The basic objective of co-operation under the scheme of sub-regional economic zone is to accelerate the pace of collaboration and growth. Indeed, it is an innovative, unique solution to some of the problems of regional co-operation with the benefits of easily conceiving and better manageability and implementability of projects within smaller and closer geographical proximity. The merits of sub-regional co-operation seem to far outweigh its demerits. Some of the merits of sub-regional economic co-operation are that it quickens the pace of economic integration at lower costs and shorter time, that it involves less economic and political risks, and that all in all it is a cheaper development strategy.

It was seen from the preceding discussion that sub-regional co-operation is not without problems, such as political, social and operational, and at the domestic and inter-state levels. Although South Asia is different from Southeast Asia on many counts, it has a great deal to learn from the ASEAN experiences from both the well operating and the evolving sub-regional economic zones.

From the above analysis, it appears that there are certain factors or conditions that ensure successful functioning of a sub-regional growth area. These are, of course, not new; nevertheless they need to be highlighted particularly for the attention of the opinion formers as well as policy makers in South Asia. These requirements or preconditions may be divided into two sets, namely, the essential factors and the facilitating factors. The essential factors are (i) consistent and persistent political commitment, as part of a vision for the future, at the highest level to sub-regional co-operation. This is to find manifestation in an adequate policy framework to operationalise the concept, and in a consistent pattern of cross-
border political interactions. (ii) Geographical proximity of the co-operating areas or entities; (iii) economic complementarities between and among the co-operating partners; (iv) good infrastructure; and (v) a stable political and security environment at the national and regional levels. It should, however, be noted here that these essential preconditions are relevant more to the manufacturing-based, reasonably developed growth areas. And the facilitating factors are (i) ethnic and cultural affinity among those who commit themselves to co-operate; (ii) historical ties among the co-operating units; (iii) the personality/leadership factor implying the vision and the ability to deliver; (iv) the presence of an enterprising entrepreneurial community having cross-border business linkages; and (v) a healthy, co-operative public sector-private sector relationship.

Here, the propositions of Weatherbee are relevant, as they are also suggestive of the measure of success of the sub-regional economic co-operation initiatives. These are\textsuperscript{119} (i) the larger the number of participant state units, the more likely the possibility that conflicting interests and policies will operate as obstacles to zonal development. (ii) The more extensive the perceived asymmetries between the states in a proposed "economic growth zone", the more likely "zero-sum" calculations will affect the decisions of "weaker" members. (iii) In the hierarchy of national interests, those related to the security and integrity of the national state will have higher priority and take precedence over the promotion of export-oriented industrialisation through co-operation in sub-regional economic zones. (iv) The development of a formal sub-regional economic zone will be facilitated in cases where the national partners have had prior successful experiences in co-operative behaviour. And (v) the development of a sub-regional economic zone as a transactional structure of sub-regional multilateralism will be facilitated if it takes place within a larger existing institution of regional co-operation.

It is clear from the earlier exposition that not all the growth triangles in Asia are based on the same factor endowments, have followed the same approaches, and have the same

objectives. An attempt may be made here to make a typology of these sub-regional economic zones, depending on the area of co-operation, the level of development, the extent of institutionalisation, etc.

There may be six types of sub-regional economic zones. They are (i) either market-driven or government-led initiative. The Southern China Growth Triangle is an obvious example of the market-driven type of growth area, while the East Asean Growth Area is essentially an initiative taken by the concerned governments. (ii) Either manufacturing-based or resource-based economic zone. The first is essentially export-oriented and the other is for common natural resources development. While the IMS-GT is a manufacturing-based growth triangle, the Greater Mekong River Basin Sub-regional Project is essentially an attempt to develop common natural resources. (iii) Either ‘hub-spoke’ model sub-regional growth area or one such zone on the basis of joint development. The Southern China Growth Triangle and the IMS-GT represent the first type (Hong Kong being the hub in the former, while Singapore in the latter), while the Tumen River Area Development Programme is for the joint development of resources. The hub model is also called the ‘metropolitan spill-over’ into the hinterland. The joint development model may also have an approach called the ‘linked development financing’.120

(iv) The fourth type is either the institutionalised or the less formal growth triangles. The Southern China Growth triangle is an example of the less formal sub-regional co-operation model. The other growth triangles are, more or less, formalised initiatives. (v) Either capital-based or externally-dependent growth triangles. In the first instance, the capital for infrastructure building comes from within the growth zone, while financial resources in the latter are mobilised mostly from

120. Kakazu proposes the scheme of “linked development financing” for growth triangles, such as Tumen and EAGA, where the private investors hesitate to finance infrastructure projects because of high risk and low returns. The main idea, according to him, is that bilateral and multilateral ODA funds of the major donor countries will be used, together with private funds through the linked co-operation, with other financially strong, developing partner countries.

extra-sub-regional/extra-regional sources. The Southern China Growth Triangle and the IMS-GT belong to the first category, while the Greater Mekong River Basin Project and SAGQ are of the latter category. And (vi) growth triangles either based on economic complementarities/comparative advantage or meant for poverty alleviation and for overcoming underdevelopment and backwardness. The IMS-GT and SCGT are of the former type, while SAGQ belongs to the latter.

It may be observed that there are similarities among SAGQ, EAGA, the Tumen River Area Development Programme and the Greater Mekong River Basin development initiative. However, there are more similarities between SAGQ and the Greater Mekong River sub-regional co-operation venture. Further comparative studies on these two sub-regional economic zones seem to merit serious academic and policy considerations.

What about the broader concerns underlying the present study, such as the impact of sub-regional co-operation on the ongoing regional co-operation and the issues of national sovereignty and security? With the benefit of the preceding discussion, it may be said here in conclusion that these issues tend to be more prominent in situations that are characterised by the 'primacy of the political' and where growth areas are largely resource-based and externally-dependent. Such issues seem to be less problematic in the market-driven and hub-based sub-regional co-operation schemes. In order to minimise the concerns and to make the initiative for sub-regional development properly functional, certain principles may be agreed upon and followed steadfastly by the participating member states or areas.

The suggested principles are that: (i) co-operation must be absolutely mutually beneficial. (ii) Co-operation is to be voluntary and cushioned on national consensus. (iii) It must not cast negative effect on co-operation going on under the larger regional organisation. (iv) The larger and more developed partner(s) need to be more sensitive to the apprehensions of the neighbours. (v) Emphasis is to be given on the concept of partnership rather than on the division of labour. (vi) Sub-regional co-operation is not to contradict the strategic or broader foreign policy interests and objectives of the participating nation-states. (vii) The accruing benefits need to be obvious to the co-operating partners and their nationals. (viii)
The initiative for project is to be on the basis of consensus and not to be imposed by a dominant partner-state. And (ix) sub-regional co-operation must not pose competition or challenge to the national roles and decision-making authority of the participating nation-states.

What the future holds for sub-regional co-operation as a mode of economic co-operation is still difficult to say. Whether it is a transitional growth vehicle or a long-term institutional arrangement for regional co-operation depends on the persistent success in a number of growth zones, which is yet to be visible. What, however, may be said at the current stage of such model of economic co-operation is that it is conceptually congruent with free trade area that could in turn be complementary to AFTA in Southeast Asia and to SAFTA in South Asia. And the future of sub-regional co-operation depends on domestic, regional and global imperatives, and trends in terms of economic and politico-security environments.

It appears clear from the above that while Bangladesh has economic interests in SAGQ, she appears to show certain political and security concerns. She could deal with the concerns arising out of the 'India factor' by adopting several strategic policy measures. Bangladesh could place itself in the centre of gravity within the SAGQ by further developing the airports in Dhaka and Chittagong, modernising the sea ports of Chittagong and Mongla, and building more of them along the coast of the Bay of Bengal. Bangladesh could develop financial institutions and communication infrastructure in Dhaka and build up transport infrastructure throughout the country. Bangladesh could also permit India's north-eastern states to use the Chittagong sea and airports.

Bangladesh could create interdependence with India by means of various co-operative schemes in order to offset its dependence on the neighbouring giant. Bangladesh may welcome the active participation of the World Bank, the United Nations Development Programme (UNDP) and the Asian Development Bank in the process of sub-regional co-operation under SAGQ. Dhaka may link its own demands for transit to China and Pakistan to New Delhi's demand for transit to the north-eastern seven sisters through the entire territory of Bangladesh. Bangladesh needs to be clear about the arrangements on sharing the costs for and benefits from co-
operation under SAGQ as well as about the dispute settlement mechanisms to be instituted. The government of Bangladesh is likely to benefit more from the sub-regional co-operation venture if it is based on national consensus within the country. Such strategy would also help the country break out of India's stranglehold of bilateralism through SAGQ and, at the same time, resolve some of the bilateral problems outstanding with the vastly asymmetric neighbouring giant.
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