

Uncertain Diplomatic Shift: Bangladesh's Foreign Policy and Its Internal Logic

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Summary

During the six months of its tenure, Bangladesh's interim government has demonstrated a significant shift in its foreign policy, characterised by complex adjustments in both bilateral and multilateral relations. Bangladesh and India have experienced ongoing tensions. Despite historical baggage, there has been strong progress in relations between Bangladesh and Pakistan in recent times. Simultaneously, the interim government has continued its pro-China approach. However, whether the interim government's efforts to maintain balance in its diversified partnerships can effectively address the increasingly complex geopolitical dynamics in South Asia and sustain Bangladesh's strategic positioning remains a critical challenge that requires resolution.

On 5 August 2024, large-scale protests and violent incidents triggered by Bangladesh's public service quota system directly led to the resignation of Prime Minister Sheikh Hasina, who subsequently sought refuge in India.¹ This development caused a sudden deterioration in Indo-Bangladeshi relations. Over the ensuing months, the Bangladeshi interim government and India engaged in intense negotiations over Hasina's extradition and the review of the Adani power agreement, pushing bilateral relations into a prolonged state of tension.

In stark contrast, Bangladesh's ties with Pakistan and China witnessed significant improvement, with enhanced cooperation in areas such as maritime navigation, commercial collaboration, and visa facilitation. This adjustment in foreign policy not only signifies a marked strategic shift for Bangladesh but also introduces greater complexity and uncertainty to South Asia's regional order and geopolitical dynamics.

Against the backdrop of an interim government with an undefined policy trajectory, delving into the underlying logic of Bangladesh's foreign policy shift and its potential impacts on India, China and Pakistan provides valuable insights. Such analysis not only aids in understanding the driving forces and directions of their diplomatic realignment but also offers a critical perspective on the evolving strategic landscape of South Asia.

Transformation of Bangladesh-India Relations

Bangladesh's current interim government has undertaken significant adjustments in its political, diplomatic and economic policies toward India. This shift stems from several

¹ "Sheikh Hasina in India amid UK asylum roadblock: What is India's policy on refugees?", *The Indian Express*, 9 August 2024, <https://indianexpress.com/article/explained/explained-law/sheikh-hasina-refugee-india-policy-bangladesh-9503287/>.

factors, including Bangladesh's security anxieties regarding India's regional identity, longstanding trade imbalances and conflicting strategic goals and interests.

Diplomatic Dimension

The tension in Bangladesh-India relations has continued to escalate. In December 2024, Bangladesh formally requested India to extradite Hasina to face charges of "genocide, mass killings, and crimes against humanity". India opted for a muted response, refraining from further comment, which triggered a new wave of diplomatic friction.² Border security also remains a persistent issue in bilateral disputes. On 6 January 2025, the Indian Border Security Force resumed fencing activities along the border between Bangladesh and West Bengal.³ The Bangladeshi interim government lodged strong protests against these actions, emphasising the need to safeguard its sovereignty.

Political Dimension

Politically, Bangladesh has exhibited a clear trend of 'de-Indianisation'. The interim government cancelled a judicial training programme originally scheduled for 2025 in India, terminating agreements signed during Hasina's administration.⁴ Simultaneously, the domestic handling of the Hindu minority further strained relations. The arrest, asset freezing and sentencing of prominent Hindu leader Krishna Das Prabhu sparked strong protests from India, exacerbating religious tensions within Bangladesh.⁵ Additionally, Bangladesh adopted a low-key or delaying approach toward India-led regional initiatives within the South Asian Association for Regional Cooperation (SAARC), demonstrating its attempt to reduce dependency on India while seeking greater strategic autonomy.

Economic Dimension

Bangladesh has scrutinised economic projects involving India. The interim government reviewed the power purchase agreement with India's Adani Group, citing concerns over unfair terms and disproportionate risk-sharing, aiming to reduce energy dependence on India.⁶ Moreover, Bangladesh slowed the progress of the Bangladesh-Bhutan-India-Nepal transport agreement, prioritising domestic interests and exploring partnerships with other third parties. In terms of regional economic cooperation, Bangladesh reassessed

² "Received Bangladesh's Request To Extradite Sheikh Hasina, Confirms India", *India News*, 3 January 2025, <https://www.ndtv.com/india-news/received-bangladeshs-request-to-extradite-sheikh-hasina-confirms-india-7392976>.

³ Nirmala Ganapathy, "Fence at India-Bangladesh border is latest irritant in once-strong New Delhi-Dhaka ties", *The Straits Times*, 20 January 2025, https://www.straitstimes.com/asia/south-asia/fence-at-india-bangladesh-border-is-latest-irritant-in-once-strong-new-delhi-dhaka-ties?_gl=1*1cvcfv6*_gcl_au*MjExMzc4NDQ0LjE3Mzc1MTU4NDg.

⁴ "Bangladesh cancels judicial officials' training in India", *DD News*, 6 January 2025, <https://ddnews.gov.in/en/bangladesh-cancels-judicial-officials-training-in-india/>.

⁵ "Bangladesh freezes arrested Hindu leader Chinmoy Krishna Das' bank account", *The Hindu*, 29 November 2024, <https://www.thehindu.com/news/international/bangladesh-freezes-arrested-hindu-leader-chinmoy-krishna-das-bank-account/article68926790.ece>.

⁶ "Bangladesh reviews power deals, including Adani, amid US bribery allegations", *Business Today*, 24 November 2024, <https://www.businesstoday.in/latest/corporate/story/bangladesh-reviews-power-deals-including-adani-amid-us-bribery-allegations-454907-2024-11-24>.

negotiations under the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation framework. Indian Commerce Minister Piyush Goyal publicly expressed a 'cautious' stance toward the existing cooperation model, reflecting a broader reevaluation of regional economic integration strategies.⁷

The evolving dynamics of Bangladesh-India relations can be attributed to deepening threat perceptions, unequal economic and resource distribution, and conflicting regional strategic interests.

Deepening Threat Perceptions

India's self-identification as a 'global leader' in South Asia and globally has heightened Bangladesh's perception of it as a threat. The legacy of the 1971 Liberation War continues to shape Bangladesh's view that India interferes in its domestic affairs. Bangladesh perceives India's protector mentality as undermining its sovereignty and independence. Additionally, India's 'Neighbourhood First' policy and its Indo-Pacific strategy are viewed by Bangladesh as preferential arrangements that marginalise its interests. Further exacerbating tensions, India's implementation of the National Register of Citizens, the Citizenship Amendment Act and stringent border migration policies have provoked significant dissatisfaction in Bangladesh.⁸

Economic and Resource Asymmetries

The asymmetric trade relationship and inequitable resource allocation are also central to the disputes between the two nations. Bangladesh primarily exports low-value-added goods while heavily relying on imports of Indian-manufactured products and raw materials, resulting in a structurally imbalanced trade relationship. By 2024, Bangladesh's trade deficit with India had exceeded US\$10 billion (S\$13.5 billion).⁹ In terms of resource allocation, Bangladesh views India's control over the waters of the Ganges, Teesta and Tripura rivers as unjust. India's restrictive policies on energy cooperation and its dominant allocation of critical resources further intensify these tensions.

Strategic Goals and Conflicts of Interest

Conflicting regional strategic objectives is a major driver of deepening discord. Bangladesh's pursuit of independence and a multipolar foreign policy contrast sharply with India's leadership ambitions in the region. While India seeks to reinforce its dominance in South Asia through its 'Neighbourhood First' policy, Bangladesh counters this by strengthening economic and military ties with China to offset Indian influence and safeguard its strategic autonomy.

⁷ Kirtika Suneja, "Piyush Goyal suggests a rethink on BIMSTEC FTA", *The Economics Times*, 7 August 2024, <https://economictimes.indiatimes.com/news/economy/foreign-trade/piyush-goyal-suggests-a-rethink-on-bimstec-fta/articleshow/112342655.cms?from=mdr>.

⁸ Sushant Singh, "Modi's Politics Hinder Neighborhood Ties", *Foreign Policy*, 22 August 2024, <https://foreignpolicy.com/2024/08/22/india-modi-bangladesh-hasina-neighborhood-first-bjp-politics/>.

⁹ The Observatory of Economic Complexity, "India and Bangladesh Trade", <https://oec.world/en/profile/bilateral-country/ind/partner/bgd>.

Shift in Bangladesh-Pakistan Relations

The interim government's pragmatically oriented foreign policy has provided an opportunity to thaw the historically strained ties between the two countries. Currently, bilateral cooperation is advancing rapidly, reflected in frequent high-level interactions, simplified visa policies, and progress in maritime connectivity.

Firstly, resumption of dialogue and high-level visits. Leaders from both nations held discussions during the United Nation General Assembly in September 2024 and the D-8 Summit in December 2024,¹⁰ facilitating the diplomatic reset. In January 2025, a senior Bangladeshi military officer visited Pakistan for the first time since Bangladesh's independence. In February 2025, Pakistan's Foreign Minister Muhammad Ishaq Dar is scheduled to visit Bangladesh, marking the first such visit in 13 years.

Secondly, simplified visa policies. The interim government has removed additional visa approval requirements for Pakistani nationals and discontinued special security checks for Pakistani passengers at Dhaka Airport. Additionally, it exempted Pakistani goods from 100 per cent physical inspections.¹¹ Both nations have also agreed to enhance cooperation on multilateral platforms, such as the D-8.

Thirdly, maritime connectivity and strengthened economic ties. In November 2024, the port of Chattogram received its first direct cargo shipment from Pakistan, inaugurating a direct maritime route between Bangladesh, Pakistan and China. This new route significantly improves supply chains and strengthens economic ties among the three nations.

Bangladesh's pursuit of improved bilateral relations with Pakistan stems from the following key considerations:

Changes in the External Environment

The interim government aims to stabilise its external environment to focus on domestic reforms and elections. Improved relations with Pakistan not only mitigate the adverse political and economic impact of tense Bangladesh-India relations but also attract regional and international investments to offset the economic losses caused by recent protests. The restoration of ties with Pakistan signifies a strategic adjustment by Bangladesh in response to evolving geopolitical dynamics.

Strategic Considerations

The shift in Bangladesh-Pakistan relations reflects Dhaka's efforts to recalibrate its role within South Asia and the broader global order. Despite historical disagreements, the two

¹⁰ Zain Zaman, "Bangladesh-Pakistan thaw to redraw South Asia's power map", *Asia Times*, 26 December 2024, <https://asiatimes.com/2024/12/bangladesh-pakistan-thaw-to-redraw-south-asias-power-map/>.

¹¹ "Bangladesh waives 100% physical inspection on consignments from Pakistan", *SAMAA TV*, 19 December 2024, <https://www.samaa.tv/2087325822-bangladesh-waives-100-physical-inspection-on-consignments-from-pakistan>.

nations share complementary trade interests, including access to Central Asian markets.¹² Additionally, they have overlapping priorities in addressing climate change, energy cooperation, and economic development. By enhancing ties with Pakistan, Bangladesh seeks to maintain balanced autonomy in economic, security and diplomatic affairs, particularly as its internal political situation remains fragile.

Pragmatic Diplomacy

Driven by a focus on tangible benefits, the interim government has adopted a pragmatic foreign policy to overcome challenges stemming from over-reliance on a single partner and a lack of strategic autonomy. Strengthening relations with Pakistan demonstrates Bangladesh's commitment to diversified diplomacy. This approach aims to balance relations with India, Pakistan and China, ensuring both domestic development and an effective response to regional challenges.¹³

It is important to note that Bangladesh's recent diplomatic reorientation towards India and Pakistan is neither unilateral nor linear, but rather shaped by a complex interplay of factors. While the current trends of strained Bangladesh-India relations and warming Bangladesh-Pakistan ties appear pronounced in the short term, they primarily represent strategic recalibrations. These adjustments aim to achieve a balance amid growing domestic and international complexities rather than aligning decisively with one side, thereby reducing strategic risks.

From the perspectives of economic structure, energy supply and participation in regional mechanisms, Bangladesh's structural dependence on India is unlikely to undergo a fundamental shift in the short term. Similarly, the deep-seated historical grievances and nationalistic sentiments between Bangladesh and Pakistan present significant barriers to fully mending ties in the near future. Against this backdrop, only by thoroughly understanding the underlying logic of Bangladesh's short-term policy adjustments and its long-term structural constraints can one prudently and comprehensively evaluate its foreign policy trajectory.

Assessment of Bangladesh's Foreign Policy towards China

On 20 January 2025, the Chinese Ambassador to Bangladesh, Yao Wen, met with Redwan Ahmed, Secretary-General of the Liberal Democratic Party of Bangladesh, and Foreign Policy Advisor Touhid Hossain. The meeting focused on China-Bangladesh relations, issues of mutual interest, and the current political situation, alongside discussions on enhancing inter-party exchanges.¹⁴ Earlier, during a meeting with Muhammad Yunus, Chief Adviser to

¹² Engr. Zamir Ahmed Awan, "A New Chapter of Close Ties and Shared Prosperity between Pakistan and Bangladesh", *Modern Diplomacy*, 19 January 2025, <https://moderndiplomacy.eu/2025/01/19/a-new-chapter-of-close-ties-and-shared-prosperity-between-pakistan-and-bangladesh/>.

¹³ William Gomes, "Reconceptualizing Bangladesh-Pakistan Relations: A Multi-Dimensional Analytical Approach – Analysis", *Eurasia Review*, 26 December 2024, <https://www.eurasiareview.com/26122024-reconceptualizing-bangladesh-pakistan-relations-a-multi-dimensional-analytical-approach-analysis/>.

¹⁴ Embassy of the People's Republic of China in Bangladesh, "Event Highlights", 20 January 2025, http://bd.china-embassy.gov.cn/dshd/202501/t20250120_11538701.htm.

the interim government, Yao reaffirmed that China's commitments to Bangladesh would remain unchanged regardless of internal developments. As Bangladesh's largest trading partner, the second-largest source of foreign aid and the third-largest source of foreign direct investment, the evolution of Bangladesh's foreign policy holds significant implications for China.

Possible Advantages

The interim government's diplomatic realignment presents several opportunities for China. The short-term and pragmatic nature of the interim government's policies may prioritise economic development, creating favourable conditions for advancing China-Bangladesh cooperation under the Belt and Road Initiative and multilateral frameworks. This shift enhances China's economic involvement and strategic influence in South Asia. The interim government's urgent need for foreign investment and technological support further provides China with opportunities to deepen collaboration through infrastructure development and technical assistance. Key projects, such as the Padma Bridge, Chattogram Deep-Sea Port, and the Dhaka-Chattogram Railway,¹⁵ can better integrate South and Southeast Asian markets, accelerating regional connectivity efforts.

Furthermore, deepening bilateral cooperation aligns with China's broader objective of strengthening ties with the South Asian countries. Bangladesh's proactive engagement in multilateral cooperation provides China with opportunities to leverage regional platforms such as the Bangladesh-China-India-Myanmar Economic Corridor and SAARC to enhance its influence. As a core component of India's 'Act East' policy, Bangladesh occupies a strategically pivotal position. Its geographic location has long been a chokepoint for India, intertwining their economic, political, security and strategic dynamics. Bangladesh's pursuit of a diversified foreign policy offers China, Pakistan and India an opportunity to reassess the regional order in South Asia, potentially reshaping the geopolitical landscape.

Possible Disadvantages

While the 'India Out' movement reflects rising anti-Indian sentiment within Bangladesh, public apprehension towards China also remains significant. Domestic discourse about 'China's debt diplomacy'¹⁶ claims that Chinese development projects fail to generate local employment or improve living standards, and accusations that Chinese aid exacerbates corruption continue to circulate widely. Against this backdrop, China faces challenges related to public opinion, including potential calls for a 'China Out' narrative.

Simultaneously, the interim government's relative instability, lack of policy consistency and heavy reliance on foreign investment could negatively impact cooperation with China. The most immediate consequence is the heightened investment risk for China in Bangladesh. Although Bangladesh's friendliness towards China as a balancing external force without

¹⁵ M A Hossain, "Strategic partnership with China: Bangladesh's gateway to progress", *Pakistan Today*, 31 December 2024, <https://www.pakistantoday.com.pk/2024/12/31/strategic-partnership-with-china-bangladeshs-gateway-to-progress/>.

¹⁶ Ankita Sanyal, "China's Debt-Trap Diplomacy in South Asia", *International Centre for Peace Studies*, 15 March 2023, <https://www.icpsnet.org/comments/China-Debt-Trap-Diplomacy-in-South-Asia>.

direct conflicts remains a basic diplomatic strategy, meaningful collaboration requires a stable domestic environment. True progress in China-Bangladesh relations is contingent upon a smooth political transition and the establishment of mature domestic and foreign policies by a future government.

Bangladesh's governance shortcomings pose systemic constraints on bilateral cooperation. Chronic issues such as weak public administration, low administrative efficiency and entrenched corruption have long hindered the effective execution of development projects. These structural deficits, exacerbated by the interim government's rushed assumption of power, create significant obstacles to advancing China-Bangladesh cooperation. Without addressing these governance challenges, bilateral partnerships will face prolonged uncertainty, limiting their full potential.

Bangladesh's diplomatic realignment could exacerbate competition among the major powers. The country's balancing act between China, India and other global players risks entangling it further in regional and international rivalries. This situation underscores the need for a nuanced evaluation of the interim government's foreign policy within the broader context of domestic political dynamics.

Conclusion

The procedural legitimacy issues stemming from the interim government's non-elective nature, coupled with constitutional reforms that introduce legal complexities, place the administration under considerable domestic and international pressure in managing foreign affairs. In the future, Bangladesh's foreign policy trajectory will largely depend on the outcomes of its pending elections.

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