Bangladesh as the “next frontier”? Positioning the nation in a global financial hierarchy

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Bangladesh as the "Next Frontier"? Positioning the Nation in a Global Financial Hierarchy

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Abstract (145 Words)

In this article, I examine the relationship between the speculative projects embarked upon by young entrepreneurs and bankers in Dhaka during 2013, and the attempts made by analysts and nation-branding experts to present Bangladesh as a worthy "frontier" for speculative foreign investment. In order to induce others to speculate on their visions for Bangladesh, they variously positioned the nation via reference to the ratings imposed on it by credit rating agencies, the emergence of regional hegemons including members of the BRICS, and the apparent decline of "formerly" developed European nations. As purchasing power comes to mark a nation's position within a hierarchical global market, nationhood comes to be recast as consumer-citizenship. The speculative imaginaries projected by these entrepreneurs, bankers and nation-branding experts have the capacity to both reinforce and rework the hierarchies into which "frontier" nations are routinely placed by analysts in global financial centres.

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"Frontiers" and the Global Financial Hierarchy

In mid-2013 Dhaka's skyline, as viewed from the upper floor of the Bashundhara City mall, was marked by the thickets of reinforcing steel that protruded from dozens of speculative concrete structures. Noting the lack of construction work visible from our vantage point, my friend Fahmid[1] attributed this to the forthcoming election: "They are waiting, to see who will win, which way the permits will go." The election, scheduled for early 2014, did not materialize in the end. This of course did not prevent the scheduled election from acting in mid-2013 as a "present future," or the possible horizon against which positions could be taken on the prospects for profitable property development under different configurations of Bangladesh's duopolistic "partyarchy" politics.[2] Fahmid then turned to talk of his uncle, recently returned from Greece. "It has been really tough there, he has had to close his restaurant – just for a while. It's not like that here, I don't think. Bangladesh is really coming up." A few weeks later, while speaking to economists working in the Bangladesh Bank, the comparison between Greece and Bangladesh was made again: Bangladesh really was "coming up," as evidenced in part by the recent receipt of its first sovereign debt rating by one of the Big Three credit rating agencies.[3] And, as one economist put it, "the same could not be said for Europe – for Greece – right now, I don't think."

[1] All names in this article have been changed to preserve anonymity

[2] Hassan, M., Islam, M.S., and Zakaria, S.M. (2014). "Partyarchy and Political Underdevelopment" In BRAC Institute of Governance and Development, ed., *The State of Governance Bangladesh 2013*. Dhaka: BRAC University, pp. 7-24. "Partyarchy" here refers to the tendency for business opportunities, as well as prospects in a number of professions and the civil service, to be shaped by allegiances to one of two major parties, the Awami League and the Bangladesh National Party. The fortunes of those allied with the incumbent party frequently tend to fare better than those allied to the opposition, making elections particularly charged moments.

[3] These being Fitch Group, Moody's and Standard & Poor.

To view Greek austerity from Dhaka was to examine the "dynamics of reversal [whereby] societies or individuals that formerly enjoyed a higher standard of consumption must now make do with less"[4] from a vantage point shot through with the dynamics of "emergence." Perhaps Bangladesh could not lay claim to the scale of emergence expressed by India's "arrival" as an investment destination of increasing geopolitical significance.[5] Nonetheless, at least among Dhaka's economic elite there was certainly a "shared perception of a relentless pursuit of the economic summit and a qualification *earned* by virtue of an unwavering focus on coaxing digits of growth out of the economy."[6] After all, in 2013 reclassification by UNCTAD from "Least-Developed" to "Developing" country seemed imminent to some commentators, and the Prime Minister had set a target of achieving "Middle-Income" status by 2021. Greece, however, was about to be reclassified from a "developed" economy to an "emerging" one by Morgan Stanley Capital International's indexing service, whose roots lie in the International Finance Corporation's attempts to rebrand the nations of the Third World or Global South as either attractive "emerging markets" or risky but profitable "frontiers."

During the 1980s, the formerly colonised countries of the South were re-branded "emerging markets" by the International Finance Corporation (IFC), as part of a deliberate effort to alter the perception that there were "no markets" in the Third World, and catalyse development led by the efficient allocation of overseas private

[4] Knight, D. M. and Stewart, C. (2016). "Ethnographies of Austerity: Temporality, Crisis and Affect in Southern Europe" *History and Anthropology,* 27(1): 1-18, p. 2

[5] Kaur, R. and Hansen, T.B. (2016). "Aesthetics of Arrival: Spectacle, Capital, Novelty in Post-reform India" *Identities: Global Studies in Culture and Power,* 23(3): 265-275.

[6] Lakshminarayan, S. (2017). "Market Fundamentalism in the Age of 'Haute Finance': The Enclosing of Policy Space in Emerging' India" *Ephemera: Theory & Politics in Organization*, 17(4): 849-865, p. 854.

capital.[7] The term "frontier markets" was coined in 1992, and gained a life of its own when in 1997 the IFC started publishing data on 14 frontier markets (including Bangladesh), which were *like* emerging markets, but with smaller, less liquid, less transparent capital markets.[8] This data came in the form of a stock index, a representation of average price movements through which financial markets might be known as independent entities governed by their own internal regularities.[9] The IFC's Frontier Market Index was soon purchased by Standard & Poor's, and subsequently overtaken by Morgan Stanley Capital International's (MSCI) frontier and emerging market indices.

As Lisa Tilley observes, the MSCI indices allow a diverse array of postcolonial and post-Soviet countries to be grouped under the sign of "emerging" or "frontier" markets. These classifications (which may variously refer to entire countries, their sovereign debt, or equity markets) often have more to do with "a country's position on a global hierarchy of market economies [since] in some cases these labels do not even correspond with the real positioning of a country's economic performance and stability."[10] Indeed, the *Financial Times'* Guide to Investing in Frontier Markets cautions against investing in individual frontier markets, recommending instead investments in funds that offer a "more diversified exposure to this group."[11]

[7] Tilley, L. (2018). "Recasting and Re-racialising the 'Third World' in 'Emerging Market' Terms: Understanding Market Emergence in Historical Colonial Perspective" *Discover* Society, 60.

[8] Today, the IFC defines frontier markets as the poorest 82 countries supported by the World Bank's International Development Association, where "investment climate" reform is a key concern. Gilbert, P.R. (2018). "Class, Complicity and Capitalist Ambition in Dhaka's Elite Enclaves" *Focaal* 81: 43-57.

[9] For an analysis of the history of stock indices, and particularly the role that the Dow Jones Industrial Average played in presenting "the stock market as a natural system and the price averages as the barometer of this system" see De Goede, M. (2005). *Virtue, Fortune and Faith: A Genealogy of Finance.* Minneapolis: University of Minnesota Press, p. 104

[10] Tilley, L. (2018). "Recasting and Re-racialising the 'Third World'".

[11] Baxter, D. (2018). "How Can Investors Get Access to Frontier Markets?" *FT Adviser,* https://www.ftadviser.com/investments/2018/07/12/how-can-investors-get-access-to-frontier-markets/

The grouping of Bangladesh – along with 29 other countries including Argentina, Croatia, Kazakhstan and Senegal – as a frontier market is not without material consequences, reworking as it does the geographical imaginations of financial powerbrokers.[12] Examining another grouping of nations within the global financial hierarchy, the PIIGS (Portugal, Italy, Ireland, Greece and Spain) that briefly featured in the financial press following the Eurozone crisis, Samuel Brazys and Niamh Hardiman identify an apparent solidity to this "heuristic," with Irish bond yields being impacted by news coverage from *non*-Irish PIGS/PIIGS.[13] Perhaps this should not be surprising. Imaginative capacities, narratives and processes of meaning-making are indispensable to the analysts, investors and executives who seek to predict, prepare for, and profit from, new financial frontiers.[14] Discourses about the emergence, convergence and de-coupling of frontier or emerging markets with "developed" economies are essential if analysts wish to make sense of the numerical data they possess about stock market performance or trade activity.[15] Try as market purists might to reduce financial flows, forecasts and transactions to the purely numerical, the need for a meaningful interpretive frame always re-asserts itself.[16]

The interpretive frames and narratives that circulate around frontier and emerging markets frequently involve "strategic reformulations" of colonial discourse, emphasizing frontiers, pioneers, exploration and opportunities to profit from the world

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[12] Tett, G. (2010). "The Story of the BRICS" *Financial Times*, January 15.

[13] Brazys, S. and Hardiman, N. (2015). "From 'Tiger' to 'PIIGS': Ireland and the Use of Heuristics in Comparative Political Economy" *European Journal of Political Research*, 54: 23-42.

[14] Cameron, A. and Palan, R. (2004). *The Imagined Economies of Globalization*. London: Sage, p. 2.

[15] Heinemann, T. (2016). "Relational Geographies of Emerging Market Finance: The Rise of Turkey and the Global Financial Crisis 2007" *European Urban and Regional Studies*, 23(4): 645-661.

[16] Zaloom, C. (2003). "Ambiguous Numbers: Trading Technologies and Interpretation in Financial Markets" *American Ethnologist,* 30(2): 258-272, p. 262.

unseen since the days of Empire.[17] The organisation of countries into a global hierarchy of market economies (from frontier, to emerging, to developed) operates at times to maintain a hierarchical distinction between "the 'superior' developed West and its 'inferior' Others,"[18] replaying imperial geographical imaginaries which saw the ordering of racialized "differences on a hierarchical scale of decreasing worth."[19] However, a focus on the imaginaries deployed by analysts and investors located in global financial centres like London, New York and Singapore, has led economic anthropologists, geographers and sociologists to overlook the perspectives of those who identify themselves with the future of "frontier" jurisdictions like Bangladesh, and attempt to align their own speculative prospects with those identified for the nation.

Speculation as an Ordering Principle

It is difficult to speak of "speculation" without encountering some kind of moralizing discourse, in which it is identified with outright gambling, or with the production of "fictitious" as opposed to "real" value.[20] Anthropologists have used the term "speculation" to refer to economic action that is "unmoored from any legal or community constraints" [21] or "removed from human labour…and from real goods."[22]

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[17] Sidaway, J. D. and Pryke, M. (2000). "The Strange Geographies of 'Emerging Markets'" *Transactions of the Institute of British Geographers*, 25(2): 187-201, p. 195.

[18] Tilley, L. (2018). "Recasting and Re-racialising the 'Third World'".

[19] Braidotti, R. (2016). "The Contested Posthumanities" In: R. Braidotti and P. Gilroy, eds., *Conflicting Humanities*, London: Bloomsbury, p. 16. See for instance Koelble, T. and LiPuma, E. (2006). "The Effects of Circulatory Capitalism on Democratization: Observations from South Africa and Brazil" *Democratization*, 13(4): 605-631, p. 621. Koelble and LiPuma note that the racialized geographical imaginaries deployed by analysts concerned with post-apartheid South Africa led to a discounting of the country's economic policy and a run on the Rand, which was not justified by any economic "fundamentals."

[20] Hertz, E. (2000). "Stock Markets as Simulacra: Observation that Participates" *Tsantsa*, 5: 40–50. Hertz argues that hostility to speculation arises from a modernist discomfort with "virtual" signals that are neither entirely material (linked to production and economic needs) nor entirely social (since trading in signals on financial markets may in fact impact upon production processes).

[21] Graeber, D. (2011). *Debt: The First 5000 Years*. Brooklyn: Melville House.

For heterodox economists, speculation is often understood in related terms, as a form of economic action which generates "fictitious" or "fraudulent" capital, or the fictitious portion of a firm or entity's market value, over and above its "real" value.[23] The counter to this position is that the value of financial assets is *always* a function of *expected* earning potential, and that as a result, "in the society of futurity, it is no longer possible to have a clear indication of the 'real' value of any assets."[24]

Recent work in anthropology, sociology and political economy has, however, engaged with speculation as a fundamental form of economic activity that is not amoral, nor unmoored from the "real" economy, nor confined to the activities of the speculators often imagined to populate securities and derivatives markets.[25] Instead, speculation is seen as a fundamental form of action in a capitalist economy. It is a process of generating imaginaries that are capable of making meaning out of an uncertain world saturated with futurity; meaning that can guide economic action for yourself and for others.[26] Anthropologists who have drawn analogies between speculation and divinatory logic likewise note that attempting to determine whether divinations were "true" is unhelpful; action provoked by divinatory diagnoses or predictions may alter the potential for any number of "present futures" to

[22] Gudeman, S. (2015). "Review Article: Piketty and Anthropology" *Anthropological Forum*, 25(1): 66-83, p. 80.

[23] Henry, J. F. (2012). "The Veblenian Predator and Financial Crises: Money, Fraud, and a World of Illusion" *Journal of Economic Issues*, 46: 989-1006.

[24] Palan, R. (2013). "The Financial Crisis and Intangible Value" *Capital and Class*, 37(1): 65-77, p. 71.

[25] Miyazaki, H. (2007). "Between Arbitrage and Speculation: An Economy of Belief and Doubt" *Economy and Society*, 36(3): 396-415. Miyazaki describes how Japanese derivatives traders understand themselves in relation to the figures of the speculator, the hedger and the arbitrageur that populate modern financial textbooks: the speculator wishes to take a future market position; the hedger to eliminate exposure to an existing position; and the arbitrageur to make a profit by trading simultaneously in two markets.

[26] Bear, L. (2015). "Popularist Speculators and Technologies of Imagination on the Hooghly River" *Comparative Studies of South Asia, Africa and the Middle East*, 35(3): 408-423.

materialize.[27] Likewise, speculative action ought not to be viewed as a process of guessing at the "real" economic value of an asset or opportunity, but as a process of positioning oneself in relation to others and their own speculative investments.[28] With this in mind, I draw attention to the way that young entrepreneurs, bankers and nation-branding experts in Bangladesh sought to leverage the uncertainty faced by others who wished to profit from Bangladesh's "frontier" market status in order to capitalize upon it, by inducing others to invest in the rival futures that they imagined for the nation.[29] In the process, I highlight how these economic actors engage with the various metrics and measures that are used by analysts located in global financial centres, to position Bangladesh as a "frontier" within a global financial hierarchy of nations.

"The Bangladesh Perception Deficit": Branding Bangladesh as the Next Frontier

"Bangladesh: 'basket case' no more." So ran the headline of a 2010 feature for the Wall Street Journal/ Bangladesh, once dubbed a "basket case" by Henry Kissinger, now had much of which to be proud. With GDP growth of over 6 for three years (and a willingness to confront "radical" Islam), it was no longer Bangladesh that was called up when one thought of a "South Asian country ravaged by floods, governed by bumblers and apparently teetering on the brink of chaos, but Pakistan."[30] The

[27] Zeitlyn, D. (2012). "Divinatory Logics: Diagnoses and Predictions Mediating Outcomes" *Current Anthropology*, 53(3): 525-546.

[28] Konings, M. (2018). "How Finance is Governed: Reconnecting Cultural and Political Economy" *Distinktion: Journal of Social Theory*, 19(2): 135-151.

[29] Konings, M. (2018). *Capital and Time*. *For a New Critique of Neoliberal Reason*. Stanford: Stanford University Press, pp. 16, 52.

[30] Dhume, S. (2010). Bangladesh, "Basket Case" No More. *Wall Street Journal*, 29 September. Although often attributed to Kissinger, the notion that aid dependence might render Bangladesh a "basket case" appears in fact to reflect the words of Ural Alexis Johnson, Kissinger's under-secretary.

following year, Bloomberg ran with "Kissinger's 'basket case' Bangladesh targets record growth."[31] For Bloomberg's correspondent, if there was a more adequate power supply, the garment sector, the country's growth engine, could boost GDP even more*.* Maybe 8% was possible. Bangladesh had, after all, been recently included among JP Morgan's "Frontier Five" and Goldman Sachs "Next–11," the frontier markets that seemed to be following in the footsteps of the emerging markets (including the BRICS – Brazil, Russia, India, China and South Africa).

Ijaz, one of the first fund managers I met in Dhaka, split his time between Dhaka and London for periods of three to four weeks at a time. He had set up a brokerage house and financial analysis firm in Dhaka, not far from the busy Bashundhara Mall, after spending 18 years working for global banks in the City of London, and his clients now included both financial houses in Bangladesh, and large "frontier market" focused funds based in London and New York, like BlackRock and Templeton (the "Frontier Five" and "Next-11" status of Bangladesh were displayed prominently on his firm's promotional material). He was particularly concerned with what he termed the "Bangladesh perception deficit":

> If you do a word association game what comes to mind, and mostly it tends to be negative. Natural disasters, poverty, corruption. And these stereotypes tend to be reinforced by the international media. The only positive brand association of Bangladesh is Professor Yunus[32], he's the brand icon, the brand rockstar…But look at our achievements. Bangladesh has the best sharp rate of growth, not the fastest but the most stable. And during the financial crisis Bangladesh only fell 1.2% of growth in that time.

[31] Krishnan, U. (2011). "Kissinger's 'Basket Case' Bangladesh Targets Record Growth" *BloombergBusiness*, 18 April.

[32] On Yunus as an aid celebrity, see Schwittay, A. (2015). "Muhammad Yunus: A Bangladeshi aid celebrity" In L. Richey, ed., *Celebrity Humanitarianism and North-South Relations*, London: Routledge.

There was the reality to Bangladesh, he noted, and then the perception. The difficulties foreign investors might face – in terms of legal structure and corporate governance – were the same issues you would face in any emerging or frontier market. The reality could change – and in the meantime, Bangladesh could compete with its "peers" as an investment destination. Changing the perception would be harder, and require a more concerted country branding exercise, which brought the Chambers of Commerce together with the Board of Investment, in order to emulate the success of India's *India, Inc.* campaign. "On the other hand," he continued:

> Bangladesh has the second best sovereign rating in South Asia. It's behind India's but it's better than Pakistan, Sri Lanka. It's the same as Vietnam, the Philippines – Moody's and Standard & Poor don't think Bangladesh is a risky place, and that's their business, sovereign risk!

Referring to Bangladesh's recent acquisition of a sovereign rating, Ijaz extended a measure of the risk of a sovereign default (of the kind that has triggered austerity in Greece and beyond) to a diagnosis of Bangladesh's fundamental condition. This was a condition that he felt was mis-represented, and he positioned himself and his firm to capitalize on foreign investors' speculations about Bangladesh's growth potential (thanks to the cheap cost of garment factory labour), and the possibility of a "real grab for value" in an economy de-coupled from Northern economies still lagging in the wake of the 2008-09 financial crisis. As I left Ijaz after our first meeting, he explained that personal interest was "more compelling than the commercial logic," in terms of his decision to move to Bangladesh and work on frontier market analysis and nation branding. "I could make a lot more money if I was still in the City even in these tough times."

Ijaz attempts to leverage the uncertainty faced by others (about growth prospects in the post-financial crisis North in order to capitalize upon it, by inducing them to invest in the imagined futures that he helps to craft for a re-branded Bangladesh. There is no "real" economy to be sought beneath his speculative endeavours; instead, numerical representations of Bangladesh's economic "fundamentals" are central to his efforts to re-brand Bangladesh and draw in speculative investment. This is not to say that his speculative endeavours do not rely on the continuation of necro-capitalism in Bangladesh's risky, low-wage garments sector: they precisely do.

"Why Go Bangladesh When You Could Go Global?" The Automated Future

Ijaz went on to introduce me to a number of brand consultants who were working, with the Board of Investment, to "re-brand" Bangladesh as an enticing investment destination, through campaigns which positioned the "Bengal Tiger" as a successor to the Asian Tiger economies, but equally relied on the promise of a cheap, young, disciplined workforce. Through these brand consultants, I was introduced to Dhaka's nascent start-up scene, cultivated by American- and Canadian-born members of the Bangladeshi diaspora, who had worked for Silicon Valley tech giants before returning to Bangladesh.

Newaz, a former Google intern involved in Dhaka's start-up scene, described the "pure emotional outpouring" he felt at witness the "generational shift" that was due among Bangladesh's political and economic elite now that "all their kids and have studied abroad." The private sector would drive a new merit-based generation, he insisted, and there was plenty of incentive for younger members of the diaspora to return. Bangladesh is an "entrepreneur's wet dream. There are problems left, right and centre everywhere you look and that is what an entrepreneur thrives on." It was a shame, Newaz suggested, that Bangladesh had put their "socially good institutions" into the NGO bucket, rather than having companies that are able to pay the best salaries "so you can have Silicon Valley people working on how to solve poverty rather than the next photo sharing app or whatever!" Indeed, a thriving tech scene in Dhaka was going to allow Bangladesh to become "really independent" and challenge an institutional reliance on donor support.[33]

Automation, in particular, was key to Newaz's speculative vision of Bangladesh's future:

> Our parents' generation were relationship and deal driven. Now we entrepreneur and product driven. Import-export is great, but tech is going to re-imagine and re-invent each of these industries. Everything from manufacturing to finance to politics. Software is eating the world. To me this is not even a choice. Because in ten years, all our factory workers will be replaced with autonomous robots. The only reason they're not already is that the families that run these factories are technologically incompetent.

Newaz had, he explained, been pitching the importance of automating factories to the international Chambers of Commerce and diplomatic missions dotted around Dhaka's exclusive Gulshan district. The objections he heard, that people would lose jobs, were he said, simply part of the process of creative destruction. And the alternative is that "Burma will adopt robots and then we'll be completely screwed!"

Newaz's project was unambiguously a speculative one that involved an attempt to insinuate himself into others' strategies for dealing with the uncertainty that suffused

[33] Bangladesh's NGO sector is frequently positioned as the explanation for the "Bangladesh Paradox," or Bangladesh experiencing development success as measured by human development indicators despite lower levels of income growth than its less successful neighbour India. See Chowdhury, A.M.R., Bhuiya, A., Chowdhury, M.E., Rasheed, S., Hussain, Z. and Chen, L.C. (2013). "The Bangladesh Paradox: Exceptional Health Achievement Despite Economic Poverty" *The Lancet*, 382(9906): 1734–1745.

Bangladesh's economy - and particularly the garment sector in the wake of the Rana Plaza disaster earlier in 2013. In this instance, his attempts to leverage the uncertainty faced by foreign investors in the garment sector, and their diplomatic representatives, were unsuccessful. A little later in the year, I watched Newaz present, along with other returnee members of the diaspora with a Silicon Valley background, at an investor forum in one of Dhaka's expatriate clubs. With their roots in the culture of "clubbability"[34] that insinuated itself into Dhaka during the period of British Imperial rule, Dhaka's expatriate clubs now provide a space in which aidworkers, diplomats and foreign investors can mingle in a setting characterised by exaggerated nationalisms and images of a foreign "home." Entry is frequently restricted to those who hold non-Bangladeshi passports.[35]

In the audience at Newaz's presentation, along with his fellow returnee entrepreneurs, were diplomats (representing the club's home nation) and representatives of donor agencies and the World Bank Group. Like Ijaz, Newaz was primarily concerned with reworking "brand Bangladesh." Unlike Ijaz, he did not see the promise of Bangladesh in an ability to attract investment based on cheap labour costs and a de-coupling from the 2008-09 financial crisis. Quite the opposite. With an image on-screen of a shirt made by one of the multinational clothing brands known to have a heavy presence in Dhaka's garment factories, Newaz called attention to the "Made in Bangladesh" label. In 2013, it means cheap labour, he argued. But in 2020, Made in Bangladesh will mean innovation. "We can't be Silicon Valley, we

[34] Sinha, M. (2001). "Britishness, Clubbability, and the Colonial Public Sphere: The Genealogy of an Imperial Institution in Colonial India" *Journal of British Studies*, 40(4): 489-521.

[35] On the role that expatriate clubs in cultivating post-imperial nostalgia in Bangladesh's aidland, see Rajak, D. and Stirrat, J. (2011). "Parochial Cosmopolitanism and the Power of Nostalgia" In Mosse, D., ed., *Adventures in Aidland: The Anthropology of Expertise and Professionals in Development*. Oxford: Berghahn Books.

don't want to be a factory complex like Shenzen, and we definitely don't want to be an outsourcing centre like Bangalore. But we can be a combination of the three." If Bangladesh was going to "come up," it was to be on these terms, and the attendees were by and large convinced. Another returnee entrepreneur who had been on stage earlier affirmed that they "would not invest in garments. A country really *grows up* when it switches from tertiary to secondary investment. There comes a time when you really have to make that choice."

Proffering themselves as the best placed to steer Bangladesh towards an automated, high-tech future, Newaz and his peers attempted to insinuate themselves into existing attempts to navigate economic uncertainty; to induce others to invest in the imagined futures that they had crafted for Bangladesh. The presentations they made at the expatriate club self-consciously reproduced the dramaturgy of the Silicon Valley start-up pitch, from the confident enthusiasm and "solutionism"[36] of their content, to the relaxed-but-refined staging and seating. Referring to a parallel performative style, Kaushik Sunder Rajan has written of the "hype" that allows genomic medicine start-ups to function in the USA and India.[37] The futures that start-ups promise - and which must be realized if prospective investors are to receive their return - must be *credible*, if not necessarily *true*.[38] But Sunder Rajan ultimately relies on a posited disjuncture between those forms of capital that are "directly dependent

[36] A term popularised to Evgeny Morozov to reflect a Silicon Valley tech start-up orientation towards intractable social and developmental problems as mere matters of applying the appropriate technological solution.

[37] Sunder Rajan, K. (2005). "Subjects of Speculation: Emergent Life Sciences and Market Logics in the United States and India" *American Anthropologist*, 107(1): 19-30.

[38] There are clear parallels with the divination practices that anthropologists have studied, and which are concerned not with producing truth but guiding action in the face of multiple "present futures." Zeitlyn, D. (2012). "Divinatory Logics."

on the production of a commodity" and others which are generated through hype, and are therefore "speculative and only indirectly [dependent on production]."[39]

In the approaches to re-branding Bangladesh, and attempting to either attract more investment into the garment sector or shift the nation's trajectory toward a high-tech automated future, Ijaz and Newaz are not merely seeking to make the "right" predictions in order to realise "real" value. Rather, they are attempting to leverage others' uncertainty about Bangladesh's future and its place in the global financial hierarchy of nations, steering potential rivals and partners towards competing scenarios that they are each best placed to capitalize upon. In the process, they tap into images of Bangladesh that circulate among "frontier market" analysts (of a low-waged, young, exciting but risky "Bengal Tiger"), as well as the representations of other territories (Shenzhen, Bangalore) that have come to act as a shorthand for certain forms of global economic future – and investability.

At the expatriate club, after Newaz and his fellow returnee entrepreneurs had presented, a representative of the International Finance Corporation (IFC) took the stage to describe the "huge profit" that had been made from Bangladesh through firms like Bata Shoe, and Grameen Phone (which also happen to be some of the most-cited success stories for frontier market analysts). The future, he argued, was "not for Gulshan people," but for the masses. He wanted to automate, to see rickshaws fitted with GPS systems and bKash mobile money systems: "My job is to make that future happen, faster. And that's what I can do through building this community of tech entrepreneurs." His excitement about the "conversion" of Bangladesh's large, youthful population - especially those "beyond Gulshan" - into consumers was shared by another attendee, Tamim. Tamim was "looking for a

[39] Sunder Rajan, K. (2005). "Subjects of Speculation."

reason to come back," and an automated future could be that reason. In the meantime, he ran a fund based in Singapore because "investors like Singapore, but not Bangladesh - it is hard to get foreign exchange out easily." Tamim's solution was to use "strategic transfer pricing" to repatriate profits derived from Bangladeshi investments back to Singapore.

The enthusiasm that Newaz and his IFC backers had for Bangladesh's post-garment factory, automated future seems both dreadfully naïve and painfully at odds with the reality of garment workers' experiences in the aftermath of the Rana Plaza collapse that had taken place earlier in 2013. As Rashedur Chowdhury describes, injured and traumatised workers, unable to work and abandoned by the spouses, often waited in vain for the bKash compensation that they had been promised by elite NGOs to whom garment buying multinationals had outsourced responsibility in the wake of the factory collapse.[40] Nonetheless, Newaz and his colleagues had at least begun to enrol some fund managers and multilateral development agencies into their speculative project, placing themselves at the centre of one effort to craft a future for Bangladesh that is at least gaining partial ground in its dispute with Ijaz's factory-fuelled vision.

"Bangladesh is not in the *global* market yet. It is second rate": Singapore Calling

Not everyone who worked in Dhaka's financial sector was quite so well-placed to leverage others uncertainty and set in motion their own speculative projects. I met Jasim, a young banker, shortly after arriving in Bangladesh, at an *iftar* to break the fast during the month of Ramadan. Distracted by his new phone, Jasim apologised:

[40] Chowdhury, R. (2017). "The Rana Plaza Disaster and the Complicit Behaviour of Elite NGOs" *Organization*, 24(6): 938-949.

"Sorry, I'm just really excited about the Bangladeshi brand." His Walton phone was almost identical to the Samsung Galaxy S2, he told me, with parts made in the infamous Chinese Foxconn factories that produced the iPhone. It might be "SKD – slight knock down" because it was assembled in country, but it was "close to free" at only 18,000 taka (£150). And most importantly, it was Bangladeshi by brand. The affect generated by Jasim's new Walton phone could perhaps be understood in terms of Robert Foster's[41] notion of consumer citizenship, whereby shared acts of consumption, rather than the circulation of media enabled by print capitalism help to generate new national identities. Except of course that a mobile phone costing 18,000 taka in a country where the minimum wage for garment workers was 3000 taka and – enthusiasm about "bottom of the pyramid" mobile money programmes like bKash notwithstanding – mobile phone "penetration" was only at 40%[42] could hardly be viewed as a nationalizing consumer good. Nonetheless, it seemed to represent for Jasim the possibility that those with Bangladeshi citizenship and national identity might likewise scale themselves up and emulate more recognizably globalizing life projects.

Jasim, like many of the guests at the *iftar*, was an employee of a large multinational bank in Dhaka that has begun to develop its own nationalizing networks, counting many Managing Directors of Bangladesh's domestic banks as alumni. While wages were often higher in domestic banks, Jasim explained, "the reputation is bad. They're basically run by politicians. They're essentially a proprietary concern; you know you have only one man making all the decisions." Discussions at the *iftar* party turned towards efforts that were being made by Gulf State and Singaporean banks to

[41] Foster, R. (1999). "The Commercial Construction of 'New nations'" *Journal of Material Culture*, 4(3): 263–282.

[42] GSMA Intelligence. (2014). *Country overview: Bangladesh*. London: GSMA Intelligence

headhunt Bangladeshi managers from the multinational that most of the guests worked for, and the concomitant global prospects of those in attendance. “Indians,” began Mohammed, a mid-level manager at Jasim’s multinational bank, “will always take ten to twenty Indians with them when they are promoted overseas. Thais and Bangladeshis are smarter, but the Indian economy, it’s down to their sheer muscularity.” This was true, acknowledged Fahim, another colleague. “I’m sorry to say but it is true. If a Bangladeshi gets the job in Dubai, he’ll say ‘See you, I’m off!’” – in spite Fahim having earlier explained that one of his managers who had been headhunted by a Singaporean bank had not left, precisely because if he had taken the thirty people with him that he planned to, the staff left behind would be in trouble.

Mohammed had met the headhunter in question, he said, at another *iftar* party, and when he discovered that Mohammed had an MBA from a British university, his attitude changed

> and he only talked to me for the rest of the night. Other people there didn’t like that. He said to me, “It’s a shame about your skin colour. If you changed that, we could get you a job in London!”

Continuing a discussion of the material consequences of stereotyping practices, one of the guests’ cousins, “Australian born, with an Aussie passport” had been visiting Dhaka, “and so he went to the Aussie [expatriate] club. And he got kicked out of the pool.” Pointing to his own skin, Mohammed explained “It’s for white Australians only. And I wanted to say to [my cousin], ask them, are they Australian or are they English?” As they portrayed it, their globalizing ambitions seemed to be frustrated by the stereotyping practices of Singaporean headhunters and the gatekeepers of Dhaka's elite expatriate enclaves.[43]

A few weeks after the *iftar*, I met with Jasim and his friend, Faisal, who worked for a transnational extractive industry corporation, in a pizza restaurant in Gulshan. This extractive corporation had a very good business model, Faisal explained, always making sure they left the country before the reserves were too low, so they could get a "thick price" for selling on their installations. The conversation rapidly turned to Faisal's ongoing efforts to acquire a visa and get a job abroad. Just as there is a hierarchy of transnational connection for rural labour migrants in Bangladesh, beginning with the UK or USA, followed by Malaysia, and the Gulf States, there is a fairly clear destination hierarchy for young professionals in Dhaka's banking sector.[44] This hierarchy is shaped by increasingly restrictive visa requirements and the permissions that are provided for residency (and the possibilities of acquiring citizenship) following postgraduate study. First on the list are Canada and Australia, and Faisal was planning to use the connections he acquired from working at a transnational corporation in Dhaka to get there. He would complete five years at the corporation and then go, "otherwise I have no chance of getting a handsome job, or a handsome life."

Jasim too planned to leave. When I asked why, he said:

> My parents have certainly spent a lot more on my education than *your* parents have on yours. I have worked in Europe before, and if I work here, doing credit checks, closing deals, maybe I will close a deal at one million

[43] Country branding works on stereotypes, as country branding guru (and significant influence on Ijaz's approach to Brand Bangladesh) Simon Anholt observes when he encourages his readers to ask themselves, "if you had two equally qualified candidates for a senior management role, would you be more likely to pick the Turk or the Swede?" Anholt, S. (2006). *Competitive Identity: The New Brand Management for Nations, Cities and Regions*. London: Palgrave Macmillan, p. 8

[44]

> dollars. It's not the salary as such. For the same two hours' work in Singapore, I could close 500 million dollars. Why wouldn't I?

Would you earn more, say on commission, I asked? "No, not necessarily. But Bangladesh is not in the global market yet. It is second rate."

The lack of correlation between Bangladesh and the global market was seen by Ijaz (above) as a component within Bangladesh's competitive identity, insulating it from the global financial crisis, and enabling his own speculative "grab for value" as a frontier markets broker. In the context of a different life project, this lack of correlation with the global was putting a stay on Jasim's ability to operate on a scale that was in line with his ambitions. This did not, however, mean that Jasim had no interest in the global future of the Bangladeshi nation-economy. He became visibly excited, rushing his speech as he explained that since his multinational bank was here, "they must be making profit." The banking sector in particular was really strong, and "in a few years, Bangladesh is going to take off. I mean it's really going to take off. It's going to be flying. It really will take off. You can't say that for Greece. Or even most of Europe."

Unlike Ijaz, it would not be Jasim who facilitated that "take off." His fervent consumer citizenship, marked by his enthusiasm for the new Walton smartphone, would not keep him in Bangladesh, but it placed him within the unmistakably hierarchical nation that would soon be flying:

> The Board of Investment has piles and piles of applications from companies that want to come here. Even Indian companies. And why wouldn't they? The buying power is incredible. Obviously not poorer people individually, but in total, the market is absolutely huge!

When the nation is imagined in terms of consumer citizenship, belonging becomes a matter of purchasing power. This is an unashamedly non-egalitarian form of citizenship that disguises its hierarchical constitution by treating purchasing power as a moral accomplishment. But anxiety is also generated for Jasim and his colleagues because they know that their globalizing ambitions will have to confront the stereotyping practices of members of a less-than-cosmopolitan transnational capitalist class. As such, there is always a risk that they fall victim to an overly successful nation branding strategy that does not allow them to differentiate themselves sufficiently from their less educated, less urbane compatriots.

Like so many other middle-class residents of Dhaka during 2013, Jasim experienced Bangladesh's economic dynamism and its attendant social re-organization in terms of "emergence," a sense of imminent "arrival" that was only intensified by observing the apparent reversals which European nations like Greece appeared to be experiencing. But while Ijaz was well-positioned, as a former City of London banker and key knowledge broker for frontier market funds looking to invest in Bangladesh, to leverage his speculative position, and induce others to invest in the future he imagined for Bangladesh, Jasim saw his future lying elsewhere. His own fortunes could not be tied to a "second rate" economy, and it was not within his gift to accelerate - or profit from - the "take-off" that he felt was inevitable for Bangladesh. Like Tamim, Jasim sought to plot a future through engagement with Singapore's financial sphere. But this was less about him inducing others to invest in his vision for the future, and more a product of the seductions of Singapore, whose government has been successful in promoting themselves as a "safe (tax) haven but also rebranding it as Asia's new exotic lifestyle destination and capital of fun and creativity."[45]

Re-imagining Global Financial Hierarchies

The MSCI's indices of frontier, emerging and developed markets may well re-inscribe distinctions between the advanced "West" and the racialized, disorderly "Other," even if nations come to be represented on this global financial hierarchy by the depth of their capital markets, the performance of major equities, and the rating of sovereign debt.[46] There are certainly dimensions of frontier market discourse and analysis that would seem to lend support to Gearóid Ó Tuathail's argument that that analysts, traders and the financial press together constitute a "geofinancial panopticon," operating as "an 'electronic jury' voting its confidence or demonstrating its disapproval daily" with policies that do not meet the needs of frontier market investors.[47] When "country risk" is elevated due to lower incomes (hence less purchasing power), indebtedness, or undesirable forms of political and civil mobilization, analysts may advise investors to keep their distance[48] - although opportunities may be highlighted for those "with strong stomachs and an appetite for exotic countries."[49]

Yet analysts and powerbrokers in the world's financial centres are not the only figures to be found conjuring futures for frontier markets, or attempting to enrol

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[45] Pow, C. (2011). "Super-rich Enclave and Transnational Elite Urbanism in Singapore" *Geoforum*, 42(3): 382-393, p. 386.

[46] Tilley, L. (2018). "Recasting and Re-racialising the 'Third World.'"

[47] Ó Tuathail, G. (1997). "Emerging Markets and Other Simulations: Mexico, the Chiapas Revolt, and the Geofinancial Panopticon" *Ecumene*, 4(3): 300-317.

[48] Kozhemiakin, A. (2015.) "Redefining EM: Asteriscs, New Acronym for Emerging Markets" *Financial Times*, 10 August.

[49] Sullivan, A. (2013). "Frontier Markets are Not for the Faint Hearted" *Financial Times*, 21 July.

others into their speculative endeavours and capitalize upon their geofinancial imaginations. As the ethnographic vignettes laid out above indicate, bankers, entrepreneurs and nation-branding experts involved in speculations about Bangladesh's future draw upon the standard metrics utilised by frontier market analysts (such as sovereign credit ratings), as well as potted representations of key sites in the global economy (Shenzhen, Bangalore, Singapore) in order to breathe life into their speculative endeavours. What separates Ijaz and Newaz from Jasim and his friends is perhaps their ability to leverage others' imaginations about Bangladesh's future: Jasim's ambitions are more closely tied to Singapore's speculative promise, since he lacks the capacity to capitalize upon Bangladesh's own trajectory of emergence.

The notion that a panopticon-like geofinancial hierarchy simply reproduces colonial distinctions between the West and its Others is, however, troubled by the emergence of new geographical designations like that of the BRICS (Brazil, Russia, India, China, South Africa). Jim O'Neill, the Goldman Sachs analyst responsible for promoting the BRICS heuristic, explicitly set out to break the distinction between developed and developing nations, based on the premise "the world economy was no longer gonna grow by just those so called advanced economies."[50] It would of course be misguided to embrace the emergence of the BRICS bloc and contemporary South-South investments as a return to the Third World or Global South projects, whereby formerly colonised nations sought a new international financial order based on solidarity and opposition to an emerging neoliberal consensus on development.[51]

[50] Wansleben, L. (2013). "'Dreaming with BRICs.' Innovating the Classificatory Regimes of International Finance" *Journal of Cultural Economy*, 6(4): 453-471, p. 459.

[51] Prashad, V. 2007. *The Darker Nations: A People's History of the Third World.* London: The New Press.

The neo-imperial or sub-imperial mantle taken on by BRICS nations and their corporations in other developing countries is increasingly well-documented.[52]

Yet O'Neill's attempt to break down the developed/developing divide, and the notion that the West is the engine of history, resonates with the demand made by anthropologists Jean and John Comaroff that "the West recognizes that *it* is playing catch up with the temporality of its others" and demands further reflection.[53] How can the experience of economic emergence be narrated while still acknowledging the very real global financial hierarchies within which emerging and financial markets are placed? A recent controversy in the British media saw Radio presenter John Humphrys scoff at the head of the Rwanda Development Board's "bizarre" notion that Rwanda was anything other than aid dependent and poverty stricken. In response, the *Financial Times* ran a rebuttal chiding Humphrys for his overt prejudices and lauding Rwanda – and other frontier markets – as the future of the global economy (and the smart choice for investors since they "care less when things change elsewhere").[54]

Incorporation within a geographical imaginary that places nations in a hierarchy from frontier, to emerging, to developed, certainly has consequences for Bangladesh (and Rwanda) in terms of capital flows, infrastructure investments and sovereign debt servicing. But their placement within a global financial hierarchy is not merely externally imposed; it is reinforced and reworked through the speculative projects embarked upon those like Ijaz, Newaz and Jasim. In order to induce others to

[52] Bond, P. and Garcia, A. (2015). *BRICS: An Anti-Capitalist Critique*. London: Pluto.

[53] Comaroff, J. and J. Comaroff. (2012). Theory From the South: Or, How Euro-America is Evolving Toward Africa" *Anthropological Forum*, 22(2): 113-131, p. 123.

[54] Webb, M. (2018). "Destiny Catches Up with John Humphrys as He Slights Rwanda" *Financial Times*, 31 May.

speculate on their visions for Bangladesh, they positioned the nation via reference to the ratings imposed on it by credit rating agencies, the ‘emergence’ of regional hegemons including members of the BRICS, and the apparent decline of ‘formerly’ developed European nations. It is through the imaginaries projected by speculators such as these that the emergence of the West’s “Others” comes into contact with, and reshapes, the global financial hierarchies into which “frontier” nations are routinely placed.