. Again, China's electricity production in 2016 reached at 6.142 trillion kilowatt hour.[57] Through the successful implementation of BCIM corridor, Bangladesh can import gas and electricity from China through a gridline in Myanmar. Inter-country gridline with Myanmar under the BCIM project can facilitate electricity import from China and natural gas from Myanmar. In 2016, an agreement was signed to establish two coal fired power plants: 1,320 megawatt thermal power plant in Payra located in the southern district of Patuakhali and the 1,320 megawatt thermal power plant in Bashkhali located in the

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[55] M Asique Rahman and Mohammad Jasim Uddin, "Bangladesh-China Relations: Potentials of Growing Partnership and Its Implications" in Bhuian Md. Monoar Kabir (ed.), Sino-South Asian Relations: Continuity and Change, Chattogram: Department of Political Science, University of Chittagong, 2013.

[56] "Over the last year, Myanmar's energy sector stumbles in right direction", Myanmar Times, available at https://www.mmtimes.com/news/over-last-year-myanmars-energy-sector-stumbles-right-direction.html, accessed on 18 May 2018.

[57] Ibid.

port city of Chattogram.[58] Moreover, China has proposed US$ 2.04 billion to expand and strengthen power system network and US$ 1.32 billion to strengthen power grid network.[59] Bangladesh has much opportunity to exploit regional hydropower potential and import it through the cross-border transmission line. Cross-border hydropower potential that is likely to be available to Bangladesh is 3,500-8,500 megawatt by 2030, mainly from north-west India and Nepal.[60]

4.5   *Green Assistance*

China played a significant constructive role in the Paris Agreement and the key driver behind it was the shift to a 'new normal' model of economic development. One of the features of 'new normal' is reducing emission to materialise 'going green' programme. China has experienced a transition from energy-intensive growth based on heavy industry, exports and investment to a more balanced economy characterised by slower growth, an increasing role for services and domestic consumption, and a focus on innovation and low-carbon technologies.[61] Now, it is putting its investment focus on hydrocarbon[62] pipelines promoting post-carbon economy. Its new development model is continuing to promote economic growth, while driving down its Greenhouse Gas (GHG).[63] Chinese energy market is quickly moving towards renewables and BRI can provide incentives to Chinese companies to invest in green technologies of member countries. At the beginning of 2017, China declared to invest US$ 360 billion in renewable energy by 2020.[64] Bangladesh government has targeted to generate 10 per cent of the total energy from renewable energy resources by 2020.[65] Currently, Bangladesh produces 519 megawatt from renewable sources.[66] So, Bangladesh has massive scope to draw China's investment in green economies and renewable energy sectors.

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[58] Abu Bakar Siddique, "China Becomes Bangladesh's Largest Energy Partner", available at https://www.thethird pole.net/en/2016/10/18/china-becomes-bangladeshs-largest-energy-partner/, accessed on 22 December 2017.

[59] Samia Zaman and Ruksana Islam Sujana, *op. cit.*, p. 130.

[60] Power Division, *Power System Master Plan (PSMP) 2016*, Dhaka: Ministry of Power, Energy and Mineral Resources, 2016, p. 62.

[61] Hilton and Isabel, "The Paris Agreement: China's 'New Normal' Role in International Climate Negotiations", *Climate Policy 2017*, Vol. 17, No. 1, pp. 48-58.

[62] Hydrocarbon, mainly found in crude oil and natural gas, is an organic compounds that is made of hydrogen and carbon atoms.

[63] Fergus Green and Nicholas Stern, *China's 'New Normal': Structural Change, Better Growth, and Peak Emissions*, Centre for Climate Change Economics and Policy and Grantham Research Institute on Climate Change and the Environment, June 2015, p. 3.

[64] Jiang Kejun and Jonathan Woetzel, "How China is Leading the Renewable Energy Revolution", *World Economic Forum*, 29 August 2017, available at https://www.weforum.org/agenda/2017/08/how-china-is-leading-the-renewab le-energy-revolution, accessed on 28 November 2017.

[65] Shariful Islam Sharif, Md. Anisur Rahman Anik, Md. Al-Amin and Md. Abu Bakr Siddique, "The Prospect of Renewable Energy Resources in Bangladesh: A Study to Achieve the National Power Demand", *Energy and Power*, Vol. 8, No. 1, 2018, p. 1.

[66] Sustainable Renewable Energy Development Authority (SREDA), available at http://www.sreda.gov.bd/index.ph p/site/re_present_status, accessed on 28 July 2018.

4.6 *Strategic Aspects*

One of the significant features of 'new normal' is China's integration in global economy and investment in broader region which ultimately has many geopolitical implications. It offers scope to state owned companies and enterprises to move surplus production capacity to abroad and promote Chinese manufacturing products, markets and processes.[67] Though China has more commercial interest in Bangladesh, its strategic interest cannot be denied. Relations between Bangladesh and China are both strategic and military while China is moving ahead to expand its superiority and realise its ambitions in the Indian Ocean regions. There exists counter relationship between India's Look East policy, an attempt to balance India's relationship with the East, and China's BRI. India is not a part of the BRI. Due to its geographical location, Bangladesh is geostrategically significant to China while the latter is trying to extend its influence over the Asia-Pacific region.

China is holding two-way strategies: increasing control over the Malacca Strait as well as decreasing dependence on it.[68] Bangladesh facilitates both strategies as its geostrategic position in the Bay of Bengal is very significant for the Chinese authority. China-Bangladesh relationship is crucial to curtail former's dependence on Malacca trade routes. Bangladesh is one of the central points of China's regional and global geoeconomics and geopolitics because of its strategic geographic location, proximity to the Bay of Bengal and India. Malacca Strait is crucial for China as 80 per cent of its energy imports from the Middle East passes through this Strait. This Strait is the shortest maritime route from China to Europe, Africa and Middle East. It is argued that whoever controls the Strait of Malacca, have control over the energy route of China.[69]

To strengthen the control over the Malacca Strait, China is investing largely in the littoral states of the Indian Ocean. Indian Ocean is a strategic channel for carrying China's energy transport. 82 per cent of China's energy supply passes through this region. China conducts 30 per cent of its maritime trade through this region[70] and 80 per cent of this trade passes through the Malacca Strait over which China has no control. So, good relations with littoral states especially Bangladesh can reduce the risk related to Malacca point. Being a littoral of the Bay of Bengal, Bangladesh is a significant factor in 'string of pearls'[71] through which China intends to have influence

[67] George Magnus, "Five Issues Facing China's Belt and Road Initiative", *Asian Review*, 04 May 2017.
[68] Divyansh Awasthi, "China Rolls Out Red Carpet to Bangladesh on Its Silk Road, But What's in It for the Dragon?", *Frontera*, 22 May 2017, available at https://frontera.net/news/asia/chinas-red-carpet-to-bangladesh-on-its-silk-road-whats-in-it-for-the-dragon/, accessed on 17 December 2017.
[69] Ian Storey, *op. cit*.
[70] Roshni Kapoor, "Parikar's Visit to Dhaka: Significance for Security in South Asia", *ISAS Insights,* Institute of South Asian Studies, No. 393, 23 February 2017.
[71] It refers to a geopolitical theory to the network of Chinese intentions in the Indian Ocean region. India's 'Look East Policy' is considered as an answer to Chinese 'String of Pearls'. See, Maninder Dabas, "Here is All You Should Know About 'String of Pearls', China's Policy to Encircle India", *The India Times*, 23 June 2017.

in the Indian Ocean perimeter and the Malacca Strait through large scale investment and infrastructural projects. China intends to develop the Chattogram port, build oil pipelines from Kyakpiu to Kunming and a parallel pipeline connecting Chattogram-Kyakpiu-Kunming. Any disruption in Malacca point by the Indian Navy in the Andaman Sea can be avoided through this alternative route. Since direct connectivity is not available in South Asia due to dispute over Arunachal Pradesh or through Pakistan and Afghanistan, Bangladesh can be a way to reach the main land India and other South Asian countries.

China wants to ensure balanced development in Yunnan province which is comparatively remote and closer to Chattogram rather than Shanghai or Beijing. Access to the Bay of Bengal has great value to the development of this region.[72] BCIM-EC, under the BRI, may not provide Bangladesh with political advantage directly but it can mend Bangladesh's relationship with Myanmar. Through connectivity, trade and investment, Bangladesh can pursue a good relationship with Myanmar since there is a setback in the relationship due to the Rohingya issue.

China is eager to counterbalance India in this region through security cooperation. Bangladesh and China have a longstanding defense cooperation that includes arms trade, joint exercises, regular training exercises, personnel exchanges, *etc*. China is also cooperating in national security through sharing of information, capacity building and training. It considers warm relationship with Bangladesh as inevitable to rationalise Indian influence over the region. It came to South Asia with "Made in China 2025" strategy while India is pursuing its "Make in India" strategy. Both of them are trying to make good relations with their neighbours and they are following market strategy. Bangladesh has tremendous scope of utilising this competitive trend of the two powerful countries. It has the chance to bargain to resolve its bilateral issues with India while it can make the best use of its maritime position through utilising Chinese opportunities.

5.   Challenges

'New normal' is BRI centric and BRI is the channel to materialise the 'new normal' at the global level. Critics argue that no regional cooperation and connectivity programme like BRI can be led by one country. China has to realise this, while implementing the 'new normal'.

The race between China and India is the prime concern in implementing 'new normal'. India has already put reservation on BRI on account of China's active involvement in CPEC which runs through Kashmir, defining it as a sovereignty

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[72] Mohammad Aminul Karim, "China's Proposed Maritime Silk Road: Challenges and Opportunities with Special Reference to the Bay of Bengal Region", *Pacific Focus*, Vol. 30, No. 3, December 2015, pp. 297-319.

threat.[73] India is also portraying 'Project Mausam'.[74] This project will extend from East Africa, along the Arabian Peninsula, passes through southern Iran, to the key South Asian countries and then, to Sri Lanka and Southeast Asia to reinforce strategic and cultural prominence in the region.[75] Hence, it would be difficult for Bangladesh to reap full benefits without tacit support by India. India perceives that Pakistan and Myanmar fulfil China's strategy for the 21st Century to tie India down to the south of the Himalayas and thereby China also wants to contain the influence of India and US in South Asia and the Pacific region.[76] Bangladesh is a crucial corridor to India's seven sisters and an alternative to vulnerable 'Chicken Neck'[77] bordering near China. China is moving towards Asia to increase influence through trade, finance, military cooperation and soft power.[78] China and India are using tactics to marginalise each other in their battle for greater influence in the Bay of Bengal and will try to exploit the strategic position of Bangladesh. But Bangladesh is willing to continue its relationship with both of them through an approach of win-win cooperation.[79]

'Going green' is one of the key focuses of 'new normal' policy. But there remains criticism that China is still investing in coal projects, especially in those places that are connected to BRI to offload its coal overcapacity.[80] China has planned to build 700 new coal plants both at home and abroad. However, 1,600 coal plants are under construction, in some countries *e.g.*, Egypt, Pakistan, Iran, Vietnam, Malawi and Indonesia.[81] This move can make huge contradiction to the ideals of the Paris climate accord.

Building infrastructure needs better transportation links *e.g.*, better railway and road network, efficient customs and administration procedures, storage and

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[73] Orpita Oysharja, "BCIM: In the Shadow of Belt and Road Initiative", *The Financial Express*, 30 November 2017.

[74] Project Mausam is a programme led by India's Ministry of Culture to re-establish its ancient maritime routes and cultural links with different countries of the region. It emphasises on the relations amongst countries linked by the Indian Ocean. This link was developed by the Indian sailors in ancient period who used natural wind especially, the monsoon winds for maritime trade. It envisions a versatile 'Indian Ocean World' from East Africa, the Arabian Peninsula, the Indian subcontinent and Sri Lanka to the Southeast Asian archipelago.

[75] *Ibid*.

[76] Harun ur Rashid, *Bangladesh Foreign Policy: Realities, Priorities and Challenges,* Dhaka: Academic Press and Publishers library, October 2005, p. 174.

[77] It is also known as shiliguri corridor, a narrow land located in west Bengal that connects India's north-eastern states to the rest of India, with Nepal and Bangladesh lying on either side of the corridor. It is considered as the geographically vulnerable part of India. See, Ankit Panda, "Geography's Curse: India's Vulnerable 'Chicken's Neck'", *The Diplomat*, 08 November 2013.

[78] Forrest Cookson and Tom Felix Joehnk, *op. cit*.

[79] Parthana Kashinath, "To Fend off China, India Must Galvanise Ties with Bangladesh", *The Diplomat,* 29 October 2016.

[80] Available at https://www.cnbc.com/2018/04/06/china-is-massively-betting-on-coal-outside-its-shores--even-a, accessed on 06 May 2018.

[81] Hiroko Tabuchi, "As Beijing Joins Climate Fight, Chinese Companies Build Coal Plants", *The New York Times,* 01 July 2017, available at https://www.nytimes.com/2017/07/01/climate/china-energy-companies-coal-plants-climate-change.html, accessed on 17 December 2017.

distribution infrastructure, legal infrastructure for loading and unloading resources and supplies. These are some challenges to be addressed and need ensuring good governance and reducing corruption.

In the new normal, especially the BRI is a giant project and it is so diffused that it needs more focus and coordination as it is connected with different agencies and initiatives like National Development and Reform Commission, the State Council, the National Security Commission, the 13th Five Year Plan *etc*. On the other hand, China's economic situation may not fully helpful to sponsor the BRI because in the last part of 2016 it has tightened foreign exchange, experienced reserve depletion and currency depreciation.[82]

Actually, China always clings to debt-fuelled investment and it lacks healthy rebalancing.[83] It promotes Public Private Partnership (PPP) model to implement BRI projects. But public sectors of growing economies like Bangladesh are not fully capable to invest in those large scale projects. Critics argue that this will push partner countries to receive loans through China-led multilateral financing institutions. If BRI projects fail to create win-win situation, it will create extra financial burden to the poor and developing countries, suffering from structural and institutional misgovernance like corruption, red tapism, lack of pre-existing infrastructures, and push them into external debt crisis.[84] For example, Sri Lanka's cabinet has recently approved a deal to sell 70 per cent of its Hambantota port for US$ 1.2 billion to state owned China Merchants Port Holdings to pay off its US$ 8 billion debt to China.[85]

Again in case of infrastructure construction, Chinese companies will be given preference to prevent skill transfer and the host countries may face unfavourable operational conditions in terms of labour, environment and standard of resource materials. So, critics argue that Chinese loans will be used to pay Chinese contractors and labourers.[86] FDI in non-tradable sectors like telecommunications and electricity generation may not contribute to the foreign exchange earnings (because of obligations for profit repatriation) unless there is no involvement of local resources.

China is likely to shift its labour intensive industries to developing countries like Bangladesh due to availability of cheap labour. However, skilled labour is important. Well trained labour forces are essential to extract from the Chinese investments. So, countries like Bangladesh need to be watchful about aforementioned challenges and must have proper policies and initiatives to utilise Chinese opportunities at the highest level.

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[82] *Ibid.*
[83] Robert Peston, "The Good and Bad of China's Growth", *BBC*, 20 January 2014.
[84] Sudhir Shrestha, "Belt and Road Initiative (BRI) and the Least Developed Countries (LDCs)", available at http://www.cadtm.org/Belt-and-Road-Initiative-BRI-and, accessed on 25 December 2017.
[85] *Ibid*.
[86] *Ibid*.

6.   Conclusion

The 'new normal' policy is likely to assist China to internationalise its economy through BRI, AIIB, *etc*. and help it to continue as one of the strongest and vibrant economies in the world. 'New normal' and the 'China Dream' are interconnected, which is fully reflected in the 13th FYP. This policy has implications in Asia as well as in Bangladesh. China's moving out from low value-added manufacturing to more sophisticated products has led to new manufacturing opportunities in lower labour priced economies like Bangladesh. New horizon of benefits will be opened up in textiles and apparels, footwear, garments and plastic goods *etc*. Investment in IT and green energy sectors will be increased. Increasing FDI inflow and capital market development is another significant aspect. China is extending its influence over the South Asian region through infrastructure development under the BRI as well as it is rejuvenating its relations with the littorals of the Bay of Bengal to minimise the possible threats beset with Malacca Strait. China has both commercial and strategic interests in Bangladesh. The relocation of sunset industries will bring skills, capital and technology, ultimately creating employment opportunities and market in China. But, Bangladesh requires making a balance between India and China, keeping its national interests in mind.

'New normal' policy poses some challenges, which countries like Bangladesh may face. As China is moving towards the reduced export and domestic consumption driven economy, this may affect the volume of imports from China. In the last five years, annual average imports from China reached at 30 per cent. So, Bangladesh should maintain a balance with this negative aspect and find out alternative way to mitigate this challenge. It has huge labours with lower price but they are not skilled in that sense. China's labour costs have been increased roughly 100 per cent and it is moving away from the labour intensive manufacturing industries. Thus, Bangladesh is considered as a lucrative destination. Countries like Bangladesh need skilled labour forces and it should provide special attention in its technical education and vocational training. Bangladesh also needs to pursue reforms and invest in power sector, transport and infrastructure.

Bangladesh has celebrated its graduation from LDCs. FDI is a significant factor for sustainable graduation. China, with its 'new normal' policy, can be an important FDI sourcing country. Bangladesh needs to maintain stable political atmosphere, establish SEZs and have sufficient budgets and incentives for FDI inflow. High value-adding and labour intensive industries *e. g*., agro processing, light engineering and pharmaceutical industries should be kept under planning along with workable and long term supportive policy framework. Geostrategically, Bangladesh can be a hub of connectivity and can pursue its Look East policy. China needs Bangladesh and other littoral countries of the region to materialise its geoeconomic and geopolitical visions in South Asia. China-India cooperation is absolutely essential for the success

of any connectivity and regional development programme in South Asia. Bangladesh needs both of them but should uphold its national interests in the midst of growing race between the two powers. It should not entangle itself to bilateral issues of the two growing economies; rather it should try to ensure benefits from the competitive environment.

Benuka Ferdousi
Nazmul Haque

CATALONIA CRISIS: EXPLORING THE GENESIS, NATURE AND MOTIVES

Abstract

The recent independence movement of Catalonia which culminated in declaring independence by Catalan Parliament has duly attracted a great deal of attention of media, academia and political analysts. It is an important development not only for Spain but also for the European Continent where a number of nationalist movements already exist. The article provides an in-depth analysis of the crisis with an aim to find its roots and define its character. It shows that Catalonia crisis originates from economic grievances; identity factor played a secondary role while political grievance acted as a vehicle. It also shows that Catalonia crisis is a revolution led by the middle class with divided support from the working people whereas opposed by the big capitalists[1].

1.   Introduction

Catalonia, a rich region of Spain, has long been a subject of academic discussion on stateless nation or sub-state nationalism and so on. But recent developments in the region which culminated in declaring independence by Catalan parliament in October 2017 caught the academics and observers off guard to some extent.

The present phase of Catalonia crisis started from January 2013 when Catalonia's regional parliament organised a non-binding referendum on independence defying the central government. For arranging the referendum disobeying Spanish Constitutional Court, Catalan President Arthur Mas was barred from public office for two years but it could not stop Catalonia's march towards independence. Mas' successor Carles Puigdemont promised another referendum.

Ahead of the second independence referendum in 2017, Madrid moved on to crush the referendum. 700 Catalan mayors backing the referendum were summoned by Spanish prosecutors; teachers, police and other civil servants had been warned

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[1] Here middle class refers mainly to the white collar employees and the intelligentsia. Big capitalists include owners of big enterprises including banks while capitalists mean owners of enterprises including financial ones irrespective of size.

that by assisting the referendum they could risk fines or losing their jobs. Catalan's top Court warned seven newspapers not to publish any news regarding referendum. Spanish police raided printing shops and other places to haunt ballot box, ballot paper, leaflet etc. Despite these credible threats, 26,000 volunteers registered for the organisation of referendum and 650 municipalities continued their support. On the day of the referendum, police clashed with the voters leaving 900 injured. The scene of Spanish Police beating and dragging the people out of polling station created outrage all over Catalonia and local Catalan police were seen to guard the protesters.

The referendum which was ruled as illegal by the Spanish Constitutional Court was held on 01 October 2017. It had a turnout of 43.03 per cent where 92 per cent voted in favour of independence. After nine days of the referendum, Catalan pro-independence leader Carles Puigdemont signed a declaration of independence but proposed Madrid that it would be suspended for two months to allow for dialogue regarding peaceful separation. In response Spain's Prime Minister Mariano Rajoy asked the Catalan parliament to clarify their position regarding declaration of independence and set up a deadline of 19 October. Rajoy made it plain that there would be no negotiations until Puigdemont renounce his independence plans and revert Catalonia back to "constitutional order". Eventually on 27 October, Catalan regional parliament passed a resolution to "declare Catalonia an independent state in the form of a republic" amid an opposition boycott and soon after Spanish parliament imposed direct rule over Catalonia.

Thus, a political impasse has been created in Catalonia - Madrid is not willing to lose this rich region while a good majority of Catalans are unwilling to be a part of Spain. The independence movement of Catalonia constitutes a political crisis deserving attention for several reasons. First, it is a widely held view that economically advanced democracies make stable states and so far there is no such example where a secessionist movement has succeeded in peacefully breaking away from existing state.[2] Also, various theories (from Marxist Theories to Liberal Modernist and Globalization Theses) have predicted decline, if not end, of such secessionist movement.[3] It is, therefore, imperative to see why the crisis took place invalidating the widely held assumptions. Second, Catalonia crisis will definitely have impact on other existing nationalist movements active in several developed economies in Europe and beyond. Third, the crisis was heightened amidst the 2008 economic crisis, the impact of which is still felt by the global economy. One may, therefore, wonder whether a renewed financial crisis in future would stir other already existing nationalist movements. An in-depth analysis of Catalonia crisis will help to better understand these issues which are so vital for today's politics in developed capitalist countries.

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[2] Ryan D. Griffiths, Pablo Guillen Alvarez and Ferran Martinez I. Coma, "Between the Sword and the Wall: Spain's Limited Options for Catalan Secessionism", *Nation and Nationalism,* Vol. 21, Issue 1, January 2015, p. 43.

[3] André Lecours, "Sub-state Nationalism in the Western World: Explaining Continued Appeal", *Journal of Ethnopolitics (Formerly Global Review of Ethnopolitics)*, Vol. 11, Issue 3, 2012, p. 269.

In this context, this article provides an in-depth analysis of the crisis with an aim to find its roots, define its character and identify the motives behind it. The feature that distinguishes it from the existing literature is that it takes into account the division among the Catalan people with respect to attitudes towards independence. Thus, unlike many existing literature, this paper attempts not only to explore why a part of the Catalan people are demanding independence at this moment, but also to identify reasons why the 'other part' of Catalan people do not want independence.

With the mentioned objectives, the article seeks answers to the following questions. Is this 'independence drive' a new or old phenomenon in Catalan politics? What is/are the driving force/s of the crisis? Which section of Catalan people are in favour of independence and who are against it? And, why?

The article is organised as follows: after Introduction, section two offers the theoretical perspective for analysis. Section 3 provides a blend of political and economic history of Catalonia which outlines the background information necessary for answering the research questions mentioned above. Based on the context provided by section three, section four and five respectively identify the root causes of the crisis and examine the role of different actors. Section six concludes the article.

The article endeavours to make a qualitative analysis using secondary data which comprises articles, books, reports and documents. It uses data from various surveys, particularly the surveys of Centre d'Estudio d'Opinio (CEO) of Catalonia under the title "Public Opinion Barometre". It also uses data from various reports of Instituto Nacional de Estadística (INE) of Spain.

2.   Theoretical Perspective

There is no dearth of literature on decentralisation, nationalism, ethnic conflict and civil war but, not surprisingly, there is lack of consensus in this regard. Existing theories provide diverse explanations for the rise of secessionist movement. The diversity of explanation stems from the diverse character of secessionist movements as well as from differences in the contexts in which they take place. Three broad categories, however, can be traced. Theories belonging to the first category explain secessionism primarily from economic perspective arguing that secessionists weigh the costs and benefits of remaining in the existing state with that of independence. For example, Patrick Bolton and Gérard Roland argue that when contemplating a move toward independence, the aggrieved region weighs the efficiency benefits of the union against the benefits of having a redistribution policy closer to the preference of majority of the region. Their model of break up/ unification of nations shows that a region's decision on separation depends on three major factors: 1) difference between centre and periphery over fiscal policy; 2) efficiency losses from separation; and 3) change in tax revenue (whether the

region will lose due to smaller tax base or benefit from not providing a tax transfer to poorer regions).[4]

Wittman argues that two nations would join together (separate) if the economies of scale and synergy produced by their union create greater (smaller) benefits than costs. He envisages that as international organisations improve and thereby, the threat of war is decreased and barriers to international trade are reduced, the size of nations will be reduced. As European integration increases, he predicts, British integration is likely to decrease, with Scotland.[5]

Paul Collier and Anke Hoeffler argue that secessionist political communities invent themselves when part of the population perceives secession to be economically advantageous. Using empirical evidences from Scotland, East Timor and Acheh in Indonesia, Nigeria and Eritrea, they show that perceived opportunity of controlling natural resources are often instrumental in transforming this invention "from the pipe-dream of a handful of romantics to the reality of a large political or military organization". Besides natural resources, other incentives may also encourage this process.[6]

The second category focuses on identity/ethnicity issue. For example, taking India as the case of study, Atul Kohli show that ethnic conflicts are best thought as power conflict. Given well-established central authority, he argues, self-determination movements typically follow the shape of an inverse "U" curve: a democratic polity encourages group mobilisation and heightens group identities; mobilised groups then confront state authority, followed by a more-or-less prolonged process of power negotiation; and such movements eventually decline as exhaustion sets in.[7]

Third category connects the secessionist movement with the democratic institutions; the connection, however, is tricky. While some assert that democratic practice and decentralised institutions, although meant to mitigate differences among groups and ethnicities, in reality facilitates secessionist movement[8], others claim that democratic practice and institutions do mitigate the differences and dampen the desire to exit the state.[9]

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[4] Patrick Bolton and Gérard Roland, "The Breakup of Nations: A Political Economy Analysis", *The Quarterly Journal of Economics*, Vol. 112, No. 4, November 1997, pp.1057–1090.

[5] Donald Wittman, "Nations and States: Mergers and Acquisitions; Dissolutions and Divorce", *The American Economic Review*, Vol. 81, No. 2, May 1991, pp. 126-129.

[6] Paul Collier and Anke Hoeffler, "The Political Economy of Secession", in H. Hannum and E.F. Babbitt (eds.), *Negotiating Self-Determination*, Oxford: Lexington Books, 2002

[7] Atul Kohli, "Can Democracies Accomodate Ethnic Nationalism? Rise and Decline of Self-Determination Movements in India", *The Journal of Asian Studies*, Vol. 56, No. 2, May 1997, pp. 325-344.

[8] André Lecours, *op. cit.*

[9] Benjamine Goldsmith and Baogang He, "Letting Go Without a Fight: Decolonization, Democracy and War, 1900–94", *Journal of Peace Research*, Vol. 45, No. 5, September 2008, pp. 587–611.

D. Horowitz offers a different analytical framework. He proposes two approaches in the analysis of ethnic separatism and secession. One is to ask what forces are responsbile for the general up-surge in secessionist movements. Another approach is to ask, what moves certain territorially discrete ethnic groups to attempt to leave the states of which they are a part (or at least to secure substantial territorial autonomy), whereas other groups, also regionally concentrated, make no such attempts. The first question calls for a general explanation of aggregate trends; it aims to compare the present with some period in the past. The second calls for an explanation that can discriminate among classes; it entails comparison not across time, but across space.[10]

Literature on Catalonia nationlist/secessionist movement also belong to the three categories mentioned above. According to Montserrat Guibernau, three main factors that explain the current rise of secessionism in Catalonia are: 1) Jose Maria Aznar government's lack of response to demands for greater autonomy; 2) legal challenging of the 2006 Statute of Autonomy and its subsequent trimming; and 3) increasing awareness of the impact of accumulating deficit due to the financial arrangements established by the Spanish state.[11]

Jordi Munoz and Raül Tormos combine a multivariate analysis of observational survey data with an original survey-embedded experiment to find the drivers of support for secession. They find that although identity and partisanship are the main drivers of support for secession, economic consideration also plays an independent role. Thinking that the economy would get better after secession increases the probability of supporting independence by 18 per cent with respect to those who think that it would be no matter or that they do not know.[12]

Brandon M Boylan also finds that self-reported identity factor has the largest effect on preferring independence. However, after controlling for a variety of factors supposed to influence support for independence, stronger support for Catalonia to assume fiscal policy is found by him to be positively and significantly associated with higher preferred levels of Catalan self-governance.[13]

A review of the literature on Catalonia crisis suggests that most of the existing literature overlook the division among the Catalan people with respect to attitudes towards independence. And, this is where Horowitz's approach claims superiority.

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[10] D. Horowitz, "Patterns of Ethnic Separatism", *Comparative Studies in Society and History,* Vol. 23, No. 2, April 1981, p. 165.
[11] Montserrat Guibernau, "Secessionism in Catalonia: After Democracy", *Journal Ethnopolitics (Formerly Global Review of Ethnopolitics)*, Vol. 12, No. 4, November 2013.
[12] ordi Munoz and Raül Tormos, "Economic Expectations and Support for Secession in Catalonia: Between Causality and Rationalization", *European Political Science Review*, Vol. 7, No. 2, 2015, pp. 315-341.
[13] Brandon M. Boylan, "In Pursuit of Independence: The Political Economy of Catalonia's Secessionist Movement", *Nations and Nationalism*, Vol. 21, No. 4, 2015, pp. 761-785.

Horowitz's approach suits most to explain the present crisis of Catalonia for two reasons. First, Catalan crisis has both identity and economic aspects and it is pertinent to ask which factor led to this general up-surge of secessionist movement. Second, Catalonia is greatly divided on the issue of independence. Therefore, to understand the nature of the movement as well as to understand its dynamics, dissection of role and attitude of different sections of Catalan people towards independence is a must. The article thus uses Horowitz's approach while exploring the genesis and nature of and motives behind Catalonia crisis.

3.   Catalonia Crisis: A Historical Review

Catalan nationalism has a long history starting from early 1900s. Since then, following various economic and political developments, Catalan nationalism has gone through various phases and finally reached the phase of separatism. To understand the nature of Catalan nationalism and the present Catalonia crisis, a review of these economic and political developments is crucial and this is what the following paragraphs provide.

3.1   *Early History (16th Century -19th Century)*

Today's Spain is the result of a process of dynastic unions and conquests which brought some previously independent units of Iberian Peninsula under control of one dynasty within 16th century. The Kingdom of Castile was the driving force in this state building process. Throughout this unification process Catalonia remained autonomous with its own constitution, court and fiscal practices. This autonomy status was lost when Catalonia was defeated by Castilian King Philip V in the War of Succession in 1714.

Interestingly, abolition of Catalan autonomy by King Phillip V came as a blessing for the economy of Catalonia. Full integration with Spain and resultant access to its colonies helped Catalonia in primitive accumulation of capital and laid foundation for its industrialisation.[14]

Catalonia's industrial transformation began much earlier than most regions of Spain and with a thriving industry dominated by textile, the region soon took the lead. In the word of Sidney Pollard, "[Catalonia] was as early as 1770 called 'a little England in the heart of Spain.'"[15] Although Catalan textile was unbeatable within Spain, its production cost was higher compared to other West European countries. This made

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[14] Romà Pujadas I. Rubies, "The Catalan Industry", *The Societat Catalana de Geografia*, Special Number: August-September 1986, p. 105.
[15] Martínez Galarraga and Marc Prat Sabartés , "Wages and Prices in the Early Catalan Industrialization", paper presented at *European Historical Economics Society Conference*, London on 6-7 September 2013.

Catalan textile capitalists dependent upon protectionist legislations enacted by the Spanish government. Besides, Catalan capitalists also had to depend on Spain to oppress the working people and control unrest.

But this dependency was not one sided. Spain also needed Catalonia; by 1860, Catalan textile accounted for about 80 per cent of Spanish market for textile products[16] and Catalan industry provided 25 per cent of Spain's manufacture employment.[17] Moreover, due to weakness in state and nation building process, the Madrid based ruling class was compelled to maintain an alliance with peripheral elites.[18]

3.2   *Rise of Nationalism (Late 19th Century - Early 20th Century)*

Mutual cooperation between the two ruling classes was first challenged by the loss of Spain's last colonies to the US in 1898 which came as a heavy blow for Catalan capitalists, particularly the textile capitalists. To compensate the damage, they started demanding a fiscal arrangement for Catalonia similar to the one granted to the Basque in 1882. Unwillingness of Castile based ruling class of Spain to meet their demand pushed the Catalan capitalists, who were already dissatisfied with the incompetence of the former, to turn to their last resort - nationalism.[19] They started sponsoring a local party *Lliga Regionalista* which eventually established itself as the vehicle of Catalan capitalists-led nationalism.

Lliga on the one hand, constantly opposed governmental policies and on the other hand, sought the government's authority whenever it needed to repress the working people. This vacillating attitude eventually undermined the *Lliga*'s social base and played into the hands of progressive nationalism.[20] Ultimately, *Lliga* was replaced by a left coalition in 1931 election which resulted in the Second Republic and later dissolved during the Spanish Civil War (1936-1939).

When the capitalists of Catalonia were busy protecting their interests playing the nationalism card, another type of nationalism – progressive nationalism was gaining ground. The latter, based on the support of middle and lower middle class and led by an intelligentsia committed to their causes, fought for various rights of the working people and at the same time demanded self determination for Catalonia.

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[16] Juan Díez Medrano, "Patterns of Development and Nationalism: Basque and Catalan Nationalism before the Spanish Civil War", *Theory and Society*, Vol. 23, Issue 4, August 1994, p. 553.
[17] Joan R. Rosés, "Why Isn't the Whole of Spain Industrialized? New Economic Geography and Early Industrialization, 1797-1910", *The Journal of Economic History*, Vol. 63, No. 4, December 2003, p. 1002.
[18] Sebastian Balfour, "A Brief History of Catalan Nationalism: The Roots of the Current Crisis", 18 October 2017, available at https://www.foreignaffairs.com/articles/spain/2017-10-18/brief-history-catalan-nationalism, accessed on 10 November 2017.
[19] Juan Díez Medrano, *op. cit.,* p. 562.
[20] *Ibid.,* p. 550.

The 1931 election which resulted in the famous Second Republic saw the defeat of capitalists-led nationalism by progressive nationalism. Under the auspices of the latter, a Statute of Autonomy for Catalonia was approved in 1932. Thus, Catalonia regained its autonomy after more than two centuries only to lose it again in the following years by Dictator Francisco Franco.

3.3   *Franco Era (1939-1975)*

Franco forcibly eliminated the progressive nationalist movement in Catalonia just as he did in the rest of Spain. 1932 Statute of Autonomy was annulled, all the Catalan institutions including the *Generalitat* were banned, *Generalitat* President Luis Companys was executed along with about 4000 fellow Catalans and official use of Catalan language was banned.

First fifteen years of Franco regime is marked by economic stagnation and drastic fall in standard of living. In 1950, per capita bread consumption was half of the level of 1936.[21] With prices tripled within a decade, soaring black market, acute shortage of necessities and widespread deprivation, internal migration from poorer south to richer north reached an unprecedented level.[22]

Catalonia was no exception to this chaos. Catalonia's dominant industry, textile, had long been suffering from various structural weaknesses and the situation got worse due to war time shortages as well as various autarky policies of early Franco regime.[23] But in Franco's Spain, the worst off was the working people, in Catalonia as well as in the rest of Spain. Working hour was increased from 40 to 48 hours a week, overtime was made compulsory, workers' right to strike was banned and above all wages was cut back to pre-civil war level.[24]

Then came the neoliberal 'Stabilization Plan of 1959', which along with other favourable political developments, led to the Spanish Miracle placing Spain as the 9th largest economy of the world and Catalonia played a leading role in this. But this Miracle involved, at least in the beginning, a heavy social cost including harsh cuts in public spending and freezing of wages.[25]

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[21] "Rebuilding Europe: Spain 1953-75", available at http://www.internationalschoolhistory.net/western_europe/spain/1953-75.htm, accessed on 07 December 2017.
[22] Eric Solsten and Sandra W. Meditz (eds.), *Spain: A Country Study*, Washington, D.C.: Federal Research Division, Library of Congress, 1988, available at https://www.loc.gov/item/90006127/, accessed on 25 October 2017.
[23] For details, see, Leandro Prados de la Escosura, Joan R. Rosés and Isabel Sanz Villarroya , "Economic Reforms and Growth in Franco's Spain", *Journal of Iberian and Latin American Economic History*, Vol. 30, No. 1, 2012, pp. 45-89.
[24] Joseph Harrison, "Early Francoism and Economic Paralysis in Catalonia, 1939-1951", *European History Quarterly*, Vol. 39, No. 2, 2009, pp. 202-203.
[25] Eric Solsten and Sandra W. Meditz, *op. cit.*

As expected, it was the working people, led by the leftist force, which initiated and spearheaded anti-Franco movement in Catalonia as well as in the rest of Spain.[26] While the Catalan big capitalists were always mostly on the side of Franco, a section of them, under the leadership of Jordi Pujol of Democratic Convergence of *Catalonia* (CDC), accompanied the middle class to join the anti-Franco movement. Following a non-violent path and carrying on numerous activities enlisting mass support this movement succeeded in regaining a Statute of Autonomy for Catalonia in 1979. After Spain's transition to democracy, taking advantage of the division on the left front, Convergence and Union (CiU), the election alliance of CDC, became the hegemonic political power of Catalonia.[27]

3.4   *After Transition to Democracy (1978-2003)*

During its long regime (1980-2003) CiU gave support to five out of nine governments in the centre headed respectively by the three major national parties of Spain – Union of Democratic Centre (UCD), Spanish Socialist Wokers' Party (PSOE) and Partido Popular (PP). During this period Catalonia played a key role in Spain's inclusion in the European Union (EU). Catalonia's role was also crucial in helping Spain overcoming the 1993 currency crisis and fulfilling the conditions to join the euro-zone.[28]

CiU could but did not use this leverage to bring any significant amendment in the Statute of Autonomy of Catalonia. Rather, it followed a strategy of permanent bargaining with the central government in order to gradually extract small concessions.[29] Even during the second term of President Jose Maria Aznar, when demand for reform of Statute of Autonomy or a new fiscal arrangement was on rise, CiU denied to demand such reform.[30]

After its 2000 landslide victory, PP moved further to a neo-centralist, conservative and neo-liberal political discourse aimed at halting the devolution process.[31] This approach of PP alienated substantial parts of Catalan electorate and

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[26] Montserrat Guibernau, "Prospect for an Independent Catalonia", *International Journal of Politics, Culture and Society*, Vol. 27, No. 1, 2014, p. 11.
[27] Santiago Pérez-Nievas and Marta Fraile, "Is the Nationalist Vote Really Nationalist? Dual Voting in Catalonia 1980-1999", paper presented at *IV Congreso de la Asociación Española de Ciencia Política y de la Administración*, Granada, 30 September 1999, p. 5.
[28] Montserrat Guibernau, "Secessionism in Catalonia: After Democracy", *op. cit.,* p. 380.
[29] Xavier Cuadras Morató (ed.), *Catalonia: A New Independent State in Europe?: A Debate on Secession Within European Union*, New York: Routledge, 2016, p. 22 .
[30] Anwen Elias and Ludger Mees, "Between Accommodation and Secession: Explaining the Shifting Territorial Goals of Nationalist Parties in the Basque Country and Catalonia", *Revista d'Estudis Autonòmics i Federals,* No. 25, 2017, p. 147.
[31] Montserrat Guibernau, "Secessionism in Catalonia: After Democracy", *op. cit.*, p. 381.

heightened territorial disputes[32]. The unpopular alliance with PP took its toll on CiU, by damaging its regional political hegemony. The following 2003 regional election resulted in the *Tripartite* government of the left coalition Socialists' Party of Catalonia (PSC)-Esquerra Republicana (ERC)-Initiative for Catalonia Greens (ICV). Thus, for the first time after Spain's transition to democracy, a government was formed in Catalonia keeping CiU outside.

3.5 *From Devolution to Secession (2003 and Upwards)*

The main political project of the 2003 *Tripartite* government was the reform of the Catalan Statute of Autonomy. It should be noted here that in Catalonia demand for reform of Statute of Autonomy started to gain ground after the failure of 'Europe of the Regions' project of which Jordi Pujol was an early exponent. According to his promise in 2004 general election campaign, Jose Luis Rodirguez Zapatero, the Socialist Premier of Spain carried on the process of reforming the Statute. The new proposed statute was, however, significantly watered down, particularly regarding the two most disputed and significant issues – Catalonia's right to levy its own tax through its own tax agency and recognition of Catalonia as a nation.[33] ERC denied to accept the compromised statute and called for 'no' vote in the following referendum while CiU entered in an agreement with PSOE to support the 'polished' statute prior to the referendum.[34] Finally, the statute was passed in a referendum in June 2006.

PP, which vehemently opposed the reformed Statute for Catalonia from the very beginning, took it to the Spanish Constitutional Court. The Constitutional Court took almost four years to reach a decision on the statute. In the meantime Sovereign Debt Crisis hit hard Catalan economy like the rest of Spain to be followed by infamous austerity programme.

Therefore, the verdict of the Constitutional Court in June 2010 which suppressed 14 articles and modified another 30 of the 2006 Statute of Autonomy of Catalonia acted as a spark in an already explosive situation. In the following days Madrid saw over one million people demonstrating in the streets of Barcelona with the slogans "We are a nation. We decide." and "Catalonia: A New European State". In the next year, civil society organisations and movements in favour of Catalan independence formed the Catalan National Assembly (ANC), which along with other civil society platforms like *Ominum Cultural* organised a series of events in the following years, some of which was attended by more than 1.5 million Catalans.

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[32] Guillem Rico & Robert Liñeira, "Bringing Secessionism into the Mainstream: The 2012 Regional Election in Catalonia", *Journal of South European Society and Politics* , Vol. 19, Issue 2, 2014, p. 261.

[33] Diego Muro, "Territorial Accommodation, Party Politics and Statute Reform in Spain", *Journal of South European Society and Politics*, Vol. 14, No. 4, 2009, p. 460.

[34] Xavier Vilà Carrera, "The Domain of Spain: How Likely Is Catalan Independence?", *World Affairs*, Vol. 176, No. 5, January / February 2014, pp. 79-80.

In such an environment, political capital of CiU was seriously at stake which prompted the coalition to put negotiation on a new fiscal arrangement on the top of its agenda in 2010 regional election,[35] a demand they neglected earlier. After returning to regional office in 2010 with a minority government, CiU executed austerity measures which further added to its unpopularity. When PP won 2011 general election with absolute majority, CiU could foresee that achieving any substantial advancement in fiscal arrangement would no more be possible. Faced with increasing unpopularity, CiU at last took a secessionist course for the sake of survival of their political existence.

Being compelled by the circumstances, CiU ran 2012 regional election by signing pact with the ERC about holding an independence referendum in 2014. The 2014 referendum was followed by a snap regional election where pro-independence parties won the majority. As a result the Catalan Parliament continued their journey for independence. The Spanish Constitutional Parliament banned all activities regarding independence but it could not stop the separatists from organising another independence referendum in 2017 and thus, creating the present impasse.

The brief review of political and economic history of Catalonia, presented above suggests that Catalan nationalist movement had largely been non-secessionist in character and secessionist movement is a comparatively new phenomenon in Catalan politics. Data on people's support for independence also tells the same story. A 1977 survey found only 5 per cent of Catalans in favour of independence.[36] CEO data shows that throughout the 1990s support for independence hovered between 15 and 20 per cent; it started skyrocketing after the verdict of Constitutional Court in June 2010 reaching a level as high as 57 per cent within 2012. The reasons that led Catalonia to take such turn are discussed in the following paragraphs.

4.   Identifying the Driving Factors

There are two major contending factors in explaining the Catalonia crisis – one is identity factor, another is 'economy' factor. This section attempts to evaluate the comparative role of these factors with an aim to find out which one played the decisive role.

4.1   *Identity Factor*

Many hold the view that tension between Catalonia and Spain has its root in the state building process of Spain, a process in which Catalonia, the most economically developed part of Spain, found itself politically subject to an anachronistic and

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[35] Guillem Rico and Robert Liñeira, *op. cit.*, p. 262.
[36] Andrew Dowling, "Accounting for the Turn Towards Secession in Catalonia", *International Journal of Iberian Studies*, Vol. 27, No. 2-3, September 2014, p. 220.

backward nation, Castile based in Madrid.[37] According to Peter Gourevitch such lack of congruence between political leadership and economic dynamism gives rise to peripheral nationalism in the regions with 'ethnic potential'.[38] Although one could apply Gourevitch's theory of peripheral nationalism to explain Catalan nationalism in early years, this is no more applicable for present day Catalonia which has been declining compared to Madrid since mid-1980s.

A widely held view is that Spanish nation building process has been less successful if not unsuccessful compared to other West European countries.[39] Spanish state was very slow in integration of peripheral areas and nationalities, ensuring acceptance of the Spanish state by the periphery and dissemination of Castilian (which outside the country is simply called Spanish) language.

One outcome of this lower level of integration is symbiotic relation between the political elites at centre and that in periphery because the former cannot penetrate the peripheries while the latter cannot exercise power in centre. Capitalising the lack of integration, political elites of the periphery play nationalist card to fulfill their own interests while maintaining its political capital at regional and national level. This explains the gradualist approach of both *Lliga* over the period of 1901-1923 and that of CiU over the period of 1980-2003.

Another outcome of this lack of integration is dual identity. Figure 1 shows that among the three categories of identity – Catalan (identifying oneself as only Catalan or more Catalan than Spanish), Spanish (only Spanish or more Spanish than Catalan) and dual (as much Catalan as much Spanish), dual identity clearly dominated in Catalonia till the early 2000s and then fluctuated for a brief period until 2010, before registering a decline.

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[37] Montserrat Guibernau, "Secessionism in Catalonia: After Democracy", *op. cit.*, p. 373; K. Medhurst, "The Prospects of Federalism: The Regional Problem after Franco", *Government and Opposition*, Vol. 11, No. 2, Spring 1976, pp.180-197.
[38] Peter Alexis Gourevitch, *Paris and the Provinces: The Politics of Local Government Reform in France*, California: University of California Press, 1980, cited in Yuan-Kang Wang, "Toward a Synthesis of the Theories of Peripheral Nationalism: A Comparative Study of China's Xinjiang and Guangdong", *Asian Ethnicity*, Vol. 2, No. 2, September 2001, p. 178.
[39] Michael Keating,"The Minority Nations of Spain and European Integration: A new
Framework for Autonomy?", *Journal of Spanish Cultural Studies* , Vol. 1, Issue 1, 2000, pp. 1-25 ; Eric Storm, "The Problems of the Spanish Nation-Building Process around 1900", *Journal of National Identities*, Vol. 6, Issue 2, July 2004, pp. 143-157.

Figure 1: Identity Pattern of Catalan People, 1985-2017
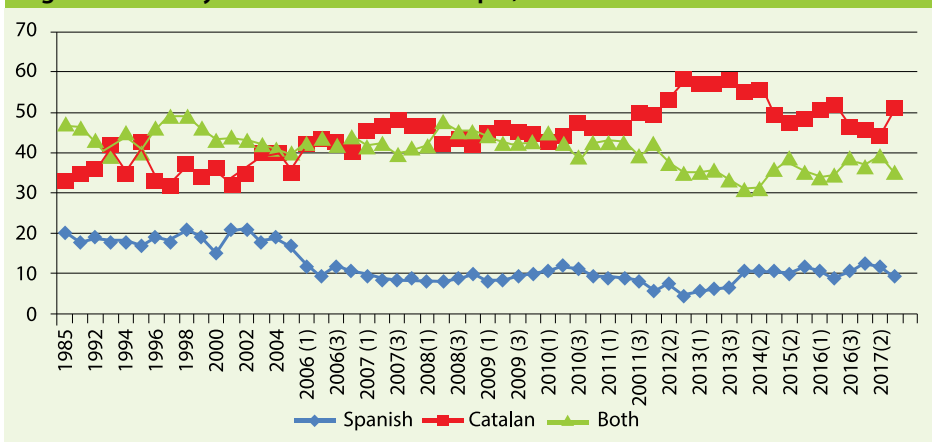
Source: For 1985: Luis Moreno, *Catalonia's In(ter)dependence and Europeanization*, Instituto de Politicos Y Bienes Publicos, Working Paper 07, 2015, p. 8; for 1991-2004: Guillem Rico & Robert Liñeira, "Bringing Secessionism into the Mainstream: The 2012 Regional Election in Catalonia", *Journal of South European Society and Politics*, Vol. 19, Issue 2, 2014; for 2006-2017: *Generalitat de Catalunya*, Centre d'Estudio d'Opinio, Baròmetre d'Opinió Política of various years, available at http://ceo.gencat.cat/ca/barometre/, accessed on 08 December 2017.
Note: 2006(1) and 2006 (3) represents first and third quarter of 2006 respectively.

In fact, three phases can be clearly identified in the identity pattern of the region.

- First phase (1985-2002): Dual identity dominates with its share being 40-45 per cent, followed by Catalan identity with a share hovering around 35 per cent, while Spanish identity remains close to 20 per cent.

- Second phase (2003-2009): Catalan identity gains more popularity and closely contends with dual identity where both Catalan and dual identity floats around 40 to 45 per cent of total population. During this period, public acceptance of Spanish Identity among the Catalan people continued to decline.

- Third phase (2010-2017): Catalan identity clearly dominates with a share of around 50 per cent.

Any attempt to explain the trend of identity in Catalonia would be incomplete without considering the immigration factor. What follows is, therefore, a very brief account of Catalan immigration.

So far, three large flows of immigration to Catalonia can be identified.

- First huge inflow into Catalonia from other parts of Spain, in search of better job opportunity, took place at the outset of World War I. During the period 1910-1930, three quarter of population growth of Catalonia was due to immigration.[40]

- Second massive inflow from poorer South of Spain to its richer North was seen at the late Franco era which has been described in section three.

- The third inflow started at the end of 1990s and continued till the 2008 economic crisis. Unlike the previous two flows, the latest one was from outside Spain which increased the share of foreign born people in Catalan population from 3.5 per cent in 2000 to 18.1 per cent in 2009.[41]

It is now evident that predominance of dual identity in Catalonia over a long period was the outcome of two historical facts: 1) weakness in Spanish nation building process; and 2) huge migration to Catalonia from other parts of Spain over a large span of time.

Predominance of dual identity implies that Catalonia crisis is not originated from a deep rooted identity conflict. Taking into account the mentioned flow of Spanish and non-Spanish migrants to the region, it becomes evident that the rise in Catalan identity did not emerge from increase in share of Catalonia born people in its population. Instead, it may be due to the fact that faced with increased economic and political grievances, many people who earlier expressed dual or Spanish identity, are now showing Catalan identity.

The first rise in Catalan identity can be seen as reaction to the conservative policies of the two consecutive PP governments during 1996-2004, which increasingly sought to halt the process of further devolution. Andrew Dowling connects this attitude of PP with the comparative rise of Madrid. In his words, "Spain's narrowing of its economic differences with its European counterparts, produced an ever greater self-confidence around Spanish national identity, which was capitalised on and increasingly mobilised by the rebranded conservatism of the Partido Popular."[42]

On one hand, PP's policy, together with declining significance of Catalonia hurt the 'ego' of the proud nation. On the other hand, by halting devolution of power and thus, limiting opportunity of further development of Catalans as a nation, it

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[40] Vicent Climent-Ferrando, "Immigration in Catalonia: In search of a Public Philosophy", *Project ALIAS—Autonomy, Labour and Integration in South Tyrol (Bozen: European Academy of Bolzen/Bolzano)*, 2012, p. 10.
[41] *Ibid.*, pp. 8-9.
[42] Andrew Dowling, available at http://faberresidency.com/andrew-dowling-opinion/, accessed on 12 December 2017.

appeared to create a threat to Catalan identity. The more the Catalans felt alienated, both economically and politically, by PP government's policy, the more Catalan identity got stronger.

It is not difficult to understand why the Catalan identity skyrocketed after Constitutional Court verdict in 2010. Beside fiscal issues, one of the major issues of contention in the new Statute was about Catalonia's status as a 'nation' which was de facto rejected by the verdict. The verdict thus hurt Catalan's ego further and strengthened their sense of alienation and threat to a great extent. However, one should not forget that the sense of alienation and threat would not have been so great, if the nationalist parties were not there in Catalonia to orchestrate the feeling.

Three conclusions can be drawn from the discussion above. First, historically there is no deep rooted identity 'conflict' between Catalonia and the Spanish state. Second, the Catalonia crisis did not 'originate' from any sort of identity conflict. And third, triggered by economic and political developments, a structural change in identity pattern did take place in Catalonia in recent years which helped to make the region a fertile ground for secessionist movement.

Tormos, Munoz and Hierro arrived at similar conclusion by applying nonrecursive structural equation model on public opinion survey data. They found that in Catalonia, beyond the usual causal path from identity to preference, national identification is also becoming influenced by secessionist preferences.[43]

It is thus, evident that the rise of Catalan identity was primarily an outcome and not cause of political grievance, although this change in identity in turn helped to aggravate the situation.

4.2 *'Economy' Factor*

For the Catalans, one major source of grievance is decline of the region over time compared to Madrid in terms of economic importance. Although the sign of this comparative decline has become more vivid in recent days, its root can be traced back as early as late Franco era when the 'Stabilisation Plan' initiated concentration and internationalisation of capital in Spain as well as in Catalonia. In 1973, about one third of big Catalan companies had presence of foreign capital. Initially, the multinational companies settled in Catalonia to take advantage of the already existing industrial environment. Later on, a good part of these multinational companies started using Catalonia as their arrival point from which they diversified their location in other parts

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[43] Raul Tormos, Jordi Muroz and Maria Jose Hierro, "Endogenous Identities? How the Independence Debate is Reshaping Catalan's Indentity", available at http://www.cuimpb.cat/files/TormosMu%C3%B1ozHierro_EndogenousIdentities.pdf, accessed on 15 September 2017.

of Spain, favourably in Madrid. This diversification of multinational companies started blurring the image of Catalonia as a "supplier of Spain."[44]

This process continued thereafter. Although Catalonia's share in Spanish GDP continues to be the largest (closely followed by Madrid) and the region remains the largest manufacturer of the country with the largest share in industrial output and employment (see Table 1 in Appendix), it is undeniable that big capital is largely escaping Catalonia. In 2002, among the Spanish subsidiaries of the 100 largest transnational companies, 50 per cent were located in Madrid, 31 per cent in Catalonia and 4 per cent in the Basque.[45] This situation continued throughout the 2000s and in 2015, Catalonia's share in foreign direct investment (FDI) stood at 14 per cent only compared to Madrid's share of 64 per cent.[46]

Not only FDI, Catalonia was comparatively deprived of public investment too. The region was lagging behind in public infrastructure since 1975. In fact, Catalonia has been systematically receiving public investment at a level lower than its weight in Spanish GDP. On average, during the period of 1991-2004, with 15.5 per cent of population, Catalonia supplied 19 per cent of national GDP while it received 12 per cent of public infrastructure investment.[47]

But the most important source of tension involves fiscal arrangement. Under the existing fiscal arrangement, Catalonia can retain only 30 per cent of the tax collected from the region while the rest goes to Solidarity Fund managed by the central government of Spain. To meet its expenses, the regional government receives a fund allotted by the central government. Catalan secessionists argue that this fiscal arrangement causes the region an annual deficit of 8 per cent of GDP, which they claim to be one of the highest among developed countries. Catalan officials and pro-independence economists assert that the region would have been solvent if it did not have to transfer about 9 per cent of its GDP to Madrid.[48] Others, however, suggests using burden/benefit approach instead of monetary approach and calculates the deficit to be 5.1 – 7.5 per cent of GDP; the latter figure they think are quite comparable with other developed countries.[49]

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[44] Romà Pujadas I. Rubies, *op. cit*., pp. 113-114.

[45] Pankaj Ghemawat and Xavier Vives, "Competitiveness in Catalonia", *Reports of The Public-Private Sector Research Center*, IESE Business School, July 2009, p. 14.

[46] Valentina Romei, "Catalonia's economic strength push for independence", *Financial Times*, 28 September 2017, available at https://www.ft.com/content/62118282-a35a-11e7-b797-b61809486fe2, accessed on 10 October 2017.

[47] Pankaj Ghemawat and Xavier Vives, *op. cit*., p. 14.

[48] David Gardner, "Spain: Autonomy under Fire", *Financial Times*, 22 August 2012, available at https://www.ft.com/content/00d27e14-e63a-11e1-ac5f-00144feab49a, accessed on 30 September 2017.

[49] Félix López Martínez and Javier López Bernardo, "Fiscal Balances and the Rise of Catalonian Separatism: The Misuse of Economic Theory", *American Affairs*, Online Exclusives, 18 December 2017, available at https://americanaffairsjournal.org/2017/12/fiscal-balances-rise-catalonian-separatism-misuse-economic-theory/, accessed on 25 December 2017.

Whatever be the extent of fiscal deficit, to Catalan separatists, more important is the discriminatory nature of fiscal arrangement. According to a recent study in 2012, Catalonia collected 118.6 per cent of the national average of taxes per capita, putting it in third out of 15 regions. But after redistribution, its resources fell to 99.5 per cent of national average, putting it in 11th place. At the other extreme, the region of Extremadura collected 76.6 per cent of the average in taxes, putting it in 14th place, but after redistribution it ended up with 111.8 per cent, putting it in third. Catalan separatists claim that their complaint is not simply that Catalonia subsidises poorer regions of Spain; rather, it is that Catalonia does so to such an extent that many of Spain's other regions have more resources per capita than Catalonia to spend on essential services. "The redistribution of tax money in Spain doesn't merely bridge the wealth gap between regions; it reorders the divide."[50]

Another factor which adds fuel to their accusation is that with a slightly higher per capita GDP than Catalonia, the Basque Country and Navarre has fiscal deficit of three per cent of GDP only,[51] a situation which they attribute to the special fiscal arrangement of the Basque Country and Navarre. Under this special arrangement, called the *floral* system, these regions retain the full amount of tax collected from their region and give a fixed amount to the Solidarity Fund, the amount being proportionately lower than Catalonia.

The notion that Catalonia is facing economic discrimination by the Spanish state became a part of Catalan political discourse in as early as mid-1990s. This is why a new Statute, more specifically a new fiscal arrangement became a pivotal issue in Catalan politics in mid 1990s which ultimately brought a left coalition in power in 2003 ending the long hegemonic regime of CiU.

As expected, one of the major goals of the reformed 2006 State was to address the economic grievances of Catalonia. It thus included the following provisions.[52]

- Catalan government could set up its own taxes at local level.

- Catalonia's contribution to the solidarity fund should be made conditional on a similar fiscal effort being made by other AACC (Autonomous Communities).

- The state's investment in Catalonia should be on a level with the percentage of Catalan GDP in relation to the overall Spanish GDP.

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[50] Ian Mount, "In Spain, the fight for Catalan independence comes down to cash money", *Fortune*, 30 January 2015, available at http://fortune.com/2015/01/30/spain-catalonia-independence-taxes-economy/, accessed on 11 August 2017.
[51] Ryan D. Griffiths, Pablo Guillen Alvarez and Ferran Martinez I. Coma, *op. cit.*, p. 59.
[52] Montserrat Guibernau, "Secessionism in Catalonia: After Democracy", *op. cit.*, p. 382.

But the Constitutional Court deemed the first two provisions as unconstitutional and accepted the third one, if and only if, "it does not entail an 'economic privilege' for Catalonia and remains without 'binding effect for the state'".[53]

The Constitutional Court took four years to give verdict on the statute and in the meantime economic crisis hit Spain in 2008. Economic crisis made the economic situation worse in Catalonia as well as in other parts of Spain which made the demand for new fiscal arrangement and a new statute stronger among the Catalans. The verdict of the Constitutional Court, therefore, added insult to injury which made the Catalan mainstream politics to take a secessionist direction abandoning their 'pragmatic gradualist' approach which they followed so far.

Figure 2 supports the view that economic cause is the most important source of tension between Catalonia and the centre. In a survey conducted over the period 2006-2017, a period marked by heightened independence movement, Catalan people were asked what they considered to be the most important problem. The survey found that the Catalan people were more concerned about economic issues than political one.

For example, over the last decade, particularly in the years following the 2008 Financial Crisis, about 60-70 per cent people considered unemployment and job insecurity as the most important problem and another 30-50 per cent identified economic performance of Catalonia as the main problem. In the same period, only 10-25 per cent people expressed that dissatisfaction with politics is the main problem. Percentage of people who considered relation with Spain to be the main problem was even lower, around 10 per cent. This situation continued even after the verdict of Constitutional Court in mid 2010 when Barcelona streets saw 1.5 million people marching demanding independence. It is also interesting to note that a very few people, almost a negligible number, reported identity crisis as the main problem.

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[53] *Ibid.*

Figure 2: Plot of Answer to the Question- "What Do You Think are the Main Problem Currently in Catalonia?" (% of Respondents)
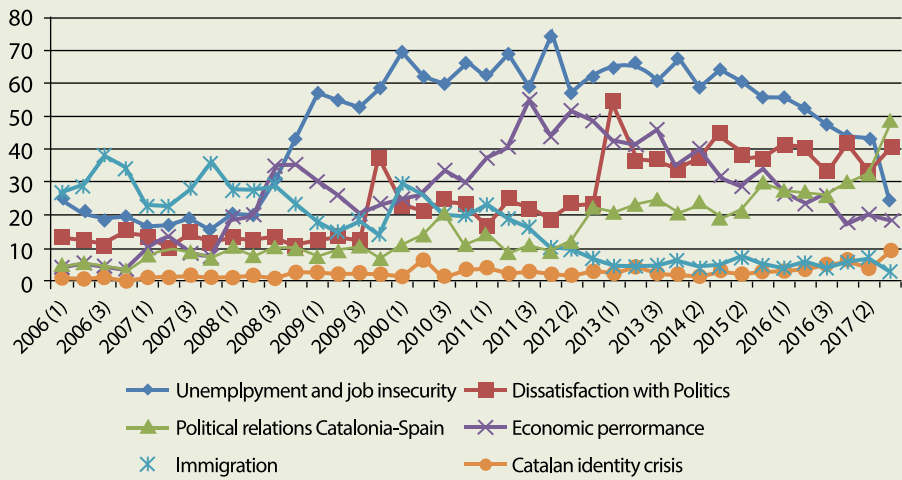
Source: Generalitat de Catalunya, Centre d'Estudio d'Opinio, *Baròmetre d'Opinió Política* of various years, available at http://ceo.gencat.cat/ca/barometre/, accessed on 20 December 2017.

The relation between economic grievances of Catalans and their support for independence is more vivid in Figure 3. It shows how closely demand for independence follows the unemployment pattern (for details, see Table 3 in Appendix). As can be seen from Figure 3, unemployment rate in Catalonia started skyrocketing in 2009 after the Financial Crisis set in. After an initial lag, people's support for independence also started rising in 2010. And, interestingly, both the figures reached their peak in 2013. Unemployment rate of Catalonia reached as high as 24 per cent in 2013 from 7 per cent in 2008 while people's support for independence increased from 18.5 per cent in 2008 to 54.7 per cent in 2013.

Figure 3: Unemployment Rate and Support for Independence in Catalonia
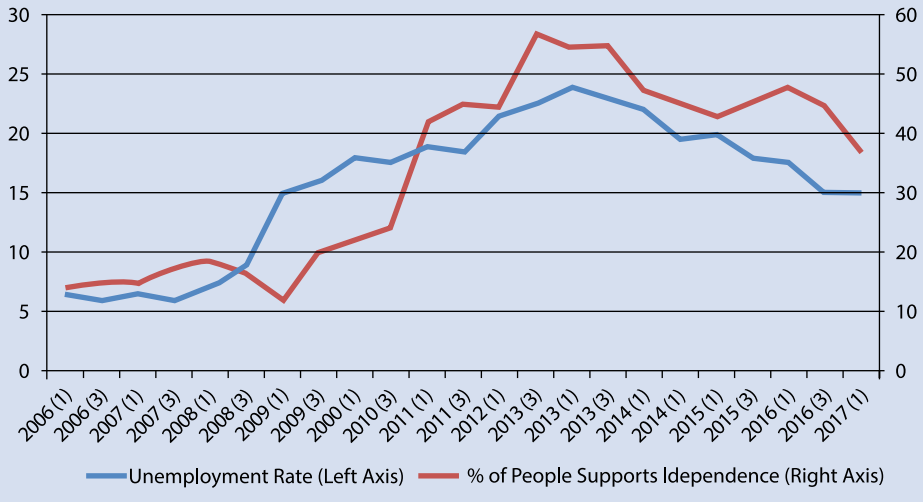
Source: Félix López Martínez and Javier López Bernardo, "Fiscal Balances and the Rise of Catalonian Separatism: The Misuse of Economic Theory", *op. cit*; Generalitat de Catalunya, Centre d'Estudio d'Opinio, *Baròmetre d'Opinió Política* of various years, available at http://ceo.gencat.cat/ca/barometre/, accessed on 06 November 2017.

Although economic grievance supplies the fuel for secessionist movement, it cannot succeed if it is not translated into political grievance. Ironically, the Spanish state itself helped to bring this driving force into existence. In Spain, the Aznar government's policies followed by PP's vehement opposition to the new Statute and finally the Constitutional Court verdict helped greatly not only to translate the economic grievance into a political one, but also to make the latter increasingly stronger over time.

One can see in Figure 3 that people's support for independence closely followed unemployment pattern but with an initial lag. This lag can be explained by the fact that, during this lag period economic grievances had been translated to political grievance. Once this translation was complete by 2011, political grievance surpassed the level of economic grievance. In other words, since 2011 people's grievance over economic issues did not drop off as much as the rate of unemployment did. It thus supports the notion that although economic grievance lies at the heart of Catalonia crisis, it is driven by political grievances.

It can be concluded from the above discussion that present Catalonia crisis originates from economic grievances of Catalan people, centering on the issue of fiscal imbalance, which was later translated to political grievance upon denial of their Spanish counterparts to address it.

5.   Role of Different Classes

Catalonia is divided on the issue of independence. This division of Catalan people has been manifested on various occasions. The much discussed October 2017 referendum, which led to the declaration of independence by Catalan parliament, had a turnout as low as 43 per cent. The parliament session which passed the resolution on independence, was boycotted by the opposition parties. Finally, in December 2017 regional election, following the imposition of direct rule of Madrid, pro-independence parties again won the majority but not with the previous majority. On the other hand, a pro-Madrid party, Ciudadanos (Citizens Party), emerged as the single largest party. The following paragraphs attempt to examine this difference elaborately while identifying the role of different classes in Catalonia's independence movement.

5.1   *Role of the Capitalists*

History of Catalonia shows that autonomy or significant devolution of power was never a significant concern for Catalan big capitalists. All they wanted to secure is their business. In early years of industrialisation they cooperated whole heartedly with the ruling class of Madrid to meet their dual interest of pursuing protectionist policies and suppressing working people. In 20th century, upon failure to secure a fiscal arrangement similar to Basque they resorted to *Lliga* to use it as an instrument of exerting pressure on the central state. But due to their inherent weakness stemming from their dependence on the latter, they failed to create pressure enough to secure the desired fiscal arrangement. In reality, economic concession from the central government was all that they tried to achieve through *Lliga*.[54]

During Franco regime, Catalan industry went through several structural changes:[55] traditional industrial sector such as textile declined while new sectors like chemical and metallurgy flourished; foreign capital penetrated immensely and market started organising in oligopolistic manner. In 1970, about 55 per cent of Catalan industrial workers were employed by 6 per cent firms and in 1973 foreign capital was present in one third of big Catalan industries. One of the reasons which made Spain, including Catalonia, an attractive place for FDI was Franco's anti labour legislations. Thus, being benefitted by Franco's 'Stabilisation Plan' and his anti-labour legislations, the Catalan big capitalists, notably those running export and FDI oriented big oligopolistic firms, maintained their loyalty to him throughout his regime. It can be added here that when Franco's army entered Catalonia, it was the Catalan big capitalists who were at the forefront of the welcoming crowd.[56]

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[54] Juan Díez Medrano, *op. cit*., pp. 549-550.
[55] Romà Pujadas I. Rubies, *op. cit*., pp. 109-114.
[56] Joseph Harrison, *op.cit*., p. 197.

But certainly there was a section of local capitalists which was neither beneficiary nor supporter of Franco. This fraction, accompanied by a group of intellectuals and professionals, joined the anti-Franco movement under the leadership of Jordi Pujol of CDC. In post-Franco Catalonia, taking advantage of friction in the leftist front, Catalan capitalists again established their hegemony in Catalan politics through CDC or CiU.

With this legacy, it was not surprising that Catalan capitalists, using CiU as its primary vehicle, again took a gradualist approach in dealing with the Spanish state in CiU's long regime stretching from 1980 to 2003.

Catalan big capitalists are not much concerned about the economic causes of Catalonia described in section four. They are not worried about rise of Madrid compared to Catalonia as long as their revenues continue to rise. Nor they are bothered about lack of public financing and government deficits, which might result in reduction in job opportunities or poorer education or health service, as long as their export see smooth growth. In fact, Catalan export to foreign countries increased 55 per cent over the period 1998-2006 and 68 per cent over the period 2006-2017 (see Table 2 in Annex). If sales of goods to the rest of Spain are also considered as export, the growth rate will be even higher because one third of Catalan products that are sold outside the region, find their destination to the rest of Spain.[57] Although the 2008 economic crisis took a heavy toll on small and medium firms, that was not the case for the big firms. As a result, in the following years of the crisis, when many Catalan people were feeling the daunting effect of austerity programmes on their lives and living standard, Catalan exporters saw a tremendous growth in export – 17.9 per cent in 2010, 12.5 per cent in 2011 and 7.1 per cent in 2012. Thus, with about 18 per cent growth in export, the year 2010, marked by the verdict of Constitutional Court and beginning of austerity programme, was a welcoming year to the Catalan big capitalists. This fact metaphorically shows how the interest of Catalan big capitalists stands in sharp contrast with that of other classes of Spain.

Wall Street Journal informs: "Some surveys suggest Catalan business executives are more wary of secession than the general population. A survey published in July by PricewaterhouseCoopers LLP found just over a quarter favored a referendum on independence, while more than half favored some kind of negotiated solution to keep Spain together."[58] And, this is quite expected. Rational choice of business implies that Catalan producers will not want to lose a market which is destination of one third of their goods sold outside. No less important is the fear that if Catalonia secede from Spain, its products might face tariff in EU market which is the destination of about two third of Catalan export. The same Wall Street Journal report says, Isidro

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[57] "Catalonia's Trade: The Cost of Freedom", *The Economist*, 23 November 2012.
[58] Mat Mofett, "Catalan Business Comes Out", *Wall Street Journal*, 02 March 2015, available at https://www.wsj.com/articles/catalan-business-comes-out-1425338070, accessed on 09 October 2017.

Faine, chairman of CaixaBank, Spain's third-largest bank headquartered in Catalonia, has called for King Felipe VI to mediate "a grand agreement." Finally, the Catalan big capitalists sent their strongest signal to separatists by shifting the headquarters of more of 3000 companies to outside Catalonia.

But the lot of small and medium firms is different. Lower public spending and government deficit had been affecting the owners of these small and medium firms. They were also hit hard by 2008 economic crisis. In 2009 alone, 14,000 small and medium farms closed.[59] Faced with huge loss, owners of these firms lost confidence on political parties and joined protests largely organised by non-political organisations.

Catalan industry has always been characterised by predominance of small firms, of which many are export oriented. As mentioned above, owners of these small family firms had suffered from the long standing economic disadvantages of Catalonia and then from 2008 economic crisis. This section created pressure on CDC, the senior partner of CiU to change both its internal strategy and political course. Consequently, in a process of organisational renewal, CDC saw the rise of a generation of pro-sovereignty activists who were dissatisfied with CiU's historical strategy of advancing Catalan autonomy incrementally through negotiations with the central state.[60] External pressure was created through the continuous protests, including a series of mass demonstration, organised by middle class civil organisations which compelled CiU to change its course since 2010.

Thus, a situation emerged in Catalonia where small and medium firm owners, who are the majority among the Catalan capitalists, are leaned towards independence but big ones are opposed to independence move. This explains why CiU hesitated over a long period and finally unwillingly took the independence move. This internal dynamics of Catalan capitalists make them unreliable partner in independence movement.

5.2   *Role of the Middle Class*

As mentioned before, in Catalonia a progressive nationalism emerged at the end of 19th century, with the intelligentsia as its leader and the middle and lower middle class as its support base, which defeated capitalists-led nationalism for a short period during the years of the second republic and subsequently lost the battle with Franco.

During the dictatorship of Franco, not only the working people was repressed, the middle class also suffered a lot. Skyrocketing of unemployment and inflation,

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[59] Andrew Dowling, "Accounting for the turn towards secession in Catalonia", *op. cit.*, p. 224.
[60] Anwen Elias and Ludger Mees, *op. cit.*, p. 148.

degradation of standard of living, cultural repression – all these made the middle class a hotbed of anti-Franco movement. The intelligentsia also joined it. For, besides other reasons, as a part of cultural repression, they were also a target of Franco regime. One such decree in 1939, ordered the suppression of University of Barcelona and expulsion of around half of its professors.[61] Therefore, the Catalan middle class, which included owners of small and medium firms, intellectuals and also a well off section of the working people, under different groups and parties including leftist ERC as well as centre-right CDC, actively joined the anti Franco movement, initiated and spearheaded by the working people.

Andrew Dowling points to the fact that the Catalan middle class was facing employment instability since the middle 1990s. He observes, "2006 easy credit mostly masked the growing employment instability of middle class sectors .... Yet growing discontent was increasingly apparent as professionals of all types no longer had the employment stability of previous generations".[62] 2008 economic crisis made the situation worse for them with skyrocketing of unemployment accompanied by austerity measures. The middle class related the worsening of their condition with the economic causes described in section four and raised the slogan "Madrid rob us". Whether Madrid really has anything to do with the worsening of Catalan middle class or it was just a natural outcome of capitalist development of Catalonia, is a debate which is out of the scope of the article. For the present article, it is suffice to say that out of grievance over their deteriorating condition over time, Catalan middle class came at the forefront of independence movement.

Over the period of 1995-2005, the pro-independence movement was shaped by ERC, representative of a mix of middle class and working people and also a part of *Tripatriti* government (2003-2006). Ironically, soon after its triumph, ERC had to pass through a period of internal friction starting from 2006 which brought another force in the forefront of independence movement - a force purely made up of middle class and led by its civil organisations. The middle class civil organisations which now came to spearhead the movement, themselves were an outcome of cultural movement which took place in post-Franco Catalonia and continued over a long period. This cultural movement resulted in proliferation of civil organisations; today in Catalonia there is one civil organisation for each 152 citizens. Most importantly, this cultural movement provided the networks and cadres of today's independence movement. Plataforma pel Dret de Decidir (Platform for the Right to Decide), ANC and Ominum Cultural – the platforms which are at present shaping the independence movement, are all built upon the pre-existing cultural network.

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[61] Joseph Harrison, *op. cit.*, p. 198.
[62] Andrew Dowling, available at http://faberresidency.com/andrew-dowling-opinion/, *op. cit.*

Thus the middle class of Catalonia by providing leadership as well as the support base, acted as the driving force of its independence movement.

5.3   *Role of the Working People*

Catalan working people was an inseparable part of progressive nationalism. The short Second Republic was a case of triumph of this part of Catalan people. Under Franco's dictatorship, it was the working people, in Catalonia as well as in other parts of Spain, who were repressed most, suffered most and hence fought back most. By the time Spain turned to democracy, the leading position that the working people achieved during anti-Franco movement, was lost and it is not regained so far.

The present independence movement of Catalonia is in no sense a working class revolution. The movement is orchestrated and led by civil society organisations which are in no means working class organisations. The most heard slogans in the movement are: "Madrid robs us", "We are a nation, we decide", "Catalonia: new state in Europe" and the like. The nature of these slogans suggests the nature of the movement; none of them target capitalism or the capitalists as the enemy. Moreover, most of the narratives propagated by the pro-independence campaign relate the decline of Catalonia or the degradation of condition of the working people to discriminatory attitude of Madrid, not to the Catalan capitalists. This is not to deny that a fraction of working people led by the communists is actively participating in the movement but they are not the mainstream of the movement.

The fact that the middle class of Catalonia, not the working people, is the driving force of the movement can be substantiated by data too. The Catalan government's figures show that only 29 per cent of Catalans who have "a lot of difficulty" in making ends meet support independence, the figure being 51 per cent for those who are "comfortably off".[63] This clearly puts the middle class in the driving seat of Catalan independence. Another data provided by the regional government shows that only 12 per cent of the region's residents who were born elsewhere in Spain are in favour of breaking away. That figure rises to 29 per cent for Catalans whose parents were both born in another region, and reaches 75 per cent in favour among those with two parents and four grandparents all born in Catalonia. Recalling from section four the large inflows to Catalonia from other parts of Spain in search of job, one can identify that the first two groups of the mentioned data are likely to belong to the working people while the last one is likely to belong to Catalonia born middle class. Therefore, this data also indicates that the working people of Catalonia are less likely to support independence.

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[63] Guy Hedgecoe, "Divided Catalonia: Calm, Negotiated Solution not Going to be the Case", *The Irish Times*, 28 October 2017, available at http://ie.newshub.org/divided-catalonia-calm-negotiated-solution-not-going-case-27687727.html#, accessed on 15 November 2017.

Support for independence is low among the working people for two reasons. First, a majority of Catalan working people are immigrants, a good part of which are from other parts of Spain. Naturally, they would not want to separate from Spain. Second, historically, the socialist party of Catalonia, a vital representative of Catalan working people is against the independence move, they prefer federalism to independence. The working people of Catalonia are hence divided. A section of them rigorously support the cause of independence under the leadership of ERC while another section is strictly opposed to it under the leadership of PSC.

It thus appears that both the capitalists and the working people of Catalonia are greatly divided over the issue of independence. It is the middle class, which embraced the independence move as a perceived solution to the problems they are facing with their jobs and lives and is now pushing the greatly divided region towards their own objective.

6. Conclusion

Recent crisis in Catalonia has duly attracted a great deal of attention of media, academia and political analysts. Not only the crisis will determine the future of Spain, it will definitely have impact on other existing nationalist movements in several developed economies in Europe and beyond. The article made an attempt to find the root causes of the crisis and define its character.

There are two major contending factors in explaining the Catalonia crisis – one is identity factor, another is 'economy' factor. The article finds out that dual identity predominated in the region over a long period and hence the crisis cannot be said to origin from a deep rooted identity conflict. But, triggered by economic and political developments, a structural change in identity pattern did take place in Catalonia in recent years which helped to make the region a fertile ground for secessionist movement. Therefore, primarily the rise of Catalan identity was the effect, not cause of political grievance, although this change in identity in turn helped to aggravate the situation. In other words, the role of identity factor in creating the present crisis was a secondary one.

For the Catalans, there are several source of economic grievance - decline of the region over time compared to Madrid in terms of economic importance, discrimination against Catalonia in terms of public investment and a fiscal arrangement which they believe is the source of their government deficit. The article shows that although economic problems are considered to be more important to Catalan people, their support for independence closely follows political grievance. It implies that economic grievance lies at the heart of the crisis and upon negligence by central government to address those transformed the economic grievances into political grievance which in turn deepened the crisis.

Regarding the role of different groups of people in the independence movement, the article showed that the Catalan capitalists, particularly the big ones are historically opposed to such move. In Catalonia small and medium firm owners, who are the majority among the local capitalists, are leaned towards independence but big ones are opposed to independence movement. This internal dynamics of Catalan capitalists make them unreliable partner in independence movement.

The Catalan middle class, who had been suffering from instability in employment, particularly since mid-2000s, related the worsening of their condition with the economic disadvantages from which Catalonia has been suffering long. Catalan middle class thus came at the forefront of independence movement and led it. Support for independence is low among the working people for two reasons. First, majority of Catalan working people are immigrants, a good part of whom are from other parts of Spain. And, second, historically, the socialist party of Catalonia, a vital representative of Catalan working people is against the independence move. The working people of Catalonia are hence divided on independence issue. This makes the middle class as the champion of the independence movement. It, therefore, can be concluded that Catalonia crisis is a middle class revolution in which the capitalists are unwilling partner and the working people provides divided support.

APPENDIX

Table 1: Share in National Industrial Product and Employment					
	% Share in National Industrial Product			% Share in National Industrial Employment		
Year	Catalonia	The Basque	Madrid	Catalonia	The Basque	Madrid
2008	24.3	10.5	10.4	22.5	8.5	9.8
2009	24.6	10.5	11.0	22.6	8.6	10.1
2010	24.8	10.9	10.0	22.3	9.6	9.7
2011	24.2	11.1	10.2	22.2	9.6	9.6
2012	24.2	11.2	10.4	22.5	9.7	9.4
2013	24.5	11.0	10.8	22.6	9.6	9.4
2014	25.0	11.0	10.5	22.6	9.5	9.3
2015	25.3	11.0	10.4	22.7	9.4	9.3
2016	25.6	11.0	10.4	22.7	9.4	9.2
2017	25.6	11.3	10.1			

Source: Instituto Nacional de Estadística (INE), Spain

Table 2: Growth Rate of Export of Catalonia, 1998-2017	
Year	Growth Rate of Export (%)
1998	9.3
1999	2.7
2000	21.2
2001	8.6
2002	1.6
2003	1.0
2004	4.9
2005	8.2
2006	10.6
2007	5.2
2008	1.7
2009	(-17.9)
2010	17.9
2011	12.5
2012	7.1
2013	0.2
2014	2.3
2015	6.0
2016	2.0
2017	8.7

Source: : Instituto Nacional de Estadística (INE), Spain

Table 3: Unemployment Rate and Support for Independence in Catalonia, 2006-2017		
	Unemployment Rate	Percentage of People Who Want Independence
2006(1)	6.5	14
2006(3)	6	15
2007(1)	6.5	15
2007(3)	6	17.5
2008(1)	7	18.5
2008(3)	9	16.5
2009(1)	15	12
2009(3)	16	20
2010(1)	18	22
2010(3)	17.5	24
2011(1)	19	42.3
2012(1)	21.5	44.6
2012(3)	22.5	57
2013(1)	24	54.7
2013(3)	23	54.7
2014(1)	22	47.1
2014(3)	19.5	45
2015(1)	20	42.9
2015(3)	18	45.3
2016(1)	17.5	47.7
2016(3)	15	44.3
2017(1)	15	37

Source: Félix López Martínez and Javier López Bernardo, "Fiscal Balances and the Rise of Catalonian Separatism: The Misuse of Economic Theory", *op. cit*; Generalitat de Catalunya, Centre d'Estudio d'Opinio, *Baròmetre d'Opinió Política* of various years, available at http://ceo.gencat.cat/ca/barometre/, accessed on 06 November 2017.

biiss journal

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EXPLORING SOFT POWER POTENTIALS OF BANGLADESH: RESOURCES, LIMITATIONS AND OPTIONS

Abstract

With the end of the Cold War, soft power has started to get prominence in international arena. Consequently, there is a growing awareness amongst big and small states to pursue soft power in order to achieve their foreign policy objectives. In this respect, this paper explores the soft power potentials of Bangladesh. Since its inception in 1971, Bangladesh's foreign policy embeds the principle of peace and friendship to all and malice to none. It also encompasses the strive for renunciation of the use of force in international relations and for general and complete disarmament. In all, foreign policy of Bangladesh does not advocate the use of hard power. Given this backdrop, this paper argues that the concept of soft power offers a golden possibility for small states like Bangladesh to gain its foreign policy objectives by marking its footprints globally and regionally. This can only be achieved once it undertakes necessary steps to transform its soft power resource capacity into soft power capability. Based on these arguments, the paper explores the potential resources of Bangladesh's soft power and its limitations. The paper ends with an exposition of possible options to develop its soft power capability further.

1.   Introduction

The 21st century is marked by extensive deployment of soft power in international politics. Though the concept of soft power was only developed in 1990s, it has gained considerable currency in recent times. It has moved from the world of academia to the front-page of newspapers and the speeches of political leaders.[1] Both big[2] and small[3] states are using soft power not only to play a major role in global

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[1] Parama Sinha Palit, *Analysing China's Soft Power Strategy and Comparative Indian Initiatives,* New Delhi: SAGE Publications, 2017, pp. 1-5.

[2] It refers to those states which are recognised as having the ability and expertise to exert their influence on a global scale. These states possess military, economic as well as diplomatic strength at the same time. In other words, it also refers to those states that have giant territorial size among their common neighbours.

[3] A comparison of global and regional configurations of states of the world shows that several countries appear small when they are surrounded by states with much larger powers. Netherlands, Poland, Norway,

affairs but in some cases to mark their footprints in international politics as well. Much of the United States of America's (USA) seemingly unipolar dominance comes from its soft power resources such as fulbright scholarship, diverse visa programme, Cable News Network (CNN), MacDonald's, Microsoft and Hollywood.[4] In order to compete with USA's soft power, China is spending billions in its own soft power programmes and has set up 322 Confucius Institutes spreading across 96 countries.[5] India, which in turn is competing with China, has also taken to the promotion of soft power through setting up Nehru Centres and Indira Gandhi Centres and providing scholarships across the world.[6]

As big states race to accumulate soft power, small states are also exploring their potential soft power capacities. Hard power, which uses the method of "carrot and the stick", in fact, is not in the disposal of small states.[7] Consequently, small state has severe deficit in hard power vis-à-vis big powers. In such cases, sometimes the expected results can be achieved by attracting others rather than using intimidation and coercion.[8] There is question on whether without hard power, soft power is useful in the conduct of foreign policy of small states. In fact, having inadequate hard power does not make the small states' soft power weaker directly. But its weakness in hard power decreases a country's potential of using soft power in combination with hard power as both are necessary ingredients of smart power.[9] So, small states, due to their limited hard power are unable to use their soft power as a part of smart power. The presence of hard power is not integral for soft power in the conduct of foreign policy.

There are plenty of examples where smaller states, with lesser hard power resources, have exercised soft power in various ways and succeeded. Norway captured the world's attention when it negotiated Oslo Accords in 1993 to end Palestinian-Israeli conflict by deploying Norwegian "Soft Power" diplomacy.[10] Singapore has

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South Korea, Singapore and Bangladesh appear as fairly large powers in global perspective. But in their respective region, they look small. It is true that none of these states is a small state in the strict sense of the term. Nevertheless, because of the sheer gigantic size of their common neighbours, all these states obviously appear to be small states, no matter how big they are in size or population compared with other smaller states in the international system. For details see, Shaheen Afroze, "Small States in Global Perspective: In Search of a Role Model in Regional Stability", in Mohammad Humayun Kabir (ed.), *Small States and Regional Stability in South Asia,* Dhaka: The University Press Limited, 2005, p. 27.

[4] Henry H. Sun, "International Political Marketing: A Case Study of United States Soft Power and Public Diplomacy", *Journal of Public Affairs,* Vol. 8, No. 3, 2008, pp. 165-183.

[5] David Shambaugh, "China's Soft-power Push", *Foreign Affairs,* Vol. 94, No. 4, 2015, pp. 99-107.

[6] Shashi Tharoor, "India as a Soft Power", *IIC Quarterly,* Vol. 35, No. 1, 2008. pp. 32-45.

[7] MA. Gjenis Haxhimehmeti, "The Soft Power of Small Countries: Kosovo Challenges and Potentials Based on the Experience of Switzerland and Slovenia", *ILIRIA International Review,* Vol. 5, No. 1, 2015, pp. 337-350.

[8] *Ibid.*

[9] Alan Chong, "Small State Soft Power Strategies: Virtual Enlargement in the Cases of the Vatican City State and Singapore", *Cambridge Review of International Affairs*, Vol. 23, No. 3, 2010, pp. 383-405.

[10] Md Sarwar Hossain, "Soft Power Aspirations and Bangladesh", *Dhaka Times,* 15 April 2014.

consistently been ranked amongst the most competitive small economies[11] and is keeping a strong stance of diplomatic boldness at international forums. Again, Thailand has successfully integrated tourism with medical treatment and traditional massage attracting tourists in great numbers from around.[12] South Korea has gained influence on global audiences through Korean Pop (K-pop), as illustrated by pop artist Psy's "Gangnam dance" that overtook the world. In the multi-dimensional and interdependent world, no country is staying behind in using their soft power resource. As a small state, it is also crucial for Bangladesh to endeavour its soft power capacity. In this respect, this paper limits its scope to explore the soft power potentials of Bangladesh.

Since its inception in 1971, Bangladesh foreign policy has been guided by the principle of "Friendship to all, malice to none". This remains primary driving force of Bangladesh foreign policy.[13] Fundamental principles that Bangladesh always sought to uphold in its foreign policy are: to work for national sovereignty and equality, non-interference in internal affairs of other states, peaceful settlement of international disputes and respect for international law and principles.[14] Principally, it encompasses: strive for renunciation of the use of force in international relations and for general and complete disarmament; support for the cause of world peace; uphold the cause of the United Nations (UN); opposition to all forms of colonial oppression and discrimination and support for people fighting for liberation and human rights etc.[15] It reflects that foreign policy of Bangladesh since independence does not advocate the use of hard power. Peace is the cornerstone of Bangladesh's foreign policy. In this respect, this paper argues that the concept of soft power offers a golden possibility for Bangladesh to achieve its foreign policy objectives by marking its footprints among international community. But it can only be achieved once Bangladesh undertakes necessary step to transform its soft power capacity (potential resources that Bangladesh has at its disposal) to soft power capability (ability to utilise those resources successfully in the conduct of foreign policy). While soft power resource capacity could be a necessary condition, soft power capability is a sufficient condition for soft power to come into effect.

Given this backdrop, this paper is an attempt to explore the soft power potentials of Bangladesh. The paper is qualitative in nature. It examines existing literatures on soft power that come from varieties of sources *e.g.,* government and non-government documents, academic journals, books and newspaper articles. It

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[11] Esther Teo, "Singapore Retains Spot as most Competitive Asian Economy: Report", *The Strait Times*, 15 March 2017.

[12] *Ibid.*

[13] M. Morshed Khan, "Foreign Policy Dimension: Issues, Options and Directions", in Abul Kalam (ed.), *Bangladesh in the New Millennium,* Dhaka: The University Press Limited, 2004, p. 59.

[14] Sajid Karim and Mohammad Jasim Uddin, "Foreign Policy of Bangladesh", *BIISS Journal,* Vol. 37, No. 4, 2016, pp. 339-362.

[15] Shaheen Afroze, *op. cit.*

also relies on semi-structured interview of the purposively selected respondents. The interviewees from academic and practitioners backgrounds are selected based on their expertise on the issue. For the convenience of the discussion, the paper is divided into five major sections including introduction and conclusion. The second section comprehensively discusses the soft power concept. The third section discusses potential soft power resources of Bangladesh. The fourth section assesses limitations of Bangladesh's soft power and suggests ways to use the resources to its optimum level. The fifth section concludes the paper.

2.   Concept of Soft Power

In the field of international relations, power is one of the central, crucial and most discussed concepts. Power can be defined as "the ability to achieve an individual or organisation's purposes or goals as well as the ability and strength to influence the behaviour of others to get desired outcome."[16] During the Cold War era, this ability to obtain the outcomes one desires was often linked with the possession of material resources such as population, industrial, economic and military power and natural resources. These parameters have traditionally been the benchmarks of applying hard power in international politics.[17] However, with the passage of time, the concept of power in international politics has become diffused. Due to globalisation, economic interdependence, rise of non-state actors, spread of technology, non-traditional security threats and changing political issues, the concept of soft power arrived in the world politics.[18] This section, by conceptualising the soft power, gives a working definition and an analytical framework to understand the soft power potentials of Bangladesh.

Although the term "soft power" was first coined by Joseph Nye Jr., the idea of soft power is not a modern invention; rather it can be found in the earlier writing of both western and non-western scholars. Yin Fan argues that the concept of soft power can be found in the works of Hans J. Morgenthau, Klaus Knorr and Ray Cline. He states that Morgenthau has identified national character, national morale, the quality of diplomacy and the quality of government among his concept of nine elements of national power.[19] Both Fan and Palit note that Carr's concept of 'power of opinion' is closely linked with soft power. Carr understood 'power of opinion' as abilities of countries to condition the opinions of others.[20] Other famous western thinkers such

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[16] Robert O. Keohane and Joseph S. Nye, *Power and Interdependence: World Politics in Transition*, Boston: Little Brown and Company, 1977, p. 11.
[17] Mithlesh Jayas Mukherji, "India's Rising Soft Power: Implications for India's Relations with Its Southern Asian Neighbours", *World Focus,* Vol. XXXVI, No. 8, 2015, pp. 102-110.
[18] *Ibid.*
[19] Ying Fan, "Soft Power: Power of Attraction or Confusion?", *Place Branding and Public Diplomacy,* Vol. 4, No. 2, 2008, pp. 147-158.
[20] *Ibid.*

as Foucault, Bourdieu, Gramsci and Habermas have also articulated soft power in implicit and contextual fashions.[21]

On the other hand, the root of soft power as an idea in the non-western philosophy goes even further back. Sun Tzu (544-496 BC) - a Chinese military strategist - advocated winning a battle without a fight 2500 years ago. Confucius (551-479 BC) wisdom also proclaims that the ruler should win the allegiance of people with virtue (soft power) not by force (hard power).[22] There is also historical existence of soft power in Indian statecraft, showcased in books like *Mahabharata, Manusmriti and Arthashastra*.[23]

The great credit of Joseph Nye Jr. is that he had summarised the ideas that were provided by the earlier scholars and brought them under a framework. He is also acknowledged for the popularity of soft power concept in the modern era, which he established through his works in, *Bound to Lead: The Changing Nature of American Power*[24]*, The Paradox of American Power: Why the World's only Superpower Cannot Go Alone?*[25]*, Soft power: The Means to Success in World Politics*[26] and *The Future of Power.*[27]

Joseph Nye Jr. noted that by the beginning of 1990s, the traditional hard power resources were becoming less important and there was rise of power of private actors and small states. He identified five trends that contributed to this diffusion of power: economic interdependence, transnational actors, nationalism in weak states, the spread of technology and changing political issues. In this context, Nye coined the term soft power or co-optive power.[28]

Nye defines power as, "the ability to alter the behaviour of others to get what you want."[29] He states that a country can affect others' behaviour in three ways: coercion (by the use of threats/military domination), payment (by inducing with rewards/economic influence) and attraction (attract and co-opt to get people to perform desired actions/influence through cultural and societal link).[30] He describes

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[21] Parama Sinha Palit, *op. cit.,* p. 4.

[22] Yan Fan, *op. cit.*

[23] Parama Sinha Palit, *op. cit.,* pp. 210-211.

[24] Joseph S. Nye, *Bound to Lead : The Changing Nature of American Power,* New York: Basic Books, 1990.

[25] Joseph S. Nye, *The Paradox of American Power: Why the World's Only Superpower Cannot Go Alone?,* New York: Oxford University Press, 2002.

[26] Joseph S. Nye, *Soft Power: The Means to Success in World Politics,* New York: Public Affairs, 2004.

[27] Joseph S. Nye, *The Future of Power*, New York: Public Affairs, 2011.

[28] Joseph S. Nye, "Soft Power", *Foreign Policy*, Vol. 80, 1990, pp. 153-171.

[29] Joseph S. Nye, "Think Again: Soft Power", *Foreign Policy,* 23 February 2006, available at http://foreignpolicy.com/2006/02/23/think-again-soft-power/, accessed on 25 January 2018.

[30] Joseph S. Nye, *Bound to Lead : The Changing Nature of American Power, op. cit.;* Joseph S. Nye, "Soft power", *Foreign Policy, op. cit.*; Joseph S. Nye, "Think Again: Soft Power", *op. cit.*; Joseph S. Nye, "Public Diplomacy and Soft Power", *Annals of the American Academy of Political and Social Science*, Vol. 616, No. 1, 2008, pp. 94-109.

the third way as soft power.[31] Over the years, Nye has provided a number of ways to define soft power. He described soft power as the ability of a country to influence the thinking of another country by using the attractive value of its culture, common values, political system and societal make-up as well as economic prowess.[32] In his 2004 book, Nye described soft power in a number of ways, including "the ability to shape the preferences of others" or "the ability to get others to want the outcome you want because of your cultural or ideological appeal."[33] Again, Nye defined soft power as the ability to get preferred outcomes through co-optive means of agenda-setting, persuasion and attraction.[34] The common theme in all these definitions is that soft power means using one's appeal to persuade other actors to gain one's desired end.

According to Nye, soft power capacity is based on three main resources: its culture (in places where it is attractive to others), its political values (when it lives up to them at home and aboard) and its foreign policy (when they are seen as legitimate and having moral authority). He has also defined each of the three resources. For him, 'culture' is the "set of values and practices that create meaning for a society"[35], which can be manifested through high culture (such as higher education) and low culture (such as popular culture). He refers 'political values' as the domestic and international policies of a government. The values that are promoted by a government in its domestic and international arena are part of this. 'Foreign policy' on the other hand, refers to the ways in which government formulates goals and works to pursue them.[36] Later, he has also discussed the importance of economic power as an important part of soft power framework.[37]

Joseph Nye also provided a model to show how the soft power resources can be translated into impact. In his model, he identified that the resources are converted into soft power through policy tools, conversion skill and target response.[38] The conversion process can be shown through following figure:

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[31] *Ibid.*
[32] Joseph S. Nye, *Bound to Lead : The Changing Nature of American Power, op. cit.,* p. 11.
[33] Joseph S. Nye, *Soft Power: The Means to Success in World Politics, op. cit.*
[34] Joseph S. Nye, *The Future of Power, op. cit.,* p. 16.
[35] *Ibid.*
[36] *Ibid.,* pp. 6-31.
[37] Joseph S. Nye, *Soft Power: The Means to Success in World Politics, op. cit.*
[38] Joseph S. Nye, *The Future of Power, op. cit.*

Figure: Conversion of Soft Power Resources to Behaviour (Outcomes)

Source: Joseph S. Nye, *The Future of Power*, New York: Public Affairs, 2011, p. 100.

Along with Nye, a number of other scholars have also contributed to the concept of soft power. According to Kurlantzick, soft power includes not only popular culture and public diplomacy but also more coercive economic and diplomatic levers like aid and investment and participation in multilateral organisations.[39]

Gallarotti, on the other hand, represents soft power as a form of meta-power. He describes meta-power as "situations in which power relations themselves are embedded within some greater constellation of social relations that influence those relations and thereby influence final outcomes that derive from the interactions among actors and greater set of social relations can skew the bargaining space in favor of the compliant actor."[40] He has also provided a list of domestic and international sources of soft power, which is much broader than the Nye's. The list of sources is given through following table:

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[39] Joshua Kurlantzick, *Charm Offensive: How China's Soft Power is Transforming the World,* New Haven, Connecticut: Yale University Press, 2007, p. 6.
[40] Giulio M. Gallarotti, "Soft Power: What It is, Why It's Important, and the Conditions under Which It Can be Effectively Used", *Journal of Political Power,* Vol. 4, No. 1, 2011, p. 12.

Table: Foundations of Soft Power	
International Sources	**Domestic Sources**
• Respect for international laws, norms and institutions • Fundamental reliance on multilateralism and disposition against excessive unilateralism • Respect for international treaties and alliance commitments • Willingness to sacrifice short-run national interests in order to contribute towards the collective good • Liberal foreign economic policies	**Culture** -Pronounced social cohesion -Elevated quality of life -Freedom -Sufficient opportunities -Tolerance -Alluring lifestyle **Political institutions** -Democracy -Constitutionalism -Liberalism/Pluralism -A well functioning government **Bureaucracy**

Source: Giulio M.Gallarotti, "Soft Power: What It is, Why It's Important, and the Conditions under Which It Can be Effectively Used", *Journal of Political Power,* Vol. 4, No. 1, 2011, p. 23.

Since the last decade, there has been a sharp increase in the non-western academic discourse on soft power. From the Chinese perspective, soft power is relative, intangible and uncontrollable and has entailed more of cultural diplomacy.[41] Additionally, it is also characterised by its pronounced economic content, diaspora, role of mass media[42], public diplomacy, foreign policy and institutions[43], multilateral diplomacy[44], overseas assistance programme, Chinese development model and good-neighbourly policy.[45] In China, two schools of thought have developed on soft power: one is cultural school and another is political school. Cultural school argues that the soft power is based on its cultural brands. On the other hand, the political school insists on the priority of participation in international institution building, strategic alliance with key partners and domestic reforms to balance economic development and social welfare.[46] Studies indicate both similarities and dissimilarities between China's and Nye's concepts of soft power. Both give emphasis on the three fundamentals: cultural diplomacy, multilateral

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[41] Parama Sinha Palit, *op. cit.,* pp. XVII-30.

[42] Ingrid d'Hooghe, *The Rise of China's Public Diplomacy,* Netherlands: Netherlands Institute of International Relations, 2007, p. 18.

[43] Kingsley Edney, Stanley Rosen and Ying Zhu (eds.), *Soft Power with Chinese Characteristics: China's Campaign for Hearts and Minds,* UK: Routledge, 2018.

[44] Yao Xu, "Communication Methods of Public Relations and China's Soft Power Building", *News Frontline*, Vol. 93, No. 7, 2007.

[45] Zheng Yongnian and Zhang Chi, "Soft Power in International Politics and an Observation of China's Soft Power", New Delhi: SAGE Publication, 2017, p. 30.

[46] Saurav Sarma, "China's Soft Power Dilemma", *World Focus*, Vol. XXXIII, No. 7, 2012, pp. 65-72.

diplomacy and overseas assistance programmes.[47] However, deviating from Nye's core positions, Chinese perspective argues that the sources of soft power come from three dimensions[48]: institutional power[49], identifying power[50] and assimilating power.[51] From Indian perspective, soft power lies among other things *e.g.,* in its democratic credentials, secular values, pluralistic society, considerable pool of English speaking professionals, Bollywood movies, food and handicrafts, diaspora, tourism, free media, its independent judiciary, dynamic civil society and impressive struggle for human rights.[52]

Unlike big states, few authors have talked about soft power of small states. Authors who write on small states soft power argue that the concept of soft power can be applied to any states *e.g.,* big, medium and small states that are able to influence others in multiple ways rather than militarily.[53] Nye describes that three types of countries can gain soft power *e.g.,* those whose cultures and ideals are closer to dominant global norms; those who are proficient in multiple channels of communication and so have more influence over the framing of issues; and those who are perceived as credible due to their domestic and international performance.[54] Nye's work remains particularly concerned about the use of USA's soft power. However, difficulties arise when applying Nye's soft power framework directly in the context of small states like Bangladesh.

Authors who worked on soft power of big or small states considered several resources in their analytical framework. These resources have been pertinent in the context of particular country. As for example, Alan Chong identified political economy potential, models of good governance and diplomatic mediation to analyse soft power of Vatican City State and Singapore.[55] Likewise, Kevin D. Stringer considered diplomatic, informational, cultural and economic elements to understand the soft power of Liechtenstein.[56] It is difficult to follow a single author's analytical framework to understand the soft power potentials of Bangladesh as no two small states are completely alike in their soft power capacity (potential resources *e.g*., political, cultural, economic and institutional that a country has at its disposal). Additionally, the concept of soft power is dynamic and expansive as new elements are incorporated by

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[47] Parama Sinha Palit, *op. cit.,* p. 20.
[48] Li Mingjiang, "China Debates Soft Power", *Chinese Journal of International Politics*, Vol. 2, 2008, pp. 287-308.
[49] It refers to a state's ability to propose or build new international institutions or arrangements.
[50] It refers to a state's ability to influence other states through the latter's recognition of its leadership role.
[51] It refers to the attraction of a state's cultural values, ideology and social system.
[52] David Malone, "Soft Power in Indian Foreign Policy", *Economic and Political Weekly,* Vol. XLVI, No. 36, 2011, pp. 35-39; C. Raja Mohan, "Indian Diaspora and Soft Power", *The Hindu*, 06 January 2003.
[53] Jacqueline Anne Braveboy-Wagner, "Small Power Influence: An Oxymoron? The Case of Trinidad and Tobago", paper presented at FLASCO-ISA, Buenos Aires, Argentina, 23-25 July 2014.
[54] Joseph S. Nye, *The Paradox of American Power: Why the World's Only Superpower Cannot Go Alone?, op. cit.,* pp. 20-25.
[55] Alan Chong, *op. cit.,* pp. 383-405.
[56] The Centre for Small States Studies, *Sovereign Liechtenstein: The Soft Power Projection of a Very Small State*, Iceland: University of Iceland, 2013.

scholars and academicians regularly,[57] which must also be taken into consideration for a comprehensive discussion.

Thus, the analytical framework employed for this paper is the construct of soft power by synthesising different scholar's analytical framework, mentioned above, in the context of Bangladesh. For the purpose of the paper, a working definition is provided here. Soft power is defined as the ability of a state to serve its national interest by increasing its positive image globally and influencing the decision of other actors (both state and non-state) without using hard power (coercion). Additionally, soft power may also be manifested through influencing the negotiating agenda at the global stage. This paper identifies political values, cultural resources, diplomacy, economic engagement and Non-Governmental Organisations (NGOs) as pertinent resources for analysing potential soft power capacity of Bangladesh. The analytical framework also identifies three requirements for five resources to constitute soft power base of the country: (a) appeal to and/or recognition from the relevant international audience (b) institutional arrangements that help not only promote but also utilise soft power resources and (c) success in terms of leveraging soft power resources in the conduct of foreign policy.

3.   Bangladesh's Soft Power Resources

Each country has some unique resources which have to be used for their advantage in soft power. Bangladesh is no different. It has unique cultural heritage and traditions and well recognised political values and NGOs. Additionally, it is doing well in practicing certain sorts of diplomacy *e.g.,* peacekeeping diplomacy, climate diplomacy and humanitarian diplomacy. All these can be considered as soft power capacity of Bangladesh. While assessing soft power of Bangladesh, it is necessary to assess both its soft power capacity and capability. It is not enough to have soft power resources. Resources need to be channelled to have real impact through soft power capability.

3.1   *Political Values*

In the soft power discourse, political values are the combination of a state's internal political system and political culture, compatibility of its ideology with the dominant global values and quality of leadership of individuals. Much of a nation's image in a foreign country depends on the political values that a state holds. Bangladesh's political values emphasise on peace, secularism, nationalism, democracy, gender equality and women empowerment, no use of force in international relations and complete disarmament, religious tolerance and socialism. Among these values, several values have the potential to constitute soft power base for the country.

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[57] Interview with Rashed Uz Zaman, Professor, Department of International Relations, University of Dhaka, 2018.

Bangladesh is a land where people of many religions and ethnicity are living with each other in harmony. Because of this political traits, western politicians refer to Bangladesh as a "moderate" as well as a "non communal" country.[58] President of the Pontifical Council for Inter-religious Dialogue in Vatican, Cardinal Jean-Louis Tauran, recognised Bangladesh "as an example of how it is possible for people of different religions to live together, cooperate together and simply be together."[59] In order to confirm this political value, the constitution of Bangladesh assures religious rights to its citizens as it states, "It provides for the right to profess, practice or propagate any religion". Article 28 (1) of the Constitution of the People's Republic of Bangladesh says, "The State shall not discriminate against any citizen on grounds only of religion, race, caste, sex or place of birth."[60] To maintain diversity and peace, Prime Minister Sheikh Hasina settled the Hill Tracts insurgency over 25 years through a peace agreement in 1997.[61] Additionally, to sustain religious tolerance, government of Bangladesh shows 'zero tolerance' for terrorism and militancy. Counter Terrorism and Transnational Crime (CTTC) unit was formed as a part of the Dhaka Metropolitan Police in 2014.[62] Besides, Bangladesh joined the Global Community Resilience Fund (GCERF) as a pilot country to prevent violent extremism. It is also collaborating with the UN for the implementation of the United Nations Secretary General's Plan of Action on Violent Extremism.[63]

Gender equality is another important recognised constitutional political value. Bangladesh has continued its signature national endeavour of women's empowerment and development and utilisation of women as agents of peace. In recognition of Prime Minister Sheikh Hasina's admirable leadership in women empowerment, she received the 'Planet 50-50 Champion' from the UN-Women 71st United Nations General Assembly (UNGA). She received the 'Agent of Change' recognition from the Global Partnership Forum. She was also invited by the director general of United Nations Educational, Scientific and Cultural Organization (UNESCO) to attend the Global Women Leaders' Forum in Sofia, Bulgaria in May 2016 as a keynote speaker and guest of honour. Women in Parliament (WIP) and UNESCO awarded her with the 'WIP Global Forum Award' for her leading role in reducing gender gap in political sphere in South and Southeast Asia in 2015 and 'Tree of Peace Award' for promotion of girls' and women's education in September, 2014.[64] To promote gender equality and women empowerment as a

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[58] Golam Sarwar Chowdhury, "A Moderate Muslim Country!", *The Daily Star,* 06 April 2010.
[59] Harun ur Rashid, "Bangladesh, a Model of Communal Harmony", *Bottom Line,* 11 May 2011.
[60] Article 28, *Constitution of the People's Republic of Bangladesh,* available at http://bdlaws.minlaw.gov.bd/sections_detail.php?id=367&sections_id=24549, accessed on 18 January 2018.
[61] Shakhawat Liton, "CHT Peace Accord: Achievement Sinks in Negligence", *The Daily Star,* 02 December 2016.
[62] Zaid Kalam, "Interactive: Bangladesh's Fight against Militancy Gained New Grounds in 2017", *The Daily Star,* 03 January 2017.
[63] "Foreign Policy Milestones of Bangladesh in 2016", available at https://turningpoints.bdnews24.com/2017/foreign-policy-milestones-of-bangladesh-in-2016/, accessed on 18 January 2018.
[64] "Sheikh Hasina Accolades with 18 Awards, 9 Honorary Doctorate degrees", available at http://en.ntvbd.com/bangladesh/10501/Sheikh-Hasina-accolades-with-18-awards-9-honorary-doctorate-degrees,

political value, Bangladesh has already undertaken certain initiatives *e.g.*, reserved 50 seats for women in the national parliament, 10 per cent quota for gazetted and 15 per cent for non-gazetted post and 33 per cent positions of all committees in the political parties, established Joyeeta Foundation to promote women entrepreneurship, ratified Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in 1984 and sent two Female Police Units (FPUs) to the UN Peacekeeping Missions in Haiti and Democratic Republic of Congo.[65]

In its resolve to contribute to international peace, Bangladesh continues to support 'no use of force' in international relations and total disarmament. The UN has widely acclaimed its initiatives to uphold peace in South Asia and beyond.[66] In order to promote its longstanding position for peace, non-violence and disarmament, Bangladesh has taken certain initiatives. At the 66th UNGA, Prime Minister Sheikh Hasina presented a peace model named "People's Empowerment and Development" which was accepted by the UN as a resolution. Bangladesh pioneered the UN Culture of Peace resolution adopted in the 52nd session of the General Assembly in 1997 which proclaimed the year 2000 as "International Year for Culture of Peace." It also pioneered the initiative to declare 2001-2010 as the "International Decade of Culture of Peace and Non Violence for the Children of the World".[67] It entered into partnerships with Russia, India and Japan for peaceful uses of nuclear energy.[68] It has also joined in voicing concern over the resurgence of the use or the threat of use of Weapons of Mass Destruction (WMDs) involving chemical, biological and radioactive materials. It was elected as a member of the Executive Council of the Prohibition of Chemical Weapons (OPCW) for the 2016-18 terms.[69] On the domestic front, Bangladesh has initiated national legislation for disarmament treaties (for example, the Biological and Toxic Weapons Convention). Additionally, as an effort to ensure the peaceful use of chemical materials, it hosted the Asian Chemical Congress in Dhaka in 2017.[70]

Religious tolerance, communal harmony, gender equality and non-violence in international relations are relevant to the foreign policy of Bangladesh in two ways. Firstly, these internationally well recognised political values help in defending the viability of statehood as alternative is the humiliation of foreign intervention.

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accessed on 15 May 2017.

[65] Ministry of Women and Children Affairs, "Prime Minister Sheikh Hasina's Commitment Gender Equality and Women Empowerment", available at https://mowca.portal.gov.bd/sites/default/files/files/mowca.portal.gov.bd/publications/e3a8842d_ab43_42f8_91b1_2e18356cd888/Women%20Empowerment%20%20Flyer%20Final%20%2002102016.pdf, accessed on 15 May 2017.

[66] Md Shariful Islam, "Exploring Soft Power of Bangladesh", *Kutniti,* 02 October 2015, available at kutniti.com/index.php/2015/10/02/exploring-soft-power-of-bangladesh/, accessed on 28 February 2016.

[67] *Ibid.*

[68] Dipanjan Roy Chaudhury, "India, Russia, Bangladesh Sign Tripartite Pact for Civil Nuclear Cooperation", *The Economic Times,* 01 March 2018.

[69] "Bangladesh Elected EC Member of OPCW", *The Independent,* 16 May 2018.

[70] "Foreign Policy Milestones of Bangladesh in 2016", *op. cit.*

Secondly, circulation of these political values through regime norms and political discourses aligned to its allies and friendly international organisations certainly has brought its usual partners closer and created new areas of partnership through mutual understanding, cooperation and shared benefits. Religious tolerance is vital for Bangladesh's economy as the country's largest share of foreign earnings comes from remittances sent by Bangladeshi migrant workers residing in the Gulf Cooperation Council (GCC) countries.[71] Circulation of religious tolerance and communal violence through the Bangladesh government's ideological stance has significantly influenced Bangladesh-India relations since 2009. Many agreements have been signed between the two countries especially in security arena. Such cooperation has reduced mutual mistrust and suspicion between them.[72]

3.2   *Cultural Resources*

Cultural resources basically refer to both unique tangible and intangible assets which are able to attract others by creating positive image of the country. Bangladesh is a country of diversified culture enriched with cultural resources.[73] Historical, archaeological and natural sites, arts and crafts, language, literature, movies, sports, music, dance, cuisine etc., all are part of its cultural resources. Among these enormous cultural resources, certain resources constitute soft power base of the country.

The 1952 Language Movement and 1971 Liberation war of Bangladesh are major cultural keystones with international recognition. 98 per cent of Bangladeshi population speaks in Bengali[74] and it is the only country which has history of protesting and sacrificing lives for their mother tongue. UNESCO has declared 21st February as the International Mother Language Day by recognising the significance of language movement.[75] The historic 7th March speech of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, has been included in the Memory of the World International Register. It is a list of the world's important documentary heritage maintained by UNESCO.[76]

Bangladesh has a rich tradition of folk songs. *Bhatiali*, *Baul*, *Marfati*, *Murshidi* and *Bhawaiya* are the most prevalent in its folk songs collection. Additionally, lyricists like Lalon Shah, Hason Raja, Kangal Harinath, Abbas Uddin have enriched the traditional folk culture of Bangladesh. In 2008, UNESCO enshrined Bangladesh's Baul songs in

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[71] Sajid Karim and Mohammad Jasim Uddin, *op. cit.*
[72] Bhumitra Chakma, "Sheikh Hasina Government's India Policy: A Three-level Game?", *Journal of Asian Security and International Affairs,* Vol. 2, No.1, 2015, pp. 27-51.
[73] Interview with Amena Mohsin, Professor, Department of International Relations, University of Dhaka, 2018.
[74] Reece Jones, "Searching for the Greatest Bengali: The BBC and Shifting Identity Categories in South Asia", *National Identities,* Vol. 10, No. 2, June 2008, p. 157.
[75] BBC Media Action, "Country Case Study: Bangladesh", available at http://downloads.bbc.co.uk/mediaaction/pdf/bangladesh.pdf, accessed on 25 February 2017.
[76] "UNESCO Recognises Bangabandhu's 7th March Speech", *The Daily Star,* 31 October 2017.

its representative list of the Intangible Cultural Heritage of Humanity.[77] Fancy pots, fancy dolls, *nakshi kantha*, *nakshi pakha*, *nakshi shika*, *rickshaw* art, terracotta slabs, *Jamdani* and *Muslin* cloth are the examples of the rich folk art and craft of Bangladesh. UNESCO has declared *Jamdani* handicraft as sole tradition and intangible cultural heritage of Bangladesh.[78] Besides, traditional art of *Shital Pati* weaving of Sylhet has been included in the UNESCO's Representative List of the Intangible Cultural Heritage (ICH) of Humanity. The recognition came at the 12th session of the Intergovernmental Committee for the Safeguarding of the ICH.

Bangladesh has numerous historical, archaeological and natural sites, the world's longest natural sandy sea beach Cox's Bazar, world's single largest mangrove forest Sundarbans, the Saint Martin Island, Kuakata beach, tea gardens of Sylhet, Paharpur, Mahasthangarh and Mainamati.[79] Among these sites the Sundarbans, Historic Mosque in the city of Bagerhat and Ruins of the Buddhist Vihara at Paharpur have been declared by UNESCO as World Heritage Site in Bangladesh.[80] Mahasthangarh is recognised as a SAARC Cultural Capital for the year 2017.[81] Additionally, traditional festival and cuisine are important elements of soft power. *Pohela Boishakh*, celebrated on 14th April each year, is one of the traditional festivals and a tool of Branding Bangladesh. Celebration of this festival is incomplete without the colourful possession known as *Mangal Shobhajatra* which, in 2016, UNESCO recognised as an Intangible Cultural Heritage of Humanity.[82] Bangladeshi cuisines (*Rasmalai*, *Rasgulla*, *Chingri Malai Curry*, *Panta bhat* with hilsa, hilsa with mustard, *bakarkhani*, *kachchi* and *pakki biryani*, *haleem*, mutton *bhuna khichuri*) are powerful agents for shaping public perception. Hilsa gets recognition of Geographical Indication (GI) product and modern day sweet brand, Premium Sweet, is spreading in Canada, Australia and the US.[83]

In order to promote and utilise these internationally recognised cultural resources, Bangladesh has undertaken certain initiatives. It signed cultural exchange programme with China for the year 2009 to 2012 and with India for the year 2015 to 2017. It also signed Memorandum of Understandings (MoUs) and cultural agreements with countries of East Asia and the Pacific like China, Japan and South Korea.[84] The

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[77] "UNESCO Recognition of Baul Songs, Jamdani Celebrated", *The Independent*, 25 February 2018.

[78] Md. Nawrose Fatemi, "Folk Arts and Crafts of Bangladesh-their Uniqueness in *Naksha*", paper presented in the National Workshop on *Implementation of the UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage (ICH) in Bangladesh,* organised by UNESCO, Dhaka, 17-20 July 2013.

[79] Wahida Shahan Tinne, "Nation Branding: Beautiful Bangladesh", *Asian Business Review*, Vol. 2, No. 1, 2013, pp. 31-36.

[80] Sanjay Chandra Roy and Mallika Roy, "Tourism in Bangladesh: Present Status and Future Prospects", *International Journal of Management Science and Business Administration,* Vol. 1, No. 8, 2015, pp. 53-61.

[81] Rajib Kanti Roy, "Mahasthangarh: The SAARC Cultural Capital", *Daily Sun,* 20 January 2017.

[82] "UNESCO Lists *Mangal Shobhajatra* as Cultural Heritage", *The Daily Star,* 01 December 2016.

[83] Md. Sarwar Hossain, *op. cit.*

[84] "Agreements/MoUs between Bangladesh & the Countries of East Asia and Pacific", available at http://www.mofa.gov.bd/media/agreementsmous-between-bangladesh-countries-east-asia-and-pacific,

External Publicity Wing of Ministry of Foreign Affairs (MoFA), since 2010, has also undertaken initiatives like "Visit Bangladesh" programme to promote Bangladesh's cultural heritage. Under this, foreign journalists visit Bangladesh for 7-8 days. The wing also publishes book reflecting the rich culture and history of Bangladesh. In 2016, it arranged a photo exhibition in collaboration with Shilpakala Academy. Later, those photos were incorporated in a book named "1971 Emergence of A Nation: A Multimedia Exhibition" and it was circulated in foreign missions abroad. Besides, Bangladesh Embassies also arrange different events every year in order to celebrate International Mother Language Day, Victory Day, *Pohela Boishakh* keeping the cultural heritage in mind.

Cultural resources contribute to the foreign policy of Bangladesh in two ways. Firstly, it contributes to Bangladesh's economy through cultural tourism. The World Tourism Organization defines cultural tourism as a discrete product category that is differentiated from other tourism activities or attractions by consumption of a destination's tangible and intangible cultural heritage.[85] According to the World Travel and Tourism Council (WTTC), the total contribution of travel and tourism to Bangladesh's Gross Domestic Product (GDP) was US$ 10.6 billion, 4.3 per cent of GDP in 2016, and is to rise by 7.1 per cent to US$ 22.6 billion, 4.7 per cent of GDP in 2027. In 2016, the total contribution of travel and tourism to employment was 3.8 per cent of total employment. This is expected to rise by 1.8 per cent in 2027. Bangladesh has generated US$ 140.0 million, 0.4 per cent of total exports in 2016 through visitor's exports. This is likely to grow by US$ 324.2 million in 2027.[86]

Secondly, cultural resources facilitate an environment conducive for negotiation and cooperation through practicing cultural diplomacy. Culture as a diplomatic component is nothing new. It is closely interlinked with the diplomatic history. It refers to the "the exchange of ideals, information, values, systems, traditions, beliefs and other aspects of culture among nations."[87] Cultural diplomacy through utilising cultural resources can help Bangladesh to foster mutual understanding, create trust and positive image about itself. It will also help Bangladesh to build broad support for economic and political goals and promote national interest. Additionally, it will aid in changing the policies or political environment and prevent, manage and mitigate conflict with the target nation.

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accessed on 18 March 2017.

[85] Md. Wahidur Rahman, "Cultural Tourism and Bangladesh: An Overview", *Bangladesh Research Publications Journal,* Vol. 7, No. 1, 2012, pp. 6-15.

[86] World Travel and Tourism Council (WTTC), "The Economic Impact of Travel and Tourism March 2017", available at https://www.wttc.org/-/media/files/reports/economic-impact...2017/world2017.pdf, accessed on 18 April 2017.

[87] Institute for Cultural Diplomacy, available at www.culturaldiplomacy.org/index.php?en, accessed on 18 January 2017.

3.3 *Diplomacy*

Diplomacy is the art and practice of conducting negotiations between representatives of states and international organisations in the conduct of international relations.[88] Bangladesh has been pursuing multiple sorts of diplomacy *e.g.*, peacekeeping diplomacy, humanitarian diplomacy, energy diplomacy, regional diplomacy, climate diplomacy, cultural diplomacy, host diplomacy and maritime diplomacy in order to advocate its national interest, economic development and image. Among these, certain sorts of diplomacy have the potential to constitute soft power base of the country.

In the context of Bangladesh, peacekeeping diplomacy could mean diplomatic apparatus to have a constructive role to play in UN peacekeeping missions in order to participate and contribute to the maintenance of global peace and security. As of December 2017, there are 7,246 Bangladeshi troops and police personnel in 10 UN peacekeeping missions around the world,[89] making it the second largest contributor of troops and police in UN peacekeeping in 2017.[90] It is recognised as a leader in UN peacekeeping operations. "Bangladesh troops lead global peacekeeping"- the headline of *Al Jazeera* on 29 May 2012 is a good example of how peacekeeping missions got recognition from international audience.[91] The contribution of Bangladesh has been recognised several times in the Security Council. In recognition and appreciation to the contribution made by the Bangladeshi peacemakers, Sierra Leone has declared Bangla as their 2nd language and Liberia has named one of their capital's major streets after Bangladesh. Even a few African countries have set up schools naming Bangladesh.[92]

Bangladesh has undertaken several initiatives in order to promote and utilise its image in UN peacekeeping mission. As the Chair of the UN Peacebuilding Commission in 2012, Bangladesh organised the first ever summit level meeting of the Commission in New York on the sideline of 67th UNGA session. The meeting was chaired by Prime Minister Sheikh Hasina. To ensure longer-term peacebuilding and sustainable development, she mobilised support of global political leadership towards incorporation of a peacebuilding perspective in the mandates of the peacekeeping operations.[93] In line with Bangladesh's commitment to this, it is in the process of establishing 'Bangladesh Peacebuilding Centre' to develop specialised capacity for a

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[88] Ronald Peter Barston, *Modern Diplomacy*, New York: Routledge, 2014, pp. 17-20.
[89] United Nations Peacekeeping, "Bangladesh: Three Decades of Service and Sacrifice in UN Peacekeeping", available at https://peacekeeping.un.org/en/bangladesh-three-decades-of-service-and-sacrifice-un-peacekeeping, accessed on 26 January 2018.
[90] "Reception of Bangladesh 30 Years of Peacekeeping", available at https://www.un.org/pga/72/2018/04/25/reception-of-bangladesh-30-yehttps://www.un.org/pga/72/2018/04/25/reception-of-bangladesh-30-years-of-peacekeeping/ars-of-peacekeeping/, accessed on 22 May 2018.
[91] Md Shariful Islam, *op. cit.*
[92] "Why Bangla is an Official Language in Sierra Leone", *Dhaka Tribune,* 28 May 2018.
[93] "Bangladesh's Diplomatic Role in UN Peacekeeping and Peacebuilding", *Saudi Gazette,* 28 May 2018.

range of peace building activities including electoral management, administrative, judicial and security sector reforms, human rights promotion and protection, disaster management, women's empowerment and socio-economic development. Bangladesh is also currently developing a National Strategy on Peace Support Operations to provide general guidance for coordination and capacity-building to add further value to Bangladesh's participation in UN-led peace-support operations.[94]

Bangladesh's peacekeeping diplomacy has become relevant in the conduct of foreign policy in several ways. First, it will allow Bangladesh to place its nationals in key positions in international organisations, to influence in shaping the international system and to enhance its prestige and standing in the international community. Consequently, Bangladesh's clout in international and multilateral settings will grow accordingly and it will be able to attract greater economic assistance and foreign investment for its economy. Second, it allows Bangladesh to develop relations with the conflict-prone regions and countries. As for example, the economic relations between Bangladesh and Sierra Leone have been largely influenced by the contribution of Bangladesh forces as part of UN Peacekeeping mission in Sierra Leone.[95] Third, the interpersonal aspect of international peacekeeping is most recognised in the form of technical training. Bangladesh's participation in peacekeeping operations provides a good opportunity for countries to test their equipment in harsh settings. Particularly, they get to know how more advanced armies operate as they are exposed to many different systems of military management and equipment of other countries.

Climate diplomacy could mean the diplomatic apparatus of Bangladesh to project its vulnerability due to global climate change at international forums in order to increase its influence in international climate change policy and on negotiation processes. Bangladesh has already gained some reputation for its efforts in climate negotiations. Prime Minister Sheikh Hasina has received the 'United Nations Champion of the Earth' award for her "outstanding leadership on the frontline of climate change".[96] Bangladesh has also become a leading voice among the least developed countries in the Conference of the Parties (COPs). Alice Baillat[97], in her doctoral dissertation titled "The Weak Power in Action: Bangladesh Climate Diplomacy" highlighted Bangladesh's climate leadership role. The ministerial level meeting of the Climate Vulnerable Forum (CVF) held in 2011 in Bangladesh speaks about the success of Bangladesh in climate negotiations.[98]

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[94] *Ibid.*

[95] "4 Years Bengal Agro Project as US$ 39m Bangladeshi Investment Poured for Agriculture", *Awoko,* 28 May 2018.

[96] "Hasina Receives Champions of the Earth Award", *Prothom Alo*, 28 September 2015, available at http://en.prothomalo.com/bangladesh/news/80823/Hasina-receives-Champions-of-the-Earth-award, accessed on 26 June 2017.

[97] Alice Baillat is Research Fellow at *Institut de Relations Internationales et Stratégiques* where she works for the new Observatory on Climate and Defence funded by the French Ministry of Defence. Her research mostly deals with migratory and security consequences of climate change and international climate negotiations.

[98] Saleemul Huq, "The Climate Vulnerable Forum Has Come of Age", *The Daily Star,* 18 November 2015.

Bangladesh has undertaken several initiatives and strategies both nationally and internationally in order to promote and utilise its image in climate diplomacy. Nationally, Bangladesh has initiated a number of policies, programmes and plan of actions. Of those, National Adaptation Programme of Action (NAPA) in 2005, Bangladesh Climate Change Strategy and Action Plan (BCCSAP) in 2009, upcoming long-term National Adaptation Plan (NAP), the Seventh Five Year Plan (FYP) 2016-2020, National Climate Fund in 2009, *etc* are some of the important ones.[99] Bangladesh has been very proactive to develop forward-looking policy initiatives to mitigate adverse impacts of climate change.

In global climate negotiation, Bangladesh is practising two main kinds of strategies. First one relates to moral leadership. Being the least responsible for greenhouse gas emissions, Bangladesh is considered as one of the most vulnerable states and one of the "innocent victims" of climate change. This recognition gives a moral leadership which is an important asset for Bangladesh in negotiations. Strategically, by using the alarmist scenarios of its vulnerabilities, Bangladesh raises international attention. Consequently, it puts pressure on developed countries to have the moral right to request strict targets, to have priority in receiving funding for adaptation and technology transfer and to demand immediate, ambitious and binding action from all countries. At each COP of the United Nations Framework Convention on Climate Change (UNFCCC), Bangladesh has played an essential role in putting contentious issues, such as climate migration and loss and damage, on the agenda.

Second strategy relates to coalition building with state and non-state actors.[100] It is aligning itself with countries facing similar problems due to global warming and climate change to ensure its effective participation and influence.[101] Bangladesh is a member of the G77+China group, the Least Developed Countries (LDC) group and the Climate Vulnerable Forum (CVF). Before the Paris COP21 Conference, it hosted a conference of developing countries to coordinate policies of the developing countries and foster a common position on the issue. Similar to COP21, prior to COP23, Bangladesh delegates interacted well within G77, LDC and CVF groups focusing on the issues of its concerns.[102]

Bangladesh's climate diplomacy has become relevant in the conduct of foreign policy in two ways. Firstly, Bangladesh's climate diplomacy has incited renewed attention from foreign scientists to develop pilot research projects and new

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[99] Sultana Jareen and Roksana Islam Sujana, "Climate Change Adaptation Efforts of Bangladesh: An Assessment", *BIISS Journal,* Vol. 37, No. 2, 2016, pp. 165-167.

[100] Meraz Mostofa, "Climate Change is a Matter of Survival", *Dhaka Tribune,* 11 January 2018.

[101] Sajid Karim and Mohammad Jasim Uddin, *op. cit.*

[102] Bhumitra Chakma, "Environmental Justice: the Case of Bangladesh", available at https://www.bisa.ac.uk/index.php?option=com_bisa&task...https://www.bisa.ac.uk/index.php?option=com_bisa&task...paper...paper...paper...paper...paper, accessed on 31 December 2017.

methodologies on climate change. The Action Research for Community Adaptation in Bangladesh (ARCAB) is a collaborative platform for action-research on community-based adaptation to climate change. "Gobeshona conference" is another platform that brings national and international scientists and practitioners working on climate change each year in Bangladesh to share knowledge for mutual benefit.[103] It helps Bangladesh to play leadership role in scientific studies of climate adaptation as well as gives greater visibility and authority to influence global climate change regime. Bangladesh needs huge amount of investment for its adaptation and mitigation efforts. As public funding is inadequate, it needs funding from both domestic and international sources to bridge the gap. In this respect, Bangladesh's climate diplomacy has garnered attention from international donors. Bangladesh has already sent proposal to Green Climate Fund (GCF). It is one of the few countries to be able to get US$ 40 million grant from GCF for its "Climate Resilient Infrastructure Mainstreaming" (CRIM) project. It was also the largest of the eight projects that GCF decided to fund globally first. The project will have a cost of US$ 82.29 million, of which GCF has been requested to provide US$ 74.45 million.[104]

Humanitarian diplomacy persuades decision makers and opinion leaders to act in the interests of vulnerable people and with full respect for fundamental humanitarian principle. As a political tool of constituting soft power, the government of Bangladesh has been pursuing humanitarian diplomacy[105] *e.g.*, in the case of forcibly displaced Rohingya. The government itself spent more than US$ 7.1 million as of November 2017[106] and also allocated 2,000 acres land in Thengar Char in Hatia for the Rohingyas.[107] Bangladesh has also urged other nations to come forward to help the Rohingyas as well. Bangladesh's diplomacy has been successful in attaining international attention towards Rohingya crisis with the UN, the USA and the Organisation of Islamic Cooperation (OIC) members condemning violence and providing humanitarian aid. Honourable Prime Minister's five-point proposal to resolve the Rohingya humanitarian crisis was also discussed in the UN Security Council.[108] Bilaterally, Bangladesh has also signed an agreement with the Myanmar government for Rohingya repatriation.[109] As to how humanitarian diplomacy is relevant to Bangladesh's foreign policy, there are two separate ways to look at it.

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[103] Alice Baillat, "Bangladesh as a Weak Power Climate Leader", available at http://www.icccad.net/bangladesh-as-a-weak-power-climate-leader/, accessed on 31 May 2018.

[104] "Getting Bangladesh Ready for Green Climate Fund: Updates from Bangladesh's National Designated Authority (NDA)", *Dhaka Tribune,* 30 May 2018.

[105] Available at https://www.diplomacy.edu/courses/humanitarian, accessed on 24 June 2018.

[106] Asif Showkat Kallol, "Govt to Allocate Additional Funds for Rohingya Refugees", *Dhaka Tribune,* 26 November 2017.

[107] "Govt Allocates 2,000 Acres for Rohingyas", *The Daily Star*, 11 September 2017.

[108] Sheikh Shahriar Zaman, "UN Security Council to Discuss Bangladesh PM Hasina's 5-point Proposal on the Rohingya", *Dhaka Tribune,* 27 September 2017.

[109] "Rohingya Crisis: Bangladesh and Myanmar Agree Repatriation Timeframe", *BBC,* available at https://www.bbc.com/news/world-asia-42699602, accessed on 25 June 2018.

Bangladesh's humanitarian efforts have received praise worldwide and boosted its image significantly. On the other hand, on the goal of solving the Rohingya crisis, the progress of reaching a solution to the Rohingya problem has been slow and Bangladesh could have received more support from international community.

3.4   *Economic Engagement*

In the current world, economic engagement has been noted as important soft power resources. Economic engagement as soft power resource refers to the use of aid, grants/loans, foreign direct investment and trade to influence and attract others. Bangladesh has always been at the receiving end of the economic assistance but government has provided significant economic assistance to the recent forcibly displaced Rohingyas. In terms of foreign direct investment, Square pharmaceutical has planned to build a factory in Kenya's export processing zone. In terms of trade, export of Ready Made Garments (RMGs), tea, jute, leather, handicraft, fish, dry food and cheap manpower has earned good reputation around the world. Export of RMGs and cheap manpower constitutes soft power base for Bangladesh.

Bangladesh is the 2nd largest exporter of the RMGs in the world and 'Made in Bangladesh' labels are now common in American and European stores.[110] McKinsey and Company has called Bangladesh the 'next China' and predicted that Bangladeshi garment exports, now about US$ 18 billion a year, could triple by 2020.[111] However, this remarkable achievement was undermined by industrial accidents that claimed many lives in the past years. But recovery after the Rana Plaza collapse in 2013 was the best example for Bangladesh's resilience. A number of measures have been undertaken for the promotion and utilisation of the RMG sector in Bangladesh. Three associations *e.g.*, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Textile Mills Association (BTMA) are working currently for the improvement of this sector. These organisations along with International Labour Organization (ILO) and International Training Centre (ITC) are implementing training programmes on worker-management relations, occupational safety and health and labour laws for both factory management and workers. Additionally, national and international reform platforms - NAP, Accord and Alliance - have made visible progress to ensure workplace safety.[112] Bangladesh government has agreed to provide all kinds of support to build "Garment Industrial Park" close to Dhaka-Chattagram highway on the bank of Meghna river (Munshiganj). However, the main purpose of this industrial park

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[110] Fatima Chowdhuri, "Bangladesh RMGs: Achievements and Future Potential", *The Daily Observer*, 22 June 2018.
[111] Wahida Shahan Tinne, *op. cit.*
[112] "Bangladesh Garment Manufacturers and Exporters Association", available at http://www.bgmea.com.bd/home/pages/aboutgarmentsindustry, accessed on 06 May 2017.

will be to relocate the non-compliant factories that have been marked by the inspections of Accord, Alliance and NAP. Many RMG factories at their own are adopting green technologies and practices. Already a number of RMG factories have achieved Leadership in Energy and Environmental Design (LEED) certification from US Green Building Council (USGBC) for their green practices. Besides, regular arrangement of trade shows and fairs are essential for RMG sector to flourish. In this regard, Grameentech Bangladesh has regularly arranged comprehensive technology trade show.[113]

Bangladesh sent 1.0 million workers abroad in the year 2017.[114] According to Bureau of Manpower, Employment and Training (BMET), from the year 1976 to 2016, nearly 10 million people migrated[115] to overseas.[116] Bangladeshi workers have been noted to be hardworking and many countries of Middle East are willing to import more labour migrants from Bangladesh.[117] Bangladesh has undertaken several initiatives both nationally and internationally in order to promote and utilise its image as one of the largest exporters of cheap manpower. Nationally, the government of Bangladesh has initiated efforts to address problems confronting its labour migration process. The Ministry of Expatriates' Welfare and Overseas Employment is the highest government body responsible for migrant welfare and employment overseas. BMET is responsible for regulating the process of overseas employment by providing migration-related information to workers and families. A Wage Earners' Welfare Board under the BMET is mandated to provide various services to migrant workers. An expatriate welfare bank, the Probashi Kalyan Bank, has been set up to provide credit for meeting migration costs, assist for smooth transfer of remittances at low cost and encourage investment in productive sectors. Additionally, Bangladesh Overseas Employment Services Limited (BOESL) has been established to facilitate the recruitment process.[118]

Internationally, Bangladesh has consistently advocated to address large scale migration in a more humane and coordinated manner. Accordingly, it has envisioned and proposed the Global Compact for Migration to facilitate safe, regular and orderly migration. This will bring the existing instruments on migration together in a common framework. Bangladesh has hosted the 9th Global Forum on Migration

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[113] M. Saiful Islam, Md. Abdur Rakib and ATM Adnan, "Ready-Made Garments Sector of Bangladesh: Its Contribution and Challenges towards Development", *Journal of Asian Development Studies,* Vol. 5, No. 2, 2016, pp. 50-61.

[114] "Remittance Constitutes 7.24 Percent of Bangladesh's GDP", *The Independent,* 08 March 2018.

[115] Migration is the movement by people from one place to another with the intentions of settling temporarily in a new location for the main purpose of employment.

[116] Muhammad Rabiul Islam Liton, Md. Alauddin and Md. Nazmus Sadekin, "Overseas Employment and Remittance Inflow in Bangladesh", *International Journal of African and Asian Studies,* Vol. 21, 2016, pp. 57-63.

[117] Ashfaqur Rahman, *op. cit.*

[118] "Overseas Employment of Bangladeshi Workers: Trends, Prospects and Challenges" *ADB Brief,* No. 63, August 2016.

and Development (GFMD) in Dhaka on 10-12 December 2016. It ratified the UN Convention on Protection of Rights of All Migrant Workers and Members of their Families in 2011 and submitted its initial report in 2015. It also played an important role in incorporating migration in the sustainable development agenda 2030. Besides, Bangladesh has signed bilateral agreements with Kuwait and Qatar and MoUs with Hong Kong, China, Jordan, the Republic of Korea, Libya, Malaysia, the Maldives, Oman and United Arab Emirates.[119]

Economic interest is a crucial aspect of national interest. Therefore, national interests have been more economic than political and foreign policy is ever increasingly being guided by economic factors.[120] In this respect, trade of RMG and manpower certainly help to promote economic diplomacy. In addition, manpower and RMG export act as a catalyst for the development of Bangladesh by eradicating poverty, offsetting unemployment, contributing to the national economy, increasing reserves and overall economic growth of Bangladesh. In the fiscal year 2016-2017, the RMG industry generated US$ 28.14 billion, which was 80.7 per cent of the total export earnings and 12.36 per cent of the GDP. More than four million workers are directly employed in this sector.[121] From manpower export, Bangladesh has earned US$13.6 billion remittance in 2016. According to Swiss Agency for Development and Cooperation (SDC) and Refugee and Migratory Movements Research Unit (RMMRU), only 13 per cent of international migrants' family is living under poverty line, whereas 40 per cent of non-migrant family and 46 per cent internal migrants' family live below poverty line.[122] Remittances have accounted for 61 per cent of foreign exchange reserves and constituted 7.24 per cent of Bangladesh's GDP in 2017.[123] Bangladesh's export of RMG products and low-cost manpower play significant role in the conduct of its foreign policy.

3.5   *Non-Governmental Organisations*

Joseph Nye opines that NGOs are important source of soft power for countries. According to him, "Much of America's soft power is generated by its NGOs rather than its government."[124]As a soft power resource, NGOs refer to those organisations that generate new norms and ideas in order to address both national and international challenges on different issues. In this regard, Bangladesh has potential to convert success of NGOs into meaningful soft power.

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[119] Tasneem Siddiqui, "International Labour Migration: Hurdles Ahead", *The Daily Star,* 05 February 2016.
[120] "Save RMG Sector", *The New Nation,* 08 January 2018.
[121] Sajid Karim and Mohammad Jasim Uddin, *op. cit.*
[122] Tasneem Siddiqui, *op. cit.*
[123] Bilkis Irani, "GDP Growth Peaks at 7.24% Breaking all Records", *Dhaka Tribune,* 14 May 2017.
[124] Joseph S. Nye, "The Information Revolution and Soft Power", *Current History,* Vol. 113, No. 759, 2014, p. 20.

Bangladesh has a large number of NGOs and civil society organisations which are vocal on a wide range of issues. Organisations like Centre for Policy Dialogue (CPD), Transparency International Bangladesh (TIB), ActionAid, Bangladesh Rural & Advancement Committee (BRAC), *etc.* have been working freely in Bangladesh. CPD works with multiple networks of global NGOs and is head of a network of Southern Think Tanks named Southern Voice.[125] On the other hand, innovation of micro-credit or social business is an important contribution of Grameen Bank. These models are replicated in several developing countries of Asia and Africa.[126] Consequently, Bangladesh is widely regarded as founder of the microcredit and social business.[127]

Bangladesh government has always been very supportive towards the development of NGOs in Bangladesh and abroad. The government sees the NGOs of Bangladesh as important partner in development. In the UN negotiations, there is an increasing involvement of the NGOs. Bangladeshi NGOs have been using that space to support the Bangladeshi cause. Examples of such can be found in the international negotiations regarding climate diplomacy, migration and attainment of the Millennium Development Goals (MDGs). In climate diplomacy, the current trends of GoB, related to forming negotiation team for the UNFCCC negotiation, reveal that experts from academic community and civil society are included in the team, apart from the government officials.[128] Both government and non-government organisations have contributed to the progress of climate diplomacy in Bangladesh.[129] Other than that, the NGOs and civil society organisations also provide valuable input in any kind of negotiation relating to development processes. Bangladeshi NGOs are also part of the UN Sustainable Development Solutions Network, a UN platform for including NGOs in the Sustainable Development Goals (SDGs) process. These reveal that in the international negotiations, Bangladeshi NGOs are participating actively. These NGOs and their initiatives and achievements have gained international recognition and certainly influence foreign policy of Bangladesh.

For example, as an NGO, BRAC is pioneering Bangladeshi brand to other countries. BRAC as an NGO fulfils all the three criteria of being a soft power resource: it has global appeal; it has the institutional arrangement to make the appeal work; and its involvement in international arena has implications for foreign policy as well.[130] BRAC has been recognised internationally for its contribution in poverty alleviation, education, climate action and MDGs.[131] The founder and the organisation

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[125] Southern Voice, available at http://southernvoice.org/about-southern-voice/, accessed on 17 February 2018.
[126] Shaheen Afroze, *op. cit,* pp. 26-27.
[127] Ashfaqur Rahman, *op. cit.*
[128] Arif M. Faisal and M. Hafijul Islam Khan, "International Climate Change Policies: Strategies for Negotiations", *The Independent,* 29 January 2017.
[129] Saleemul Huq, "Bangladesh Needs to Promote Climate Diplomacy", *The Daily Star*, 31 May 2017.
[130] Interview with Rashed Uz Zaman, *op. cit.*
[131] "BRAC Makes Significant Contributions to Reach Millennium Development Goals", available at http://

have been awarded many international awards for this, including the Knighthood and WISE Prize for Education.[132] The Geneva-based NGO Advisor, an independent media organisation, ranked BRAC as the number one NGO as part of the 2017 Top 500 NGOs World rankings.[133] Now the organisation is spreading its operation in ten countries around Asia and Africa, building partnership with local NGOs in those countries and replicating their projects there. BRAC has also been signing many treaties and MoUs with foreign governments.

Political values (*e.g.*, gender equality, peace, religious and communal harmony), cultural values (*e.g.*, 1952 Language and 1971 Liberation war movement, folk songs, numerous historical, archaeological and natural sites, traditional festival and cuisine), diplomacy (*e.g.,* peacekeeping diplomacy and climate diplomacy), economic engagement (*e.g.,* export of RMG and cheap manpower) and NGOs, all fulfil the required criteria and thus, constitute the soft power base for Bangladesh.

4.   Limitations and Options

The previous section reveals that Bangladesh has soft power resources at its disposal which is a necessary condition for soft power to have an impact on foreign policy. But to achieve foreign policy objectives and have their presence in international community, adequate ability to utilise those resources successfully is required. In this respect, soft power capability is a sufficient condition. In some areas, especially peacekeeping diplomacy and climate diplomacy, soft power capability of Bangladesh is robust and highly appreciable. However, in other areas, *e.g.,* cultural resources, export of manpower and RMG, efforts are not enough. There is scope for further promotion.

Bangladesh is engaging with the rest of the world through soft power resources. But the scale and pace of such engagement is small and low. For example, in the RMG sector, export is limited to only six items *e.g.,* t-shirt, shirt, sweater, shorts, jeans, ladies and children's wears. These are low-value products with low marginal profits and hold almost 75 per cent of Bangladesh's RMG products. Bangladesh's export destination is also limited to few big buyers. The EU accommodates 59 per cent and USA accommodates 26 per cent of total RMG exports. The rest of the world accommodates only 15 per cent of total exports.[134] Even, in the EU, Germany, United Kingdom (UK), France and Italy accommodate 80 per cent of EU's total apparel exports from Bangladesh. Manpower export sector is also facing same situation.

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www.brac.net/latest-news/item/713-brac-makes-significant-contributions-to-reach-millennium-development-goals, accessed on 02 May 2018.

[132] Available at https://www.prweb.com/releases/brac/awards/prweb3612194.htm, accessed on 03 September 2017.

[133] "NGO Advisor Announces the Top 500 NGOs World 2017", available at https://www.ngoadvisor.net/2017-edition-top-500-ngos-rankings/, accessed on 05 February 2018.

[134] M. Saiful Islam, Md. Abdur Rakib and ATM Adnan, *op. cit.*

Almost 80 per cent of the workers, who migrated in 2015, went to the Gulf and other Arab countries. The remaining 20 per cent went mostly to different Southeast Asian countries and 23 per cent of the workers migrated to Oman.[135] To overcome these limitations, Bangladesh can take a number of actions. It can negotiate the issues of Duty-free and Quota-free market access, special and differential treatment with South Asian countries and sign Free Trade Agreement (FTA). Bangladesh needs to diversify its exportable products and their destinations. For manpower export, it needs to give greater preference to trained, skilled and professional labour. It can train-up its young generation and send them to the countries like Japan, South Korea etc., which are in need of manpower. For export of RMG, Bangladesh should search for new market in the EU as well as nontraditional markets *e.g.*, Japan, Australia, South Korea, Brazil, Mexico, Hong Kong, Taiwan, China, Singapore and Russia.

Specifically, in terms of using and promoting cultural resources, Bangladesh has institutional limitations. Till now, Bangladesh has not established any cultural centre or institute to promote its culture aboard except in India. Recently, Bangladesh government has built Visva-Bharati 'Bangladesh Bhavana' in Kolkata. This newly constructed building has a modern theatre, display room and a large library for books on literature, culture, history and liberation war of Bangladesh and books on Bangladesh-India relations. During the inauguration of 'Bangladesh Bhavana', West Bengal Chief Minister Mamata Banerjee also proposed to build Bangabandhu Bhavan in Kolkata.[136] Therefore, Bangladesh can think of building cultural centres like "Bangladesh Cultural Centre" and "Bangabandhu Centre". For this, experiences can be taken from France's *Alliance Francaise*, Germany's *Goethe Institut*, UK's British Council, China's Confucius Institute and India's Nehru Centre and Indira Gandhi Centre.[137] However, the centres are expected to serve as a catalyst for locals, Bangladeshi people in their overseas locations and visiting Bangladeshis to perform, speak, argue, display or screen their cultural resources. It would also be helpful for the foreigners to be familiarised with the products of Bangladesh's culture. The centres should be instrumental in numerous activities like organising Bangladesh's festivals abroad, film festivals, book fair, art events, translating literatures in various languages, providing courses on Bengali language, art and culture.

Soft power is not limited to the government, the non-state actors *e.g.*, political parties, academia, intelligence agency, civil society, influential political and business elites, associations, unions, media and NGOs also hold significant amount of soft power.[138] So far, promotion of soft power in Bangladesh mostly depends on the state driven initiatives and lacks involvement of multiple actors. Even when non-state actors such as NGOs hold significant soft power, the government is often not adept

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[135] Tasneem Siddiqui, *op. cit.*
[136] "PM Flies to Kolkata Tomorrow", *The Daily Star,* 24 May 2018.
[137] Parama Sinha Palit, *op. cit.*
[138] Ashfaqur Rahman, *op. cit.*

in using that power to Bangladesh's advantage. There is no coordination among state and non-state actors. As a non-state actor, diaspora is a useful medium of showcasing its soft power. Bangladesh is yet to establish an organisational set up to coordinate with the diaspora of nearly 8.6 million people.[139] Therefore, Bangladesh needs to focus on both state and non state actors' initiatives simultaneously and create opportunities for collaboration. In this regard, Indian Brand Equity Foundation (IBEF) is a good example for Bangladesh to follow. It was established as a public-private partnership propagating soft power of India. Through various activities like sponsoring "World Hindi Conference" at the regional level and supporting "India everywhere" campaign at the World Economic Forum, India is engaging itself with rest of the world.[140]

Media plays significant roles to promote soft power resources of a country. But most of Bangladesh's media is focusing on the Bangladeshi population only and they lack global vision. There is no news media in Bangladesh that has popularity and good reputation in foreign countries. Thus, Bangladesh's image in the global arena is dependent on the portrayal by the major global media houses which often view Bangladesh through limited lenses. To counter this, both Bangladeshi state run media and the private organisations should focus on improving the quality of news, level of professionalism and target the global audience. Bangladesh can learn from China's initiatives to popularise China Global Television Network (CGTN) abroad through global expansion plan and English-language broadcast.[141] On spreading Bangladeshi TV channels, language is a major barrier. Introduction of subtitles on TV channels can help the Bangladeshi media to attract larger audience. The same goes for online contents as well, much of the content created by Bangladeshi sources remains exclusively in Bangla. On the social media, Bangladesh government is not very active. MoFA has an Information and Communications Technology (ICT) Wing. It should have a social media account. Opening such account will help Bangladesh to represent the official position, to response in crisis situations and to tackle any negative coverage.

The creation of soft power is not static, but is an ongoing process. Consequently, it requires conversion skill to transform its soft power capacity into capability through proper policy tools. In this respect, Bangladesh needs to have a clear institutional strategy and arrangement for training the concerned staff to get basic knowledge over soft power and its importance. MoFA, in coordination with other governmental and nongovernmental institutions, the media, stakeholders, public persons, international friends or persons or other relevant organisations can undertake specific activities *e.g.*, providing training and adequate fund for conducting research on soft power of Bangladesh to improve the conversion skill.

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[139] Interview with an Official from MoFA, who wished to remain anonymous.

[140] Christian Wagner, "India's Soft Power: Prospects and Limitations", *India Quarterly*, Vol. 44, No. 4, 2006, pp. 333-342.

[141] "Chinese State TV Unveils Global Expansion Plan," *The Guardian,* 08 December 2011.

Generally, the efforts of Bangladesh lack an integrated approach and well-articulated plan. External Publicity Wing of MoFA is the focal point in promoting positive image of Bangladesh. But this wing is progressing slowly in establishing an inter-ministerial committee in order to coordinate with the other relevant ministries in promoting soft power potentials of Bangladesh. It also lacks manpower. In order to gear up the efforts of Bangladesh, MoFA needs to have an integrated approach under the wing or a new public diplomacy wing which will include a long term and visionary nation branding strategy and action plan. The nation branding strategy must consider two objectives: it must ensure collaboration among related ministries and it must ensure participation of multiple actors.

5.   Conclusion

There is a growing awareness among states that promotion of soft power is necessary in order to play a major role in global affairs. Cultural resources, diplomacy, political values, economic engagement and to some extent NGOs, by fulfilling three criteria *e.g.*, having global appeal, institutional arrangement to make that appeal work and implications for foreign policy, constitute soft power for Bangladesh.

Bangladesh has rich cultural resources which include folk songs (*Bhatiali, Baul, Marfati, Murshidi, etc.*), celebration of *Pohela Boishakh,* 1952 Language Movement and 1971 Liberation war movement, rich folk art and craft *e.g., Jamdani, Shital Pati* weaving *etc*. Political values of Bangladesh like gender equality, religious and communal tolerance and respect for international peace certainly increase soft power of the country. Through practicing peacekeeping and climate diplomacy, it creates positive image for itself worldwide. Economic engagement of Bangladesh in terms of exporting RMG and manpower is widely recognised and it has added value to the soft power of Bangladesh. In addition, some prominent NGOs *e.g.,* BRAC and Grameen Bank with their activities and achievements are also enhancing Bangladesh's soft power.

From the discussion of the soft power resources of Bangladesh, it is evident that it has started to utilise and promote its soft power resources. But these efforts are not sufficient and have some limitations like lack of institutional strength, integrated approach and multiple actors driven initiatives, narrow vision of media, *etc*. Improving the usage of its soft power resources to the optimum level is essential for Bangladesh. Proper utilisation and promotion of soft power require setting up of both cultural and language centres abroad, proper management of resources, diversification in international trade in terms of exportable products and its destinations. Besides, media needs to shift its vision from domestic audience to global audience. Most importantly, there is a need for an integrated approach and strategy that will include multiple actors and help to utilise soft power resources. Bangladesh should focus on proper utilisation and promotion of its soft power capacities and capabilities.

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The priority areas of the Institute's research activities are: foreign policy, security and strategic issues with specific relevance for Bangladesh; regional, inter-regional and international cooperation, sustainable development with focus on resource management and environmental issues; conflict studies, peace keeping, disarmament, non-proliferation and area studies.

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The general guidance and superintendence of the Institute affairs are vested upon the Board of Governors, headed by a Chairman and consisting of representatives of ministries, armed forces, academics and professionals. The Director General is the Member-Secretary of the Board and Chief Executive of the Institute. The main activities of the Institute are carried out by the Research Faculty consisting of a team of full-time researchers with varied social sciences background.

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