

Bangladesh's New Foreign Policy Direction in Southeast and East Asia: Perspective and Goals

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Foreign Policy formulation of small states is a difficult process; it has become more difficult in the contemporary world situation. Bangladesh belongs to the category of small states in terms of its size, population, natural resources, state of economy, and military capability. Its "smallness" is reflected in the foreign policy decisions since its advent as an independent state. As the international system is the combination of small, medium, large, and super powers, these actors impact upon the system in proportion to their capability. Though sovereign equality as a norm of inter-state conduct has got a space in UN Charter, but in real world some states are more equal than others. For obvious reason Bangladesh behaves differently from the economically and militarily stronger countries in pursuit of its foreign policy objectives.

The foreign policy objectives identified just after the independence of Bangladesh have been pursued by the successive governments without any fundamental alteration. However, priorities in foreign relations were different as ideology of ruling party and regional and international situations were different in different times. Like other states the foreign policy formulation in Bangladesh is done on the interpretation of national interest by the regime in power. Immediately after independence some goals were fixed in foreign policy that appeared to be more idealistic than practical.¹ They were not achievable because of the regional and international situation and the weak capability of the state to influence them.

In its foreign policy application Bangladesh has some target areas that include South Asia, Muslim world, West Europe, the United States, Japan and China. Other than these states the international and regional institutions like the UN, NAM, Commonwealth, SAARC and the OIC are considered important in Bangladesh foreign policy.

However, in last couple of years Bangladesh foreign policy establishment has given Southeast and East Asia special considerations in the context of changes in regional and international situations. Bangladesh's location as a bridge between South and Southeast Asia is regarded as the basis of its new policy thrust. Beginning in December 2002 Bangladesh foreign relations have taken a new turn with the bilateral visits at the highest political level between Bangladesh, Thailand, China and Myanmar.² From Bangladesh side these visits signified the emphasis on diplomatic and economic ties with the countries in East and Southeast Asia compared with traditional links with India and other SAARC countries. In the words of its Prime Minister Bangladesh wanted to strengthen relations with these countries from which the country and the people would derive more benefits. Consequent to new diplomacy some political and official level visits had taken place between Bangladesh, Singapore, Indonesia and Vietnam in 2004.³ Some more have been planned for 2005.⁴

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This apparent shift has been variously described as the *Policy of Looking East, Move to East*, and *New Directions in Foreign Policy*. Supporting this shift many analysts have argued that Bangladesh has no longer much to gain from South Asia. In the opinion of an observer this move should have started long ago “from the very first day of our existence as a new nation.....perhaps there was never any serious move towards closing the gap with our southern neighbours. Our obsession with the West was, and still is, so strong that we cannot think of our existence without it.”⁵ Arguing for the economic rationale of the policy shift another observer argued, “Expanding the existing facilities for sea trade at Chittagong, and construction of new sea port at Cox’s Bazar and modern land routes (Asian Highway) to Myanmar and Thailand, would help Bangladesh to reap immense economic and other benefits.”⁶

The regional cooperation initiated since 1985 under the South Asia Association of Regional Cooperation (SAARC) has not achieved any tangible results so far. The political relations among the regional countries, in particular between India and Pakistan has been responsible for the slow progress. The summit level meetings have been postponed more than once due to political factors.⁷

It seems that the goals of the policy shift have not been adequately explained but they are necessarily economic in nature. It is very often said that as Bangladesh is no longer constrained by any political ideology and trade economic collaboration should be the guiding principles in expanding its foreign relations. After the end of cold war Bangladesh foreign policy establishment had opted for a diplomacy that is based more on economic cost benefits. Facing a shrinking foreign aid flow, it has been argued that trade and foreign direct investment (FDI) should be pursued earnestly.⁸

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Any discussion on Bangladesh’s new foreign policy should start by looking at the context which may be both political and economic. The discussion should start raising some questions: why did Bangladesh opt for a change in its foreign policy focus? Why did the present government after barely one year in office feel the need? How did the Indo-Bangladesh relations affect this change? Is there any economic compulsion? What did the policy framers target as the possible economic gains?

In its existence of more than three decades Bangladesh had different priorities in foreign relations. The priorities changed due to ideology of governing regimes and their different interpretation of national interest. The geographical location has been the factor in shaping the South Asian focus in Bangladesh foreign policy. In more than three decades of its existence Bangladesh has sometimes come closer to India or maintained a distance depending on the political preferences of the governing regime. Of the three political parties barring the military ones that came to power, Bangladesh Nationalist Party (BNP) and Jatiya party (JP) were inclined to view India as unfriendly while the Awami League (AL) viewed friendly.⁹ In spite of their different assessments all governments were essentially engaged with a foreign policy with a heavy focus on India. It is no exaggeration to note that Bangladesh foreign policy cannot be but India-centric in existing strategic environment of South Asia. Its governing elites may either perceive India vital for economic and political benefits or threat to country’s security for military and environmental reasons.

The 25-year Friendship Treaty with India signed in 1972 had created enough bitter feelings in domestic politics of Bangladesh regarding Indo-Bangladesh relations until it expired in 1997. The critics of the treaty pointed to “unequal”¹⁰ provision which would have jeopardized Bangladesh’s security in case of a Sino-Indian war. Moreover, the issues of water sharing of common rivers and unbalanced trade

over the years have eroded bilateral relations. The policy stance of successive governments in India on bilateral disputes with Bangladesh¹¹ influenced the division of Bangladesh political elites along 'soft to-India' and 'hard to-India' camps. The bilateral conflicts have moulded the domestic opinion in both countries. Ironically some Indian opinion was narrow in projecting Bangladesh's grievances against India as a "mental state of paranoia", and by giving incorrect view that "Bangladesh became an Islamic Republic".¹²

In more than past three decades Bangladesh-India relations have progressed along a zigzag curve. The official relations in the first few years after independence were smooth in spite of a number of disputes.¹³ There was a sudden rise in smuggling across the border resulting in huge inflow of Indian consumer items and outflow of jute and jute goods to India. A border trade that was to carry for a year had to be shelved due to harsh impact on the economy due to smuggling.¹⁴

Indian support to Bangladesh rebels after the overthrow of AL government in 1975 in a military coup and withdrawal of maximum water from the Ganges at Farakka point hyped anti-India feelings among the people. However, the good will on both sides later resulted in understanding on the Ganges water issue. Some short term agreements were signed to share the water on proportionate principle.¹⁵ The reasons for failure to reach any permanent or long term solution of the Farkka dispute could be located in the difficult technical proposals put forward by two sides as key to reaching a solution. But more important was the lack of political understanding between governments of two countries. The two political parties, BNP and JP that came to power after the overthrow of AL had been formed after military coups. The civilian turned military leadership of these parties had different approaches to bilateral disputes with India. The Indian leadership on the other could not demonstrate any gesture to consider Bangladesh points of view positively.

However, the advent of AL government at the state power in 1996 came as a positive development for India to address the issue in earnest. The signing of Ganges water sharing treaty same year for 30 years indicated the changing Indian attitude towards Bangladesh. The regime change also helped Bangladesh to tackle a nagging domestic problem with Indian blessings. An insurgency in the Southeastern hill regions had been going on for more than two decades involving the ethnic minorities who claimed autonomy in that region. The insurgents had the covert Indian support with arms and other logistics. In spite of hundreds of killing on both sides there were unsuccessful negotiations to end the insurgency. There could not be any solution until AL accession to power changed the Indian role. The Indians quite possibly played a crucial role in encouraging the Hill insurgent leadership to come to terms with Bangladesh government and sign an agreement.

There was initially no change in India's attitude in 2001 when BNP was voted to power. Then Indian government, a coalition led by Hindu nationalist party BJP sent an emissary to new Bangladesh government to express their desire to keep the relations on the right path. Despite the intentions, however, the bilateral relations fast deteriorated due to some sensitive issues. India held responsible Bangladesh-based Islamist groups for bomb attacks against American centre in Kolkata in June 2002. Bangladesh government was accused of providing bases and training for Indian separatist groups fighting the Indian troops in northeastern states. The bilateral relations hit the lowest point in decades when Indian Deputy Prime Minister L.K. Advani publicly stated that Bangladesh government have allowed the Pakistan intelligence operatives ISI, and the Al Qaeda activists to carry anti-India activities.¹⁶

The three issues that negatively affected bilateral relations since the BNP government came to power merit discussion- the migration of people across the border; Indian allegation against Bangladesh of

giving shelter to anti-India armed groups and Bangladesh failure to get trade concession from India.

Bangladesh did not accept the allegations of illegal migration of Bangladeshis to India and its support to Indian secessionist outfits as having any substance. It is difficult to substantiate the extent of migration as there has been migration across the border from pre-1947 days.¹⁷ But migration was not a dispute until Bangladesh's emergence as an independent state in 1971. India has seen this problem of "illegal immigration" from its security perspective.¹⁸ But the issue touched on the bilateral relations seriously only in early 90s during BNP rule when India started what it called pushing back of illegal Bangladesh nationals. Although it is hard to estimate the number but Indians think that between 'seven and ten and half million Bangladeshis had illegally entered different parts of India'.¹⁹ However there was no attempt to forcibly send alleged Bangladesh people during 1996-2001 when AL was in power. The issue resurfaced again after the BNP government was installed in power in 2001. Then Indian Deputy Prime Minister and Home Minister had estimated that there were 2 million illegal Bangladeshis living in India.

Much heat was generated in the bilateral relations in November 2002 when India was pointing to Bangladesh for its support to the Indian secessionists, Al Qaeda and ISI activists for anti-India activities. In November the Deputy Prime Minister and Home Minister, Foreign Minister and the Defence Ministers made these charges in almost identical language. When Bangladesh denied the charges the High Commission of India in a press statement noted that on previous occasions Bangladesh was given the list of the training camps run by Indian secessionist groups and Bangladesh maintained silence over the issue. The statement also added that any inaction by Bangladesh would give the Indian secessionists an impression that Dhaka supports their anti-Indian activities.²⁰ The allegation was repeated by the then Indian Prime Minister in February 2003.²¹ Bangladesh was charged for "insensitivity to India's security concerns."²² As a counter to India's allegation Bangladesh Border security officials have accused India of harbouring the Bangladesh terrorists.²³

The allegation against Bangladesh from India's highest political hierarchy indicates the significance of this political issue. Its seriousness was supported by the statement of India's External Affairs Minister in the parliament that Indian army was set to strike at secessionist camps in Bangladesh five years ago, but the government hesitated to act, because it would have weakened AL government's position which had just come to power, and therefore would have been politically counter-productive.²⁴

The resurfacing of the migration issue during the present administration has very much contributed to vitiate the bilateral relations. Several attempts by the Indian Border Security Force (BSF) to push people-India called people of Bangladesh origin but Bangladesh called them Bangalee of Indian origin- into Bangladesh territory have tensed the border areas. Sometimes the situation at the border turned critical with both sides positioning heavy weapons and firing at each other. The Bangladesh press had reported the killings of Bangladesh nationals due to firing by the BSF inside Bangladesh border. According to a report compiled by *Odhikar* a human rights NGO, 202 were killed, 302 were injured, 170 were arrested, 187 were abducted and 30 were missing at the hands of BSF in two years.²⁵ Although Indian authority has cited illegal crossing of border as the cause for killings but Bangladesh accuses the BSF of killing Bangladesh people after entering Bangladesh territory.

The Indian government felt that BNP leading the 4-party alliance government that comprises two religious parties is inclined to a hostile anti-Indian attitude. A convergence of opinions in this regard was noticeable among Indian Central and West Bengal provincial governments. The Chief Minister of West Bengal very candidly pointed out that the change of government in Bangladesh in 2001 was a key factor behind the tense relations between the two neighbours. Ironically he found a linkage of the

visit of Pakistan President Parvez Musharraf to Bangladesh with Bangladesh's present policy stance on India.²⁶ It is to be noted that this 'Pakistan connection' has even moulded Indian opinion in the past.²⁷ For many people in Bangladesh India's policies are provocative and hegemonic with regard to its small neighbours. Recently there has been suggestion for a "pro-active policy" that India may take to protect its interest from hostile forces from across the border. With Nepal and Maldives, Bangladesh has been identified as a country where ideas of using military force could have a salutary effect on the various extremist forces.²⁸

The BNP has a past record of looking at India as a hostile neighbour. The mistrusts were increased since BNP came to power in 2001. The portrayal of Bangladesh as hotbed of Islamic extremism- Al Qaeda and ISI operatives and repeated attempts of repatriation of alleged Bangladesh people have shaped present government's attitude to India. The diplomacy that brings Bangladesh closer to North east and East Asia should be seen from this perspective.

3

In all accounts India is the one of the largest sources of Bangladesh's import. Its export trade with India on the other hand is a meagre one. According to one estimate Bangladesh's 11-12 percent of imports- ranging from 8 percent for capital goods, 10 percent for intermediate goods, 13 percent for primary goods and 20 percent for consumer goods originate in India. But Bangladesh's exports to India constitute no more than 10 percent of its imports from India.²⁹ In the words of Bangladesh Foreign Minister, the formal trade between India and Bangladesh involves \$ 1.5 billion a year, and the informal or illegal trade is worth about \$ 3 billion.³⁰ Rapid and significant import liberalisation policy of Bangladesh has been responsible to a sharp increase in Indian legal and illegal import to Bangladesh. Because of India's strong economy it is not possible for Bangladesh to match its export trade with the import trade. But for reducing the gap Bangladesh business community has long been advocating an enhanced Bangladesh exports to India. In the given structure of Indo-Bangladesh trade this imbalance is difficult to change. It is only possible if India offers Bangladesh exportable items some tariff and non-tariff concessions.

As Bangladesh suffers a large overall trade deficit it seeks ways of expanding its exports especially an enlarged market access to India. Following WTO procedures India extended tariff reductions on a multilateral basis to all the members of WTO, including Bangladesh. But the irony is that the commodities that were important in trade with Bangladesh and with other developing countries were not covered under its trade liberalisation policy.³¹ There was no move to allow 25 categories of Bangladesh items for duty free access to Indian market under the South Asian Preferential Trading Arrangement (SAPTA). The negotiations on the matter had been going on for long. At the commerce secretary level meeting held in 2002 India agreed to allow duty free access of 40 Bangladesh items under 16 categories, which were not having any export potential to Bangladesh.³² Export to Indian markets encounters such non-tariff barriers as anti-dumping duties for batteries standardization of products, rules of origin clause of the WTO legal system for garments and knitwear items and reluctance to open Indian markets to goods of other SAARC countries under SAPTA agreement. The seven northeastern states of India are very prospective markets for Bangladesh products. Due to lack of liberalisation on the Indian side, however, the prospects cannot be translated into reality.

India has recently proposed a Free Trade Agreement (FTA) with Bangladesh which may be seen as

a counter proposal to Bangladesh's insistence on preferential trade. India is ready to lift tariff barrier with Bangladesh before the two countries conclude a deal on FTA. The Indian Minister of State for Commerce and Industry was quoted to have said that once the FTA was signed Bangladesh export to India would increase and there would be more Indian investment in Bangladesh.³³ The Non-tariff barriers (NTBs) have been considered real cause of concern by the Bangladesh business communities. In spite of Indian assurance to withdraw NTBs from certain commodities during SAPTA negotiations, in reality many such NTBs remain in force. Bangladesh exporters also complain that there is a lack of transparency on the applicability of NTBs, because the decision making is left to the discretion of land customs check points. Thus the existing high tariffs (and para-tariffs) and the NTBs have tended to discourage Bangladesh's exports to India.³⁴

The location of Bangladesh does not only carry military significance for India's northeastern states but economic value as well. The geographic location makes Bangladesh the short and cheaper route for goods and services between India's heartland and its northeastern states. India has a water transit through Bangladesh since 1972 and now wants a road transit through Bangladesh to connect its northeastern states. The issue of road transit is sensitive for any government in Bangladesh due to domestic political implications. But Bangladesh recently granted double entry-exist visa to Indian citizens transiting any international airports or land ports. This would ease the movements from northeast to India's heartland.³⁵

It should be noted that Indian FDI in Bangladesh is not comparable with that in Sri Lanka or Nepal. Though Indian investors have a sense of insecurity in Bangladesh in respect of life and property but it has been rightly observed that joint ventures could generate security as well as promote the transfer of technology and management capability to Bangladesh.³⁶ At the private sector level there is a growing awareness that there could be fruitful cooperation on a number of areas such as setting up joint ventures in cement, fertilizers, infrastructure if there is adequate government support.³⁷

4

Southeast Asia did not figure prominently in Bangladesh foreign policy any time before. Geographically for Bangladesh this region was not easily accessible except by air. The lack of smooth communications did not help flourish any strong trade links. Moreover, the economic dimensions of foreign policy like trade, joint ventures or regional economic groupings were not evident until the beginning of nineties. But the systemic changes at that time had forced the reconsideration of these economic agenda on Bangladesh. The economic diplomacy that was begun around this time targeted Southeast Asia in 2002 in the changing international situation.

Except the ethnic Rohingya issue³⁸ with next door Myanmar Bangladesh does not have any political or security interest in the area. Under the shadow of cold war in different international context Pakistan's participation in South East Asia Treaty Organisation (SEATO) once brought Bangladesh politically involved in this region. Since the change in the context Bangladesh had neither any political compulsion, nor had substantial economic goals to pursue here. But the visits at the highest political level undertaken since December 2002 between Bangladesh, Thailand and Myanmar were economically oriented. Bangladesh is trying to give a push to its economic diplomacy by gains which these visits may produce. In the global foreign trade the balance of payment is heavily tilted against Bangladesh. Facing a discouraging response from India its businessmen and entrepreneurs want to search new markets in this region.

The geographic location underscores Myanmar's importance to Bangladesh. Bangladesh once had rich religious, cultural, economic and social exchanges with Myanmar.³⁹ Regrettably the current knowledge of Bangladeshis about the next door neighbour is strikingly poor. As for domestic political reasons Myanmar is under the international pressure to bring about political reforms, its efforts to strengthen relations outside its own region should be viewed from the perspective of widening its own international links. And for Bangladesh the only other common border neighbour Myanmar is important for both political and economic reasons. The geographic location has made Bangladesh vulnerable to any Indian ambitions in South Asia. Its psychology of being insecured can be reduced considerably by cultivating multifaceted relations with Myanmar.

Having being located in the centre of South Asia and Southeast Asia Bangladesh can be a potential route for commercial interactions of two regions. In the context of the Asian Land Transport Infrastructure Development (ALTID) project Bangladesh has assumed the importance of being the mid point of all road and railway communications. The Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation (BIMSTEC) initiative has brightened the prospect of implementation of the southern corridor of ALTID which connects Bangladesh, China, India, Iran, Malaysia, Myanmar, Nepal, Pakistan, Singapore, Sri Lanka, Thailand and Turkey.⁴⁰

There has already been an agreement that Myanmar would be connected with Bangladesh by a road with a bridge over the bordering river Naaf.⁴¹ The proposed road links between Myanmar and Bangladesh should be seen in the framework of ALTID. Presently the link would be established along the Teknaf (Bangladesh)- Mungdoo (Myanmar) section. As this section of the Highway constitutes the direct road link between Bangladesh and Myanmar, its importance for Bangladesh's trade with other Southeast Asian countries is obvious.⁴²

Bangladesh also considers that its location creates its legitimate claim to become part of ASEAN Regional Forum (ARF) and seeks Myanmar's support for it.⁴³ Compared to Thailand Myanmar could offer better prospects to Bangladesh products. The responses generated by the two Bangladesh trade fairs held in Yangoon (1995, 1996) illustrate this point. There has been an agreement on account trade between two countries that allows payments after certain agreed period of two-way trading instead of payment settlement on consignment basis. Forty-four Bangladeshi products are entitled to enjoy the facilities of account trade against Myanmar's 24 items.⁴⁴ The economic collaboration may be possible in joint ventures like the development of clinker factories in Rakhine state of Myanmar based on limestone deposits for export to Bangladesh for use in its cement factories. Myanmar's liberal policy on leasing out land for agro-based industries could be an attraction for Bangladesh entrepreneurs.⁴⁵

During the Thai Prime Minister visit Bangladesh was offered opportunity to lessen the trade gap with that country by having greater access into its market.⁴⁶ Given the robustness of Thai economy it may not be easy for Bangladesh products to get soft entry into its market but once the concession offers are materialised the situation may change. The liberal policies of Bangladesh may be an inducement for Thai investors to consider investments in infrastructure developments in Bangladesh. Thailand may also consider expansion of its trade in future with South Asian countries using road network that is being planned between Bangladesh and Myanmar.

To Bangladesh China is an important country next to Japan in East Asia. For political and security reasons Bangladesh-China relations has been on a solid footing since 1975. Bangladesh Prime Minister's visit to China in December 2002 was characterised by the bilateral agreements in investments and trade, construction of roads and bridges, cultural exchange and defence sectors. Under the defence

cooperation agreement the two countries would cooperate in training, maintenance, and information exchange between their defence forces. The role of India factor in the initiation and later strengthening of Bangladesh-China relations should be mentioned. In the prevailing regional environment in the mid-70s Bangladesh had been assured of Chinese political and diplomatic support continually. Subsequently though there was an upward swing in Sino-India relations in the late-80s there was no dearth of Chinese diplomatic support to Bangladesh. In the context of overall relations the defence cooperation agreement was virtually the continuation of Chinese assistance to Bangladesh armed forces.⁴⁷ The economic side of bilateral relations characterises Chinese assistance to build some bridges and a large conference centre in Dhaka.

The Chinese also proposed an idea of creating a sub-regional forum comprising of Bangladesh, Myanmar, and India's Northeastern states during this visit. In the context of geographical contiguity of the proposed cooperating states and the future opening of Asian Highway trade and other forms of economic co-operations are likely to be bright.

In the year 2004 the change in Bangladesh's foreign policy direction got a boost with first ever state visits to Bangladesh by Vietnam's president. During his tour expansion of trade and economic cooperation between Bangladesh and Vietnam occupied the agenda of talks. Following the talks three accords were signed in avoiding double taxation, cooperation in agricultural sectors and on cultural exchanges. Vietnam also agreed to undertake a joint venture pharmaceutical project with Bangladesh assistance. Bangladesh wanted to supply raw materials to Vietnam for its growing leather and textile industries.⁴⁸ The state visit of Singapore's Prime Minister in 2004 was regarded as economically fruitful to raise his country's total volume of investment in Bangladesh. It was presumed that cheap labour force of Bangladesh would attract its investors in Bangladesh export processing zones while labour shortage in its service sectors could create a scope for job opportunities for Bangladesh.⁴⁹

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The economic diplomacy that Bangladesh has started in this region may have two rationales. Until the other day Bangladesh did not seriously consider the economic points of bilateral relations with Southeast and East Asia. Except foreign aid, mainly from Japan, other forms of economic targets were not seriously pursued. The ASEAN connection among the Southeast Asian countries may have discouraged Bangladesh in this respect. But the failure to cultivate strong trade relations and the political disputes with India has motivated Bangladesh for diversification of its trade and other forms of economics links. Secondly, as member of regional economic grouping, BIMSTEC Bangladesh may seek benefits of the regional cooperation. Though these visits were bilateral but they may be seen under BIMSTEC spirit. It is obvious that any strengthening of bilateral relations will eventually strengthen the regional cooperation. Bangladesh is very actively participating in meetings of the grouping. Though initially it did not sign the framework agreement on the proposed free-trade area but proposed tariff concessions under BIMSTEC may be a great incentive for boosting its trade in the area.⁵⁰

But the benefits will remain mere assumptions unless they are substantiated by facts. In the light of prospects and constraints any discussion will be relevant to judge the policy of Bangladesh. The economic benefits of Bangladesh and Myanmar bilateral relations are to be pursued in two fronts. Though from the '70s they are having trade relations but these relations were never impressive. Currently Bangladesh's trade with Myanmar is insignificant. In 2004 its trade deficit was US\$34.78

million, importing goods worth US\$35.90 million against its export of US\$1.12 million.⁵¹ As there was lack of knowledge about each other products they could not increase their respective trade baskets.⁵² But the prospect for border trade is great in view of thriving cross border trade between southern Bangladesh and northern Myanmar. As northern Myanmar is somewhat physically isolated from the rest of the country the flourishing cross border trade with Bangladesh has contributed to meeting the needs of inhabitants on both sides of the border.⁵³ Bangladesh has recently established a port on the river Naaf at Teknaf to provide the shortest link with the Myanmar border town Maungdaw. This port may in future act as a gateway for bulk export and import of commodities between the two countries.⁵⁴

In the evolving relationships between Myanmar and Bangladesh the planned 91 km. cross border road may be regarded as an important example. The construction of the road has started with laying the foundation stone of a 43 meter Gundam-Taungbro bridge over river Tamru on 26 February 2005.⁵⁵ When the construction of this road will be completed it will form the main communication routes with other countries in the region. Bangladesh has also agreed to the construction of a 290 km gas pipelines from Myanmar to India across its territories. The three countries have in principle agreed to sign the Tripartite Gas Transmission contract by the end of March 2005.⁵⁶

China is considered to be one of the close allies of Bangladesh since the two countries established diplomatic relations in 1975. The two countries have pursued multifaceted relations involving political, economic, cultural and military dimensions. Though India feels wary of any Chinese influence in South Asia but successive governments in Bangladesh since 1975 have considered friendship with China as a corner stone of the country's foreign policy. This policy stance did not change even when AL came to power in 1996. The bilateral trade, technical and other forms of economic cooperation have been increasing. The bilateral trade in 2002 amounted to US \$897.15 million with an increase of 24.4 percent against previous year. This trade involved Bangladesh export to China of US \$18.97 million and an import of US \$878.18 million. The Chinese economic assistance to Bangladesh has been mostly through long-term soft loan, project and commodity aid. Besides, it includes a number of supplier credits to Bangladesh.⁵⁷

The idea of a regional economic cooperation involving Bangladesh, China's Yunnan province, India's northeastern region and Myanmar (BCIM, once called Kunming initiative) has become a new aspect of Bangladesh-China bilateral relations. Yunnan, a landlocked province of China wants access to Bay of Bengal for quicken its export and imports. It was held that the revival of road connection stretching from Ledo in Assam to Myanmar and then extending to Yunnan will have cost-effective access to outside markets. This road used during World War II is being modernised by the Chinese now⁵⁸ Pursuant to the spirit Bangladesh and China have agreed to open a road link between the two countries through Myanmar.⁵⁹

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The forgoing discussion indicates that there has been a change of direction in Bangladesh foreign policy. The new direction is only economically oriented and its outcome in practical terms is yet to be seen. The high level official visits could be treated as the beginning of an extensive economic collaboration. There is a positive factor that favours Bangladesh in its efforts. Bangladesh does not have any substantial political irritants with any country in this region. The repatriation of remaining Rohingya people from Bangladesh camps would be a major contribution to easing relations with Myanmar.

And the strengthening of political relations should be the crucial factor in upgrading any economic cooperation. There are few positive economic factors for Bangladesh. Its convenient location makes it the meeting point of any surface transportation links between South and Southeast Asia. It will be materialised in eventual implementation of ALTID scheme. Its cheap labour is an incentive for flow of FDI that Bangladesh is seriously pursuing over many years. On the other hand the skilled and unskilled working people from Bangladesh may have better prospects in some of the regional countries in view of shrinking opportunities for the same in the Middle East.

The urge for economic interdependence among the Asian countries could be an encouragement for Bangladesh in this region. With that aim in view Bangladesh is trying to join the regional economic groupings like BIMSTEC and ARF. The multilateral diplomacy can be complimented by bilateral initiatives.

However it cannot be a pragmatic policy to give less attention to South Asia with any unrealistic dreams about benefits from the East. The deteriorating bilateral relations with India may be the compelling political factor to search new friends. However Bangladesh has to have India as a competitor in this region. Already India has given greater emphasis on its Look East Policy. Given the robust economy of India the Southeast and East Asian countries may derive comparatively more benefits from that country. Diplomatically therefore Bangladesh has to have dynamic and pragmatic policy options. And these options would have to be built on listing the potential economic gains and strategy.

The success of the present policy would depend on both political and economic decisions. Recently some developments have had cast a shadow on bilateral relations with China. The Chinese are willing to give Bangladesh some supplier credits against certain projects. But the officials of Bangladesh do not consider these credits as economically worth taking. So the finalisation of these projects was not possible during Bangladesh Prime Minister visit to China. The Chinese have not taken Bangladesh's unwillingness with good grace. In the year 2004 Bangladesh and China were implicated in a diplomatic row over the Taiwan issue. The Chinese government complained that Bangladesh ignoring its 'one China policy' allowed Taiwan to set up a Trade Mission that was acting as the consular office of that country. The Chinese government was reported to have vented their displeasure by saying that 'Taiwanese authorities were out to seek a political breakthrough in Bangladesh by setting of the so called Taipei Representative office to politically use Bangladesh'.⁶⁰ Having faced the Chinese pressures Bangladesh had to cancel a meeting of Taiwanese investors in Dhaka. The political issues like the Rohingya repatriation or Taiwan trade office should not be over stretched to disturb bilateral relations.

Notes

- (1) These included some wishful ideas like turning Bangladesh into Switzerland of the East; friendship with all, malice to none etc.
- (2) Bangladesh Prime Minister Khaleda Zia made a 3-day state visit to Thailand during 12-14 December followed by the visit of Myanmar Prime Minister General Than Shwe to Bangladesh during 17-18 December. Bangladesh Prime Minister made a 5-day visit to China during 23-27 December 2002.
- (3) President of Vietnam Tran Duc Luong visited Bangladesh in March 2004. The Foreign Minister of Bangladesh visited Vietnam in July 2004. And in June 2004 the Prime Minister of Singapore Goh chok Tong visited Bangladesh.

- (4) Prime Minister of Bangladesh was on an official visit to Singapore from 20 March 2005. In the official talks, trade, investment and manpower export were given special treatment. The Chinese Prime Minister visited Bangladesh for two days beginning on 7 April 2005. The two countries signed 9 accords that range from Chinese assistance to Bangladesh on peaceful use of nuclear energy to loan on concession terms to construct a dialuminium phosphate fertiliser factory.
- (5) Ferdaus Ahmad Quraishi, 'The Dream connection', *Daily Star*, 22 December 2002
- (6) Abdul Malik, 'Welcome initiatives in Bangladesh foreign policy', *Holiday*, 10 January 2003
- (7) The Thirteenth SAARC summit was postponed twice, once in December 2004 due to Tsunami, again in February 2005 for India's refusal to participate on the grounds related to domestic political situation obtaining in Nepal and Bangladesh. The Summit meeting could not take place in 1999 due to Indian Prime Minister's reluctance to meet the military leadership in Pakistan.
- (8) Foreign Minister of Bangladesh Morshed Khan told, "The market is here in Asia and we will pursue our 'Look East Policy' to further strengthen ties with the countries of Southeast Asia....The Asian markets have tremendous potential compared to any other market now and we cannot sit idle as to be static means going backward." See *Daily Star* 24 December 2003
- (9) During AL governments in 1972-75 and 1996-2001 Bangladesh could get better treatment on its bilateral disputes with India. But in BNP and JP administrations India had often demonstrated rigid attitude to address the bilateral disputes.
- (10) The treaty by its nature was a defense treaty because it was signed at a time when India's relations with the People's Republic of China was very hostile. Article 8 and 9 stipulated bilateral commitment to each other in case of a third party attack on other. This commitment may be interpreted as Bangladesh's obligation to offer India military use of its territory in the event of a Chinese attack on latter's northeastern border.
- (11) Biggest of all the disputes in terms of its consequences on Bangladesh economy and environment is the water sharing of the common river the Ganges which has lost its natural flow in Bangladesh with the construction of a barrage on Indian side of the border.
- (12) J.N. Dixit, *My South Block Years memoirs of a foreign secretary*, New Delhi, 1996, pp.154-165
- (13) See Akmal Hussain, 'The Bangladesh-India Relations 1972-75: Seeds of Future Discord' in Muzaffer Ahmad and Abul Kalam (eds.) *Bangladesh Foreign Relations Changes and Directions*, Dhaka, 1989, pp.9-19; Ishtiaq Hossain, 'Bangladesh-India Relations: Issues and Problems' in Emajuddin Ahmed (ed.), *Foreign Policy of Bangladesh a small state's Imperative*, Dhaka, 1984, pp.34-51; Amena Mohsin, 'Bangladesh-India Relations: Limitations and Options in an Evolving Relationship' in Emajuddin Ahmed and Abul Kalam (eds.) *Bangladesh South Asia and the World*, Dhaka, 1992, pp.59-73
- (14) The opposition political opinion held the Indian Marwari community responsible for smuggling. See Akmal Hussain, *op.cit.*, p.16
- (15) The first agreement was signed in 1975 for test running the barrage for that season. In the absence of any agreements India withdrew water to its full requirement until a new agreement for five years was reached in 1977 with comprehensive provisions for mutual shares and guaranteed flows to Bangladesh. With the expiry of 1977 agreement two Memoranda of Understanding (MOU) were signed successively in 1982 and 1985. Since the last MOU was over no agreement was there and Indian withdrawal was sometimes having crippling effects on Bangladesh.
- (16) Rounaq Jahan, 'Bangladesh,' *Asian Survey*, Vol. XLIII, no.1, Jan-Feb 2003

- (17) During British time the migration was done in a planned way. The migrant population filled up the vacant lands in Assam and brought them under cultivation. After independence Indian government discouraged migration from then East Pakistan to avoid the economic burden that it may create. Also the people of Assam and Tripura opposed migration because they thought the migrants were demographically outnumbering them. The problem turned complicated when the newcomers had started to possess ration cards, electoral cards, employment and their children had school admission. They became a vote bank during elections to different public bodies. See proceedings of the seminar on 'Migration and Refugees' in Foreign Policy, 21 March 2003, ICWA, Delhi
- (18) For over a decade India has been constructing barbed wire fencing all along the Indo-Bangladesh common border. It is believed that India plans to complete the fencing project by 2006.
- (19) J.N. Dixit. *op.cit.* p.158
- (20) *Prothom Alo*, 11 November 2002
- (21) *Daily Star* 9 February 2003
- (22) Interview of Indian External Affairs Minister Yashwant Sinha, *Daily Star* 8 February 2003
- (23) The media in Bangladesh reported that at the meeting of the Border security chiefs of two countries in September 2004 the lists containing the names of camps of each other secessionist and terrorists groups were exchanged.
- (24) *Ann/Statesman*, New Delhi, reprinted by Daily Star 2 December 2002
- (25) *Daily Star* 2 December 2002
- (26) See his interview with *Shaptahik 2000*, 28 March 2003
- (27) J.N. Dixit writes, "By 1991 Bangladesh has established not just close political, but also economic and defence relationship with Pakistan. In fora such as SAARC and the United nations, Bangladesh was functioning in tandem with Pakistan on issues affecting India. *op.cit.* p.156
- (28) C. Raja Mohan, 'Ending the regional drift', *The Hindu*, 27 August 2004
- (29) Nurul Islam, 'Indo-Bangladesh Economic Relations Some Thoughts', *Economic and Political Weekly*, September 4 2004 See www.epw.org.in
- (30) *Daily Star* 24 April 2003
- (31) Nurul Islam, *op.cit.*
- (32) It is ironic that in spite of three rounds of negotiations the achievement of SAPTA is negligible. India being the leading country has to be blamed more than any other members. India's total coverage of items under preferential treatment was not more than one tenth of the total items traded by member countries. See Swapan K. Bhattacharya, 'Regional Trading Arrangements among SAARC and India's imports', *South Asia Economic Journal*, Vol.2, No.2, July-December 2001, pp.286-87
- (33) *Dhaka Courier*, 2 January 2004
- (34) Kyoko Inoue and et al., *Sub-Regional Relations in the Eastern South Asia: With Special Focus on Bangladesh and Bhutan*, Joint Research Program Series No.132. IDE, JETRO, 2004, pp.15-16
- (35) *Dhaka Courier*, 24 September 2004
- (36) Nurul Islam, *op.cit.*
- (37) Kyoko Inoue and et al., *op.cit.*, pp.16-17
- (38) Rohingyas are ethnic people living in the Arakan state of Myanmar who are Muslims and settled there at the early history of spread of Islam. According to Rohingya sources they would have been in clear majority in Arakan had not bulk of their population remained outside of their

homeland now due to continued migration out of Arakan for the last several decades. In the face of persecution of Myanmar government the Rohingyas were forced to flee their home and take shelter in Bangladesh's southeastern region of Chittagong. The Rohingya sources claim that since 1948 till 1999, there were no less than 20 major combined military operations against them. In 1978 3,00,000 Rohingyas were forced to take shelter in Bangladesh. A bilateral agreement was signed between Bangladesh and Myanmar for the return of the refugees. Once again in 1991-92, 2,68,000 Rohingyas were forced to leave their country and take shelter in Bangladesh. Again an agreement was signed between the two countries that facilitated the return of 2,29,877 Rohingyas. But fresh exodus of refugees took place in 1996 when the UNHCR reported that 5,500 Rohingyas had fled to Bangladesh. See *The Life and Living of the Rohingyas Problems and Solutions*, Arakan Historical Society, Chittagong, Bangladesh, (Undated)

- (39) Due to patronization of the Arakan royal court in the seventeenth century some excellent pieces of Bangla epics were written. Burma (present day Myanmar) being part British Indian empire was a golden land for Bangalee fortune seekers.
- (40) Kyoko Inoue et al., p.64
- (41) On the proposed coastal shipping arrangement the Myanmar government suggested a tripartite agreement involving Thailand. But Bangladesh favoured a bipartite agreement with option for including Thailand in future. See *Daily Star* 20 March 2003.
- (42) Bangladesh and Myanmar also agreed to make coastal shipping arrangement, avoid double taxation and extend visa tenure for Bangladesh businessmen for at least six months.
- (43) Bangladesh Prime Minister made this point in a banquet in honour of Myanmar's Prime Minister. *The Bangladesh Observer*, 5 April 2004
- (44) *Dhaka Courier*, 19 March 2004
- (45) Kyoko Inoue et al., *op.cit.*, p.73
- (46) Thailand agreed to tariff concession from 0 to 5% on 128 items of 6 categories of Bangladeshi products. These include frozen food, ceramic and the leather goods. Thailand also agreed to increase its cooperation with Bangladesh in the fields of Higher Education, communications, urban traffic and pollution control, medical treatment and health service, development of fisheries and cattle resources, and also in the areas of movement of illegal drugs and arms. See *Prothom Alo* 14 December 2002
- (47) Bangladesh Armed forces have been trained and equipped by China since it recognized Bangladesh in 1975. The Bangladesh Air Force is currently negotiating to add a squadron of F-7 MG fighters from China to its fleet. *Prothom Alo*, 28 February 2005
- (48) *Dhaka Courier*, 26 March 2004
- (49) *The News Today*, 23 June 2004
- (50) Under thee agreement the developed partners –India, Thailand and Sri Lanka would reduce tariff from zero to five percent in five years of FTA coming into force in 2006. The LDC members, Bangladesh, Myanmar, Nepal and Bhutan will get ten years from 2006 to cut down their tariffs.
- (51) *Dhaka Courier*, 19 March 2004
- (52) Bangladesh earlier exported jute manufactures, jute yarn and twine to Myanmar but now exports pharmaceuticals and chemical fertilizer, textile fabrics, leather bags and purses and imports rice, pulses, maize, betel nuts, pulp, logs, minerals etc. See Kyoko Inoue et al., *op.cit.*, p.27
- (53) *Ibid*, p.27

- (54) *Ibid*, p.36
- (55) *Bangladesh Today* 27 February 2005. This road will be built from Ramu of Bangladesh to Buthidaung in Myanmar at an estimated cost of US\$670 million. In addition two bridges and a two km of new road will be constructed as part of the plan. See Kyoko Inoue et al., *op.cit.*, p.28
- (56) *Prothom Alo*, 28 February 2005. As return gesture Bangladesh has asked for Indian corridors to increase Bangladesh's trade with Bhutan and Nepal. Bangladesh also wants to buy electric power generated at hydroplants in Bhutan using Indian grid line. Apart from trade corridor and transmission Bangladesh conditions also include purchase of Myanmar gas if needed, management of the pipeline and access to transmit Bangladesh gas to the western part of the country through this line.
- (57) Kyoko Inoue et al., *op.cit.*, pp.30-31
- (58) *Ibid*. pp.61-62
- (59) *The Bangladesh Observer*, 2 August 2004
- (60) *Ibid*. 4 May 2004