

A New Priority in India's Look East Policy: Evolving Bilateral Relations with Bangladesh

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Abstract

India is a country and nation on the rise. The process would be facilitated by a supportive regional environment. While with Pakistan relations continue to be challenged, with Bangladesh they appear on the mend. Bangladesh has for a variety of reasons proved to be the calmest country in the region and is also emerging as a responsible international actor. However, if this relationship is to evolve satisfactorily, India will be required to assume a disproportionately greater and non-reciprocal responsibility. The Indian leadership has already intellectually accepted this role and the article recommends some mutual steps towards advancing it. This relationship is also in consonance with India's Look East policy, in which Bangladesh appears to have become a new priority.

The *Indian Express* brought out an editorial on 3 August 2010 that deserves to be quoted extensively. The leader stated: 'Rising powers need friendly neighbours. A relationship with our neighbours that is supportive, or at least cordial, would free us to think on a larger scale.' Of course, India's western border shows no signs of being unproblematic any time soon. But to the east, an election in Bangladesh that brought in the Awami League - which does not subscribe to the anti-Indian rhetoric that is the characteristic of the other main party, the Bangladesh Nationalist Party (BNP) - should have been seized with both hands. It is particularly shocking; therefore, that India seems to have dropped the ball. In case after case, the Bangladeshi side has done its bit, laying the groundwork for further agreement, or

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implementing what was signed. And in case after case, the Indian side has not reciprocated to any reasonable degree. It would be a pity if the Delhi establishment's tendency to look obsessively at the western border means that it ignores what it must achieve on the eastern side.²

This may appear to be a somewhat harsh indictment against the Indian side, while the reality may be a shared blame on the part of both parties to a certain extent. But then there is a modicum of truth in the fact that Bangladesh and Prime Minister Sheikh Hasina would be more politically challenged to implement the agreements recently entered upon with India. Sheikh Hasina is acutely hard pressed to demonstrate some success of her India policy to her electorate, the critical political opposition and to the Bangladesh public in general. It was for this reason that some months ago she had dispatched her Economic Adviser Dr Mashiur Rahman to New Delhi to urge action on the part of the Indian authorities with regard to the early implementation of the summit level understandings.

Immediate Past Relations: Caretaker Period

When the Caretaker Government (CTG) headed by Chief Adviser Dr Fakhruddin Ahmed assumed office on 11 January 2007 in Bangladesh, both Dhaka and New Delhi realised the importance of having good bilateral relations. If the CTG were to discharge its role and functions effectively, a positive working environment with India was essential. For New Delhi, which already saw the CTG as a longer haul than initially anticipated, a stable and peaceful Bangladesh till the elections were held, was crucial. It was on such a matrix that Foreign Minister Pranab Mukherjee paid a brief visit to Dhaka on 19 February 2007, the first foreign dignitary to visit the CTG. The ostensible reason was to convey invitation to the South Asian Association for Regional Cooperation (SAARC) Summit, which was to take place in New Delhi in April that year. The Indians, rather cleverly, invited not only President Iajuddin Ahmed, but also Chief Adviser Dr Fakhruddin Ahmed, which naturally pleased the CTG. On that occasion, India's Foreign Minister Pranab Mukherjee was hosted by the author as his Bangladesh counterpart, and the two were able to develop a close personal and functional relationship.³

In his formal lunch remarks, the author while being very warm, made a few substantive points drawing the guest's attention to them - 'our two countries share borders, cultural affinities, common historical experience, values that do us proud, and much more. It is thus natural for us to be friends. And that we are. We recall with fond gratitude your support at our nascence. We look back with fond memories to the occasions that have linked our destinies,

² 'The other border', *The Indian Express* (3 August 2010), www.Indianexpress.com/news/the-other-border/655258/0. Accessed on 3 August 2010.

³ The author was then the Foreign Advisor (Foreign Minister) of the Bangladesh Government. Many of the events mentioned and quotes cited hereinafter are drawn from the author's personal notes/records, and are not therefore separately footnoted.

such as the creation of SAARC. We will use these commonalities to build for the present, a harmonious relationship between us. For the future, we will continue to mark this relationship with cordiality and cooperation. This cannot but be, for the hopes and aspirations of our two people are intertwined...India among us is most blessed in terms of size, population and resources. A special responsibility therefore devolves on her. We know that she will not shy away from it. As India grows, we would like to grow with her.'

The moot point made was that India has a special responsibility towards her neighbours as a senior South Asian partner, one that immediately appeared to have found resonance and intellectual acceptance in the visitor. Visibly pleased, upon his return to New Delhi, Mukherjee remarked to the media that 'Our bilateral relations have reached an irreversible trajectory'.

In this relationship, buttressed by two visits to India by the Head of the CTG (titled 'Chief Advisor'), Dr Fakhruddin Ahmed, leading the SAARC and Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC) delegations in April 2007 and November 2008 respectively, Bangladesh sought to put in place the principle of *living in concord with but distinct from* the powerful neighbour. There appeared to be a sophisticated understanding of this among the Indian authorities. Indian concerns were primarily focused on 'security' and 'connectivity'. On both, the Indians seemed to understand and appreciate that the CTG would need to be circumspect and act in consonance with perceived public opinion and desisted from giving too much pressure. India wanted Bangladesh to deny 'safe haven' to Indian insurgents and were given assurances on that count, while also being told that no 'hot pursuits' would be allowed. India wanted transit facilities, on which issue, with an eye on public sentiments, Bangladesh had to go slow. There were some breakthroughs on both issues though. Data on insurgents were exchanged and some Indian insurgents hiding in Bangladesh were apprehended and returned. The Dhaka-Kolkata rail links were resumed with much fanfare. There was some forward movement on the trade front as well. India accepted to buy eight million pieces of garment annually and reduce the 'negative list' of importables. While these measures were insufficient in reducing the huge trade imbalance in India's favour and progress in implementation was lamentably slow, a good start with positive gestures was made.

Indeed the most important achievement in terms of bilateral relations was that while a positive political climate was created complete with the Indian acceptance of a greater non reciprocal responsibility; all the different mechanisms created for bilateral negotiations were set in motion. The Indian High Commission in Dhaka described these engagements with Bangladesh during the Caretaker period (January 2007 - January 2009) as 'constructive'.⁴

⁴ 'India-Bangladesh Relations', *High Commission of India, Dhaka* (March 2010), www.hcidhaka.org/pdf/Political%20and%20Economic%20relations.pdf. Accessed on 5 August 2010.

From the entire gamut of the Indian Government's relationship with the CTG, Sreeradha Datta, an Indian analyst, reached some extrapolations, which according to her would help guide future Indian policy for the mutual benefit of Bangladesh and India. She wrote, 'Free from partisan politics, the CTG was able to initiate and respond positively towards India. It was free from any anti-Indian pressures that undermine the ability of a government in Bangladesh to respond positively to various Indian overtures... Looking at its experience with the CTG, its response and the positive outcomes, India could draw certain broad lessons regarding the bilateral relations. That the CTG was unable, if not unwilling, to address some of its principal demands should enable India to prioritise its concerns.'⁵

Sheikh Hasina in New Delhi

While relations with India would be central to Sheikh Hasina's regional, indeed global policy, she needed to approach the subject with utmost caution. Views on Bangladesh-India relations are far more varied and diverse in Bangladesh than in India. Many in Bangladesh see these as a 'zero-sum game' in which if one gains, the other loses. They see stressing the *distinctiveness* with India rather than the *commonalities* as crucial to Bangladesh's *separateness* and *sovereignty*, and suspect that India's motives aim at eroding the latter two. This somewhat emotive posture has many votaries, largely within, but not necessarily confined to the other major political party, the BNP. This is perhaps largely why Sheikh Hasina waited a year to undertake her first visit to India in January 2010, and signal a balance to the potential detractors, followed it up the very next month with a trip to China, the other major perceived regional protagonist. To be seen as sovereign equal to India was important and therefore, Manmohan Singh's remarks at the banquet in her honour must have been music to her ears when he said, 'We meet today as two vibrant and equal democracies that share common values and common goals'.⁶

As expected, the visit raised a wave of diverse emotions. The BNP and the right-wing religious oriented Jamaat-e-Islami declared it a 'total failure and surrender to India'.⁷ At a round table discussion organised by the newspaper *Daily Star*, former State Minister of Foreign Affairs and BNP member Reaz Rahman described the outcome as 'mega concessions to India', while Irene Khan, the Bangladesh-born Secretary General of Amnesty International, called it a 'courageous step', and Farooq Sobhan, President of the Bangladesh Enterprise Institute, a prominent think-tank, said that 'if growth was the goal, there was no way but to build regional and sub regional economic cooperation'.⁸ Sheikh Hasina herself

⁵ Sreeradha Datta, *Caretaking Democracy: Political Process in Bangladesh* (New Delhi: Institute for Defence Studies and Analyses, 2009), pp.108-109.

⁶ *Daily Star* (12 January 2010).

⁷ Bhaskar Roy, 'The Lessons from Hasina's Visit', *Sify News* (20 January 2010).

⁸ 'Indo-Bangla summit "bold shift" in bilateral relation', *Zeenews.com* (17 January 2010), www.zeenews.com/news596599.html. Accessed on 27 August 2010

stated at the airport upon her return that the visit was ‘cent per cent successful’.⁹ These comments demonstrate the kind of emotions that dealing with India raises among the Bangladeshi public and the consequent political and electoral ramifications for the government, and in this case for Sheikh Hasina and the Awami League.

Pranab Mukherjee Revisits Dhaka

The growing unease in Bangladesh with regard to the tardy implementation of the Hasina-Singh understanding and an acknowledgment of this in the Indian media as the initial paragraphs of this article demonstrates, led to a decision by Manmohan Singh to send his most senior Cabinet colleague, Mukherjee, now Finance Minister, to Dhaka on 7 August 2010. It was billed as a signal to Bangladesh that the country was ‘very high on (India’s) priority list’.¹⁰ Mukherjee had already visited the new Awami League government soon after the elections in February 2009, then as Foreign Minister, with a ‘message of goodwill’ from India.¹¹

Concerned about the fact that in 2009-2010, India’s exports to Bangladesh were US\$2.43 billion against import figures of only US\$254 million, the Bangladeshi Commerce Minister Faruque Khan, on the eve of Mukherjee’s visit, said, ‘We are set to ask India to expedite the process of removing tariff and non tariff barriers in the Indian market’.¹² Bangladeshi newspapers also saw the initiative as a means to ‘assuage’ Dhaka.¹³

During his brief four-hour stay in Dhaka, Mukherjee and his Bangladeshi counterpart A.M.A. Muhith witnessed the signing of the US\$1 billion Indian credit line between the Chairman of Exim Bank of India and Bangladesh Secretary of External Resources. The terms and conditions of the credit, to be used for 14 mainly infrastructural projects, included 1.75 per cent fixed interest per annum, 0.5 per cent commitment fee per annum on unutilised credit after 12 months from the date of contract approval, and 20 years’ repayment period with a grace period of five years.¹⁴ There was some criticism by a section of the intelligentsia, including some economists and political analysts like Professor Mahbubullah, Dr Badruddin Omar and Professor Anu Mahmood, that the terms were too stiff and softer credit would have been available elsewhere.¹⁵ An English daily cited Mukherjee’s remarks from a written

⁹ ‘Hasina says India tour Cent Per Cent Successful’, *Expressindia* (13 January 2010).

¹⁰ Indrani Bagchi, ‘With Pranab Visit India Signals Changed Approach to Bangladesh’, *Times of India* (6 August 2010).

¹¹ The author, though not in office at that time, was specially invited to meet Mukherjee as an ‘old friend’ by the Indian High Commissioner, along with some Cabinet Ministers of the new Awami League Government.

¹² ‘Bangladesh to seek removal of trade barriers during Pranab Mukherjee’s visit’, *Daily News & Analysis* (6 August 2010), www.dnaindia.com/world/report_bangladesh-to-seek-removal-trade-barriers-during-pranab-mukherjee-s-visit_1419908. Accessed on 7 August 2010.

¹³ Rezaul Karim, ‘Dhaka to pen \$1bn loan from India today: Pranab to Witness Signing, Review Deals on Arrival’, *Daily Star* (7 August 2010).

¹⁴ *Daily Star* (8 August 2010).

¹⁵ *Amar Desh* (Bengali language daily) (8 August 2010).

statement that ‘the terms of the line of credit were extremely favourable’ and caustically added that the Indian Minister did not specify for which country.¹⁶ Muhith dismissed the criticisms as ‘utterly false’.¹⁷

Several issues of key interest to Bangladesh also came up during Mukherjee’s talks with the Bangladeshi leadership, including Sheikh Hasina and Foreign Minister Dipu Moni. One was the subject of tariff and non tariff barriers on which Mukherjee said that the ‘two sides are working to remove them’. A second was Bangladesh’s transit access to Nepal on which Mukherjee said that ‘India would soon place arrangements to allow Nepalese trucks to enter the land customs station at Banglabandha in Bangladesh’. The third was the agreement to be signed on the sharing of the Teesta river waters, on which Mukherjee stated that both sides had exchanged drafts, and there was ‘progress towards positive direction’.¹⁸

On the whole, the public reaction to the Mukherjee visit appeared to be positive. The BNP however, has assumed a contrary position and its Chairperson Begum Zia had warned of agitation. But if positive outcome can truly be demonstrated, then this position would likely be adjusted in consonance with the realities of electoral politics. It is therefore extremely important to show palpable gains, most certainly for the Bangladesh government. Following Mukherjee’s departure, a mainstream influential newspaper wrote in an editorial that ‘Indo-Bangladesh relations have been put on a new, but potentially stronger remained to be done. The paper went on to say, ‘At the same time, we believe this move will give a fillip to the process of resolving some outstanding issues Bangladesh has with India, especially those related to sharing of common river waters, border demarcation and peace,¹⁹ delimitation of maritime boundaries,²⁰ and the like.’²¹

Prognosis

Prime Minister Manmohan Singh has said, ‘India’s Look East policy is not merely an external economic policy; it is also a strategic shift in India’s vision of the world and India’s place in the evolving global economy. Most of all, it is about reaching out to our civilisational

¹⁶ Shahidul Islam Chowdhury, ‘\$1b Supplier’s Credit: Deal inked with India amid Criticism’, *New Age* (8 August 2010).

¹⁷ *Ibid.*

¹⁸ *Ibid.* On the Teesta river waters agreement, the Union Government in New Delhi might go slow so as not to upset the chances in the West Bengal elections next year of Ms Mamata Bannerjee’s Trinamool Congress, aiming to unseat the present Left Government in Kolkata. West Bengal, too, is keen on the Teesta waters.

¹⁹ ‘Peace’ along borders has reference to the shooting by Indian Border Security Forces of Bangladeshi nationals, a fact that has been raising considerable anger among Bangladeshi public.

²⁰ A Singapore-based analyst from the S. Rajaratnam School of International Studies has argued that the Bay of Bengal region has great potentials for future conflict due to disputes over off-shore oil and gas, and conflicting claims by such littoral countries like Bangladesh, India and Myanmar to extended continental shelves. See Sam Bateman, ‘Bay of Bengal: A New Sea of Troubles?’, *RSIS Commentaries* (21 May 2010).

²¹ ‘Credit line with India Signals substantial Bilateral Engagement and Wider Connectivity’, *Daily Star* (9 August 2010).

neighbours in South East Asia and East Asia'.²² Bangladesh, the nation to India's east, with the largest common border of 4,096 kilometres fits the bill of a 'civilisational neighbour' admirably. The mighty Rabindranath Tagore once said while undertaking distant journeys, 'we often tend to ignore what is worthy of our attention in our own backyard'. It is perhaps time for India to pay more heed to its immediate environs and the 'strategic shift' that Singh has spoken of must find deeper focus among those who shape India's external policies, neighbours with negative perceptions, which is perhaps a sign of hopeful bilateral potentials.²³

The 'Bhagavad Gita', records a debate between Krishna and Arjuna. Krishna urges Arjuna to fight the ensuing battle no matter what the consequences, because the cause is just. Arjuna however, dithers. He ponders about the possible resultant misery and slaughter. Amartya Sen believes these arguments to be valid in our times, stating that 'it is important to take on board Arjuna's consequential analysis, in addition to considering Krishna's arguments for doing one's duty'.²⁴ I have observed elsewhere on this debate, 'Indeed, it is this philosophical capacity of the Indian ethos to be able to weigh the considerations on both sides from which India's policies in the neighbourhood must derive its nourishment. India must be the *elder* not merely the *big* brother. It must not only be the largest country in the heart of South Asia, but the country with the largest heart. It is as simple or as difficult as that'.²⁵

The fact, as this article has sought to demonstrate, bilateral relations between Bangladesh and India were already on an even keel during the period of Bangladesh's Caretaker Government (2007-2009), shows that it is possible for positive cooperation to take place with elements in power in Bangladesh other than the Awami League, with its reported tilt in favour of India. Of course for that to happen, there must exist a political will on both sides. A disproportionate responsibility, as this essay has also argued, may lie with India, but Bangladesh must also signal reciprocation and appropriate understanding.

Three things need to be done. It is obvious for a number of reasons. Pranab Mukherjee is emerging as India's point-man for Bangladesh. He and his Bangladeshi counterpart, A.M.A. Muhith, may jointly head a High Level Cabinet Implementation Committee, also comprising Ministers of Foreign and Commerce of both countries, to guide and supervise the implementation of all bilateral understandings, including the Joint Communique of January

²² Cited in C.S. Kuppaswamy, 'India's Look East Policy- A Review', *South Asia Analysis Group*, Paper No. 3662 (12 February 2010).

²³ Louise Merrington, 'Big dreams, little direction: India's foreign policy machine', *South Asia Masala* (4 August 2010), <http://asiapacific.anu.edu.au/blogs/southasiamasala/2010/08/04/big-dreams-little-direction-india%E2%80%99s-foreign-policy-machine/>. Accessed on 6 August 2010. In this piece, the author makes a somewhat controversial and stinging criticism of the Indian External Affairs Ministry, arguing there exists a 'paralysis', resulting from a 'lack of decisiveness and cohesion', impeding India's aspirations of a 'dominant' power role. This observation would run contrary to this author's own exposure over decades to Indian diplomats who can be said to be some of the best in the profession in the contemporary world.

²⁴ Amartya Sen, *The Argumentative Indian* (New York: Farrar, Strauss and Giroux, 2005), pp.5-6.

²⁵ Iftekhar Ahmed Chowdhury, 'Post-Election India: How the Neighbours View the Elephant', *ISAS Insight* No.68 (22 May 2009), p.10.

2010. Both Mukherjee and Muhith are the most senior ministers in their respective cabinets, and this would also take on board the prevalent Bangladeshi sentiment that the key issues needed addressing is basically economic. Secondly, as political relations improve, all the bilateral mechanisms set up to resolve divisive issues must begin to function simultaneously. Neither country will win in all, but such flurry of activities will generate an impetus to improve ties across the broadest possible spectrum of activities. And thirdly, a return visit from Prime Minister Manmohan Singh to Bangladesh is now most certainly due. This would help underscore the point all these activities are designed to make, that Bangladesh is now a priority in India's Look East policy, just as it should be.

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