

ISAS Working Paper

No. 96 – Date: 12 November 2009

469A Bukit Timah Road
#07-01, Tower Block, Singapore 259770
Tel: 6516 6179 / 6516 4239
Fax: 6776 7505 / 6314 5447
Email: isassecc@nus.edu.sg
Website: www.isas.nus.edu.sg



Bangladesh-India Relations: Some Recent Trends¹

Mohd Aminul Karim²

Executive Summary

Both Bangladesh and India have had their relations shaped by history, culture, geography, economics and, above all, geopolitics. While India is a geopolitical, economic and military giant involved in the affairs of the world, over the years Bangladesh has been struggling to ensure the sustenance and preservation of human security within its borders.

India's contribution towards Bangladesh's War of Liberation in 1971 was critical to the latter's birth. However, events that followed the liberation of Bangladesh did not result in the continuance of cordial relations between these two countries as expected. There are a few fundamental issues between India and Bangladesh, such as land and maritime boundary demarcations, the sharing of waters from 54 common rivers, informal trade, transnational crime, and interference in internal affairs that have adversely affected their relationship. On an optimistic note, however, interpersonal relations and civil society contact groups between the two countries have increased.

Both nations need to undergo a change in mindset, particularly at the political level. There is a need for greater understanding, dialogue, diplomacy, regional cooperation and less interference in each other's internal affairs. While it may be easy to simply list these issues, overcoming them would be difficult, mainly due to the overall geopolitical compulsions, the historical legacy, and the mutual mistrust in the region. India-Bangladesh relations would improve greatly if both parties recognise the need for greater political will to overcome the geopolitical compulsions, to appreciate the essence of regional (mainly economic) cooperation and to realise the benefits of peaceful coexistence.

In assessing the challenges between the two countries and the need to overcome them, this paper will examine some recent trends, as well as explore a possible framework for the future direction of India-Bangladesh relations.

¹ This paper has been prepared as part of a consultancy project for the Institute of South Asian Studies, an autonomous research institute at the National University of Singapore.

² Lieutenant-General Dr Mohd Aminul Karim is a Visiting Senior Research Fellow at the Asia-Europe Institute, University of Malaya, Malaysia, and a Visiting Scholar at the Mershon Centre for International Security Studies, Ohio State University, United States. He was the commandant of the National Defense College in Bangladesh and the Military Secretary to the Bangladesh President. He can be contacted at mdaminulkarim@yahoo.com.

Introduction

India extended critical support to Bangladesh during its War of Liberation in 1971, thus paving the way for cordial relations between the two countries. However, this was not the case, primarily due to several unresolved issues that have tended to vitiate the relations between the two neighbours and the overall geopolitical game involving India and China. It is also important to note that both powers are close neighbours with most of the South Asian states.

India is a big neighbour and it is capable of assuming the central position in the region. Rajen Harshe's evaluation may be pertinent here: "It is, thus, as a result of India's (whether perceived or not) economic and military might, that India's smaller neighbouring countries regard the South Asian region as an Indo-centric region, with India being the core and other South Asian states as the periphery".³ Again, borrowing the idea from Zbigniew Brzezinski, former United States National Security Advisor, India may be called a geostrategic player while Bangladesh may be called a geostrategic pivot. A geostrategic player has the capacity and national will to exercise influence beyond its borders in order to alter the existing geopolitical state of affairs, while the significance of a geopolitical pivot is derived from how strategically it is located, and the potential consequences it may bring about as a result of the behaviour of the geostrategic players.⁴

Nonetheless, it is necessary for India, as a formidable power in the region, to take along its neighbours, especially the smaller nations, in settling any outstanding issues amicably. A relatively smaller country such as Bangladesh has to depend on, and share resources like water, energy, maritime, trade and technology with its neighbours. However, when there is contention among these states, especially over the sharing of resources, the situation gives rise to misunderstandings which then lead to a state of mistrust.

Bangladesh is a small country, in terms of area, resources and gross domestic product (GDP), when compared to most of other South Asian countries. Some even label it as a 'soft state'. For human security it has to depend on the two giants, India and China; and turns to the Middle East, America, European Union, Malaysia and Japan, among others, for remittances, development aid, energy, and trade and commerce. Apart from facing challenges in human security issues, Bangladesh is also plagued by problems pertaining to transnational crime, international waters, inter-state land and maritime border demarcations and informal trade – all of which have cross-border ramifications, especially with India and to some extent with Myanmar. While the population in Bangladesh is the third most homogenous in the world after North and South Korea, internal political squabbles resulting from low political culture, natural calamities that continually devastate its land, overpopulation problems and scarce resources make it difficult for this country to attain its developmental goals. However it has excelled in such areas as achieving gender parity in primary and secondary education, decreasing child mortality rate, in its microfinance policy and in supporting the United Nations' peace-keeping operations around the world.

India, on the other hand, is rapidly developing in such sectors/aspects as the economy, science and technology, human resources development and the military. It has a population of close to 1.2 billion while that of Bangladesh is 150 million, with GDP purchasing power

³ Quoted in Professor S. K. Chaturvedi et al (ed.), *Human Development in South Asia in 21st Century*, Radha Publications, New Delhi, 2008, p.24.

⁴ *Geostrategy: Asia-Pacific*; <http://www.idis.gr/people/arvan.doc>, accessed on 23 July 2007.

parity per capita of US\$2,900 and US\$1,500 respectively, based on 2008 figures.⁵ Nearly 450 million people in India and about 56 million in Bangladesh live below the poverty line.⁶ Endemic poverty is, therefore, a critical problem for both countries. India's human development index, which measures a country's level of "human development" based on factors such as life expectancy, standard of living, and education, was ranked 132nd and Bangladesh was ranked 147th out of 179 countries in 2008.⁷

India has one of the largest and state-of-the-art military forces in the world, while Bangladesh's military is small when compared to India's. India and Bangladesh spend 2.5 percent and 1.5-1.7 percent of their GDP⁸ on defence respectively. Former American Secretary of State Madeline Albright once commented that no diplomacy can be effective without befitting military prowess (one of the components of national power) backing it. India is aspiring to become an Asian power or even assume a global leadership role by going beyond the orbit of South Asia and competing with China.

India is the largest democracy in the world with democratic values and ethos emulated by other nations, and similar democratic values and ethos could be the forerunners for better relations between the two countries. India definitely enjoys more political stability than Bangladesh; however, there remains much room for improvement in the area of constitutional liberalism in both countries. There is, therefore, a need to understand the varied dynamics of inter-state relations, particularly in light of certain recent issues that are straining the relations of the two countries. In addition, there is already an existing history of mistrust between India and Bangladesh, which has been exacerbated by these current issues. The overall scenario thus calls for a change in the South Asian mindset.

In this context, the paper will explore the critical facets of contemporary Bangladesh-India relations and deal with the broad issues that directly impinge on this relationship. All the issues raised are critical and involve the vital national interests (core values) of the states. The questions that arise, therefore, are whether the issues make a big impact on the relationship, and whether the issues contribute to the mistrust that already exists. Furthermore, there is also a question of whether it is necessary for a change in mindset to resolve the issues and if the geopolitics in the region also affect these relations. This paper, while answering these questions, will eventually try to develop an outline which predicts the direction in which the relationship will likely go. It will attempt to show the complexities of the centre-periphery syndrome and offer a framework for improving the big-country versus small-neighbour relationship. This paper will also highlight some indicators that a change in mindsets is already taking place. However, an in-depth analysis of said indicators and change is beyond the scope of this paper. Nevertheless, such a change, if effected, will benefit all the stakeholders.

⁵ See <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>.

⁶ Chen and Ravallion (2007) – accessed at http://siteresources.worldbank.org/JAPANINJAPANESEEXT/Resources/5154_97-1201490097949/080827_The_Developing_World_is_Poorer_than_we_Thought.pdf. Also see http://www.dfid.gov.uk/Documents/publications/PSA/E_Bangladesh.pdf.

⁷ See <http://hdr.undp.org/en/statistics/>.

⁸ *India Today*, quoting India's Defence Minister's statement in Bangalore on 11 February 2009; http://indiatoday.intoday.in/content_mail.php?option=com_content&name=print&id+28618 accessed on 13 July 2009. The Minister further elaborates, "There is no question of scaling down our defence expenditure, which is 2.5 percent of our GDP or compromise with our (arms) acquisition programmes despite the economic recession".

Issues Affecting Relations

As highlighted, India's military and economic support to Bangladesh during the 1971 War of Liberation and its aftermath were quite critical and substantial. Bangladesh should remain grateful to India, notwithstanding other objectives it might have had for supporting the War. However, there have been many twists and turns in the relationship ever since Bangladesh's liberation, due mainly to Bangladesh's unique geostrategic location. The country suffers from the "tyranny of geography", since it is surrounded by India on three sides and its South is joined to the Bay of Bengal and restricted by the sea.

An Indian researcher identified the main features of India's relations with its neighbours as "geographical contiguity, socio-cultural affinity, common security concerns, economic development and harnessing common rivers", since these waters are shared among the countries in South Asia. While acknowledging a divergence in the perceptions of the neighbours on many issues, the Indian researcher also sees some positive developments, for example, India has paid more attention to security concerns and the constraints of its neighbours in the last decade than in the preceding decades.⁹

However, a former Bangladeshi diplomat, Harun Ur Rashid, sees a divergence of interests between India and Bangladesh. As he explains, the following are the reasons for this divergence: 'Firstly, Bangladesh is one of the least developed countries in the world. Secondly, it is a member of the Organisation of the Islamic Conference. Thirdly, the country does not want to dominate the world. Fourthly, India is seen as a regional power, unlike Bangladesh, which is embroiled in the power game with China and to some extent with Pakistan. Furthermore, India overtly forged a military pact with the United States on nuclear cooperation recently. Lastly, India does not like any external powers to intervene in the affairs of South Asia'.¹⁰ Such divergence could be true with any two neighbouring countries, but given the political will and the spirit of good neighbourliness, such dissonance could be narrowed down.

Water Sharing

The factors are manifested in the layout of the 54 common rivers where Bangladesh is the lower riparian country. The fair sharing of the waters of these common rivers, especially as their overall flow is likely to decrease, is critical for Bangladesh's sustenance and ecological balance. India also needs more water for its ever increasing population in different states through which these rivers flow. Latest in the series of river water issues is the dispute over the waters of a major river, *Meghna*, which flared up when the Bangladeshi Foreign Minister expressed her concerns to the visiting Indian Foreign Secretary about the "controversial project" called *Tipaimukh* dam¹¹ on the north-eastern border between Bangladesh and India.

⁹ Smruti S Pattanaik, "India and its Northern and Eastern Neighbors; Confidence Building through Cooperation", in *Paradigms of Conflict Resolution in South Asia*, Moonis Ahmar ed., University Press Limited, Dhaka, 2003. p. 187.

¹⁰ Harun Ur Rashid, *International Relations and Bangladesh*, University Press Limited, Dhaka, 2003, p. 251.

¹¹ It is also reported that India will construct another dam at *Phulertal*, 100 kilometres downstream from *Tipaimukh*. *The New Age*, Dhaka, 21 May 2009, quoting Tauhidul Anwar Khan, an expert on regional water resources, reports, "These twin interventions on the *Barak* will have multifarious adverse impacts on nature and livelihood in the north-eastern districts here" (Bangladesh). He further adds that these are bound to have adverse impacts – sociological, hydrological and morphological – on the downstream country. The expert further explains, as quoted in *The Holiday* or the *Holiday*, Dhaka, 26 June 2009, *Tipaimukh* will change the hydro morphological condition of *Shurma*, *Kushiara* and *Meghna* Rivers and it will cause early drainage and

The concerns were that the project might “eat up Bangladesh’s due share of the international River *Meghna* which supplies water to hundreds of water bodies in the region”.¹² The concern is also substantiated by Dr R. K. Ranjan, an Indian expert and representative of the citizens’ concern for Dams and Development in Manipur (the Indian State where the Dam is being constructed). He has noted, “We will get only 30-40MW of electricity from the hydroelectric project that would be built by constructing the dam. So why should we put our fish resources and environment at stake for such a small amount of electricity?”¹³ An Australian environmental scientist comments on the consequences of the project, “The dam would cause the *Surma* and *Kushiara* (rivers in Bangladesh) to run dry from November to May...A detailed study by the World Dam Commission published in 2000 states that the adverse impacts of any large dam are irreversible for the lower riparian region”.¹⁴ The Indian High Commissioner in Dhaka has, however, refuted the allegations raised by the Bangladeshi side. He said, “Recently, there has been a lot of agitation on the question of *Tipaimukh* Dam. I would like to reiterate that it is a hydro-electric multipurpose project to produce electricity.” He emphasised that the project was recognised as a storage dam in the Bangladesh-India Joint Rivers Commission in its 1972 and 1978 meetings.¹⁵

The Indian Foreign Secretary also assured that the proposed project would not harm Bangladesh. The Prime Minister of Bangladesh told the National Parliament on 29 June 2009 that her government was hopeful of solving the controversial *Tipaimukh* Dam problem through bilateral talks.¹⁶ This has been reciprocated by the Indian Prime Minister when he assured the Bangladesh Prime Minister “that New Delhi would not take any step regarding their planned *Tipaimukh* Dam that might affect the bilateral relations between Bangladesh and India”.¹⁷ This is, indeed, a positive development which would greatly dispel the apprehensions raised by the Bangladeshi side. This is likely to have a cooling effect on the recent heated political relations of the countries.

In 1997, the United Nations General Assembly adopted the Convention on the Law of Non-Navigational Uses of International Water Courses, which *inter alia* created a legal framework for the equitable utilisation of the waters of transboundary rivers and envisaged co-riparian countries taking appropriate measures to prevent harm to other co-riparian states. The Indian High Commissioner in Dhaka, however, questions the legality of such a Convention since it

drainage congestion of *haors* affecting fisheries and the environment at large. If the barrage component is added to the dam project, the adverse impact on environment will be far more disastrous than that of the *Farakka* barrage on the River Ganges. However, all such allegations have been refuted by the Indian High Commissioner in Dhaka as already mentioned. North Eastern Electric Power Corporation Limited of India recently published three reports on the project on its website (www.neepco.gov.in). The assessments were done on 277 kilometres of the rivers *Surma-Kushiara-Meghna* (it is 947 kilometres long) that lie inside India. The report showed Mizoram and Manipur states of India as probable areas that may be affected by the project. There are risks of landslides in the project area, which is also earthquake prone. The area suffered 16 earthquakes that registered seven on the Richter scale. Two earthquakes registered 8.5. (Source: *The Daily Star*, Dhaka, 18 July 2009). Over and above this India has constructed, as disclosed by the Bangladeshi Prime Minister in the National Parliament on 17 June 2004, at least six barrages on six trans-boundary rivers – *Ganges, Mahananda, Teesta, Monu, Khoai* and *Gomoti*. A barrage on the river *Muhuri* is also under construction (Source: *The New Age*, Dhaka, 18 June 2009).

¹² *The Daily Star*, Dhaka, 14 April 2009.

¹³ *Ibid*, 20 June 2009.

¹⁴ Nargis A. Banu, “Protect people and nature from controversial Tipaimukh Dam”, Seminar Presentation, 3 July 2009, Australian National University.

¹⁵ *The Bangladesh Today*, Dhaka, 22 June 2009.

¹⁶ *The Daily Star*, Dhaka, 30 June 2009

¹⁷ *The Bangladesh Today*, Dhaka, 17 July 2009.

has not been made into a law. From a legal point of view, his questioning is valid. A Bangladeshi expert views Bangladesh's looming malady vis-à-vis that of South Asia, as he sees it, in the following words: "Being a lower riparian, Bangladesh is most vulnerable to unilateral withdrawal of waters of transboundary rivers by upper riparian countries. Bangladesh is also one of the top ten countries that would be seriously affected by climate change. It is feared that water shortages in much of South Asia will constitute a grave threat to economic development".¹⁸

An appreciation of such vulnerability by all parties can greatly address the water sharing issue as was done in the case of insurgency problems in Bangladesh and water sharing in respect of the Ganges River. Otherwise water sharing of other common rivers would continue to strain the relations.

Insurgency

India's north-eastern states, as reported in the press, are plagued by insurgency. It is believed there are about 175 insurgent groups operating in the states surrounding Bangladesh. Bangladesh itself has been fighting an insurgency for the last few decades in its south-eastern part called Chittagong Hill Tracts, although it has been greatly contained ever since the signing of the peace accord with the insurgents in 1997. It is likely that there could be a spillover effect of insurgents taking shelter in each other's country or using cross-border routes for the transportation of smuggled arms. One Indian source alleges "a new arms bazaar in the no-man's land near the Bangladesh-Myanmar border town of *Naikhangchari*, which has become home to Indian insurgent outfits such as the United Liberation Front of Assam and the National Democratic Front of Bodoland. The *Harkat-ul-Jihad-al-Islami*, a terrorist outfit in Bangladesh, is known to be imparting training to these outfits".¹⁹

In a recent meeting, the chiefs of the border security forces exchanged lists of the "criminals" (Bangladesh and India showing 1,227 and 77 "criminals" respectively) hiding in their respective countries. As a matter of fact, cross-border terrorism, in different forms and manifestations, is a reality in the whole of South Asia. Insurgency in north-east India had turned out to be an Achilles' heel for even the British Raj, which failed to establish its suzerainty over these insurgency prone areas. Cross-border terrorism or insurgencies carry potentials for conflagration.

Transit Issue

In order to tackle the insurgency more effectively and comprehensively, India, for obvious geopolitical reasons, wants a direct route through Bangladesh that would ease the

¹⁸ Harun Ur Rashid, "Rivers belong to everyone", *The Daily Star*, Dhaka, 6 May 2009. The Convention is not an international treaty yet.. The Convention, approved and ratified by 17 countries so far, needed signing and ratification by 35 countries to be made into international law. (Source: *The Bangladesh Today*, Dhaka, 22 June 2009, quoting the statement of the Indian High Commissioner in Dhaka). Both Bangladesh and India have not signed and ratified the Convention. Articles 4 and 5 of Helsinki principles adopted by the UN in 1996 specifically stipulated that in utilising water resources from an international river, every riparian will see that the economic and social needs of other riparian are not impaired. In different pronouncements India has assured Bangladesh that Bangladesh's needs would not be impaired. American Ambassador in Dhaka has suggested that Bangladesh hold a dialogue with India to settle the dispute over the *Tipaimukh* dam (Source: Voice of America, *Bangla News*, 25 June 2009).

¹⁹ M. Shamsur Rabb Khan, "Towards Better India-Bangladesh relations", Institute for Defence Studies & Analysis, New Delhi, 9 January 2009.

transportation of its resources. This entails the economic development of the region. The transit route through Bangladesh would reduce the distance, between *Kolkata* (in the West Bengal State of India) and *Agartala* (in the Tripura State of India), from 1,880 kilometres to 740 kilometres. Bangladesh, so far, has spurned such requests as it is concerned that this might affect its internal security environment.²⁰ However, another school of thought opines that Bangladesh would reap great financial benefits from the transit and thereby reduce the trade gap that exists between the two countries. There is a probability that India, in return, would be more forthcoming in resolving other issues like water sharing, land and maritime border demarcations, and the lifting the non-tariff barriers that India imposes on the goods imported from Bangladesh. This is inferred because so far there has not been any substantial progress in resolving most of the major outstanding issues. This author feels that such developments would help create a *quid pro quo* scenario. But given the sensitivities and suspicions involved, it may be difficult to reach this desired state in the foreseeable future.

Maritime Boundary Demarcation

Another contentious issue between India and Bangladesh that has recently come under the limelight is the maritime border demarcation, an issue that also involves Myanmar. The Bay of Bengal, located south of Bangladesh, could be the country's new frontier for resources. Bangladesh claims a huge continental shelf, since the sea is not considerably deep as seen from its base line. Bangladesh is worried that it might get sea- or zone-locked by both India and Myanmar if both powers insist on resolving the issue based on the principle of equidistance instead of equity. There are tricky issues such as the acceptance of a Bangladeshi baseline, and the fixation of control points with its neighbouring nations from where either of these neighbours would draw the maritime boundary. Linked to it is the dispute over the ownership of an island in the River *Hariabhangra*, in the south-western part of Bangladesh, bordering India, and adjoining the Bay of Bengal. Resolving the issue of South Talpatty/New Moore (the names, respectively, that the island is given by Bangladesh and India) has "more to do with the extent of the maritime zone to be potentially acquired in the oil rich delta of the Bay of Bengal than the island itself. As such the island holds the potential to become the core contentious issue between the two nations."²¹ *The Hindu* of India reports that India-Bangladesh maritime boundary talks remain inconclusive. The disputes were mainly over the Talpatty/New Moore Island and the claim on exclusive economic zones in the Bay of Bengal.²²

Bangladesh is likely to ask for an application of equity principle which would ensure it a much larger exclusive economic zone, territorial water, and continental shelf. While all parties could have been more forthcoming in resolving the issue, there was reportedly some tension between the navies last year. However, diplomatic negotiations are ongoing, although it is unlikely that they would lead to any negotiated settlement because vital national interests of the states concerned are involved. Hence the matter may have to be referred to the

²⁰ Under the 1974 India-Bangladesh Land Boundary Agreement, Bangladesh was supposed to get a lease in perpetuity for 178 metres by 85 metres of Indian territory in Bangladesh to connect *Dahagram* (a Bangladeshi enclave inside India) with mainland Bangladesh. Bangladesh did not get the Corridor nor did it get the Corridor connecting north-western Bangladesh with Nepal for allow Nepalese merchandise access to the Bangladeshi seaport *Mongla* in south-western Bangladesh. However, India has been provided waterway-transit inside Bangladesh since 1972.

²¹ Commodore Khurshid Alam, "The Issue of South Talpatty", *The Daily Star*, Dhaka, 12 May 2006.

²² *The Hindu*, India, 19 September 2008.

International Court or the United Nations for its resolution.²³ As a matter of fact Bangladesh has recently taken up the issue with the United Nations for arbitration. Keeping the problem unresolved would continue to vitiate the relations with spiralling mistrusts. There is, however, an example of the International Court giving an exemplary verdict in favour of equity principle, considering the location of the two neighbouring countries and contour of the shoreline.

Land Boundary Demarcation and Fencing

Bangladesh shares a 4,156-kilometre border with India, of which 6.5 kilometres remain undemarcated. This issue, along with the exchange of 62 enclaves and adversely possessed lands by the two countries has not been resolved due to the lack of ratification of the Land and Border Agreement 1974 by India. Bangladesh ratified and implemented the agreement soon after its signing. On border demarcation, Bangladesh has opposed the idea of India erecting a fence along the border, which it considers to be a defensive structure. “In contrast, from an Indian perspective, the main purpose of the fence is to prevent smuggling, illegal immigration and the use of the open border by insurgents and criminal elements”.²⁴ On the issue of border management, there is a system of institutionalised interaction for discussions between the Home Secretaries of both the countries, the Director Generals of the Indian Border Security Force and the Bangladesh Rifles on a regular basis. Such institutionalised arrangements tend to keep the border-related tensions between the two countries under control. Border-related tensions, which have become a routine, have often soured the relations in the past and may continue to do so in the future.

Alleged Illegal Migration of Bangladeshis to India

India constantly accuses Bangladesh of huge illegal migration from its borders to the adjoining states of India to the extent that it changes their demographic pattern; Bangladesh, however, denies it. Former Chief of India’s top spy agency, Research and Analysis Wing (R&AW), even dubs it “demographic aggression”.²⁵ The Indian High Commissioner’s (in Bangladesh) concern about illegal migration deserves attention: “We have to be circumspect in issuing visas particularly when we know that around 25,000 Bangladeshis do not return after entering India every year. Those who enter unrecorded are many more. Our concern about illegal migrants cannot be brushed aside”.²⁶ Another Indian source claims that the annual illegal immigrants from Bangladesh total approximately three million and the number of Bangladeshi nationals living in India is approximately 15 to 17 million.²⁷ This is, in fact, quite a staggering figure – it is a little more than two-thirds of the Australian population.

²³ Bangladesh will formally lodge its protest to the United Nations against maritime claims of India and Myanmar on the extended continental shelf in the Bay of Bengal. The Prime Minister of Bangladesh made such a statement in the National Parliament on 17 June 2009 where she said, “Diplomatic ‘Protest Note’ will be sent to the United Nations against the (maritime) claims of India and Myanmar”. (Source: *The New Age*, Dhaka, 18 June 2009). Bangladesh claims 29,000 and 22,000 square nautical miles from India and Myanmar respectively, as extended continental shelf, which are in conflict with the claims of those countries.

²⁴ Smruti S. Pattanaik, “Indo-Bangladesh Relations after the Foreign Secretary Level Talks”, Institute for Defence Studies & Analysis, New Delhi, 17 July 2007. As of June 2007, 2,500 kilometres of fencing has been completed. The fencing project will eventually reach across 3,300 kilometres, hundreds of rivers, and long stretches of forest and fields (Source: “Transit issue with India”, *The Daily Star*, Dhaka, 11 March 2009).

²⁵ Anand V. Verma, “Security Threats Facing India”, *Indian Defence Review*, Volume 23, 2 January 2009.

²⁶ “Indian HC on Illegal Migration”, *The Daily Star*, Dhaka, 21 July 2009.

²⁷ R. S. N. Singh, “Bangladesh under Seize”, *Indian Defence Review*, July-September 2005, p. 64.

Such allegations, even if they are not fully substantiated empirically, carry potential for conflicts. It can be surmised that non-traditional security issues today may become traditional security issues tomorrow. Some of these issues also contribute to the internal political dynamics of both the countries.

Geo-economics

Again, the geo-economics spectrum does not spell a win-win outcome. India's economy is too big for Bangladesh to compete with, which is also true in the case of China. Hence, it is always a lose-win situation for Bangladesh when compared with India. In 2007-08, the Indian Ministry of Commerce stated that Bangladesh's imports from India amounted to US\$2.918 billion and exports to India were worth US\$257.12 million. There are, however, definitely convincing reasons for such an imbalance – like the appreciation of the Bangladeshi Taka against the Indian Rupee, the development of better land trade routes, the surge in import of cereals from India and India's higher stage of development. More importantly, Bangladesh's export-base is so narrow and shallow that it constrains greater penetration in the Indian market. What seemingly aggravates the mistrust is that Bangladeshi products trying to access the Indian market confront a number of non-tariff barriers. A senior economist of the United Nations Conference on Trade and Development (UNCTAD) opines that standardisation, certification and custom rules create obstruction to regional trade and investment in South Asia.²⁸ On the non-tariff barriers, the Indian High Commissioner in Dhaka has said that New Delhi is willing to provide both the equipment and the training needed to improve the capacity of the Bangladesh Standards and Testing Institute so that its certification could win international recognition.²⁹

Illegal imports, which are generally 1.2-1.5 times higher than legal imports, may even be more of a cause for worry for Bangladesh. Rehman Sobhan observes, "Persistent and growing deficit with India demands attention because of its political as distinct from economic implications."³⁰ Now this trade imbalance is also heating up the political relations. There is a huge trade deficit with China as well, but it does not carry any political undertones. The developments could be attributed to the unresolved bilateral issues with India, relative absence of both India-funded projects and joint commercial and industrial ventures as compared to China. Obviously, the two closer neighbours would have more issues, or irritants, to confront than the ones further apart.

Future Directions

The future direction of this interstate relationship should be contemplated in the context of the continuance of globalisation, the geopolitical realities in the region, and the greater political will to offset the effects of mistrust that has developed over the decades, the appreciation of the necessity of regional cooperation, peaceful coexistence and non-interference in each other's internal affairs.

The mad race of globalisation gives rise to a hunt for resources like different raw materials especially energy, markets and cheap labour. Globalisation may have many positive impacts but it cannot affect the national interests of the countries concerned. It may not bode well for

²⁸ Rashmi Banga, UNCTAD Economist, quoted in *The Daily Star*, Dhaka, 9 July 2009.

²⁹ *The New Age*, Dhaka, 7 May 2009.

³⁰ Quoted in D Sreeratha, "Indo-Bangladesh Relations: An Overview of Limitation and Constraints", *Strategic Analysis*, New Delhi, July-September, 2002, p.427.

the relationship when natural resources are getting scarce, transnational crime continues to rise, and when there is a tendency amongst the bigger powers to try and establish a stronger grip on the domestic affairs of smaller nations. It may be pertinent to link a statement made by the then-Indian Prime Minister in the Indian Parliament, on 16 May 1995, as part of India's Defence Policy. Two components of this statement directly impinge on the interstate relations:

(3) To be able to exercise a degree of influence over the nations in our immediate neighbourhood to promote harmonious relationship in tune with our national interests; (4) To be able to effectively contribute towards regional and international stability and to possess an effective out-of-the-country contingency capability to prevent destabilisation of the small nations in our immediate neighbourhood that could have adverse security implications for us.³¹

This may send wrong signals to the smaller neighbours. It is believed there is a realisation by the Indian political elite now that such a statement, if translated into reality, may prove to be counterproductive as happened in the case of Sri Lanka in the 1980s. The suggestion here would be that the South Asians come out of this 'Monroe Doctrine' type of mentality. C. Raja Mohan, an Indian strategist, succinctly observes, "New Delhi does not have the luxury of pursuing a kind of Monroe Doctrine for the region. Instead of trying to keep other powers out of the region, India must work with them to promote economic modernisation, social harmony, and political moderation."³² On the other hand the Gujral Doctrine, propounded by India's Prime Minister I. K. Gujral in the mid-1990s, stipulated that India would extend its assistance to sort out the outstanding problems and issues with its smaller neighbours. India would not ask for anything in return but would give and accommodate what it is able to, in good faith. It worked well and hence Bangladesh could resolve the insurgency and water sharing problems by signing a Peace Accord in 1997 and the Ganges River Water Sharing Treaty in 1996.

As envisaged in the Ganges River Water Sharing Treaty, such water sharing agreements may be extended to other common rivers as well. The principles of 'equity, fairness, and no harm to either side' as enshrined and proposed for sharing the waters of other common rivers in the Ganges River Water Sharing Treaty may also be applied for other common rivers.

What is of prime importance in these interstate relations entanglement is the existence of political goodwill, mostly coming from the big neighbours. Bangladesh, for all practical intents and purposes, is suffering from a dependency syndrome for resolving all of its outstanding issues and for life sustenance resources. There is a complex working between India and Bangladesh. Such a complex is, thus, viewed by the former Chief of India's top spy agency (R&AW) as "Bangladesh's asymmetry with India and its extreme sense of inferiority vis-à-vis India contribute in a big way to the problems of illegal infiltration into India and promotion of cross border terrorism".³³ This complex may be taken care of in the greater interests of regional cooperation.

³¹ Jaswant Singh, *National Security – An Outline of Our Concerns*, Lancer Publishers, New Delhi, in association with United Services Institutions of India, 1996, pp. 59-60.

³² C. Raja Mohan, "Cooperative Security in South Asia", *South Asia Journal*, October-November, 2004.

³³ Anand V. Verma, op.cit.

However, the overall geopolitical game in the region may also work as an impediment. Such a game would continue to be played by the actors concerned but within the game plan certain adjustments, compromise or dovetailing may have to be agreed upon for better regional harmony. This, in an implied way, may even help the geopolitics of the actors.

South Asians may have to think of a multilateral approach instead of a bilateral one to tackle common problems in South Asia. On this note, the idea of 'cooperative security' as opposed to 'collective security' for South Asia, as suggested by Raja Mohan, may be given due credit. He suggests a "policy of dealing peacefully with conflicts...(like) active engagement in negotiation and a search for a practical solution with a commitment to preventive measures". He argues that the outlines of cooperative security have already begun in South Asia. In addition, he feels that "the challenge now is to lend political energy to the process of problem-solving and accelerate wide ranging regional cooperation".³⁴

There could be an understanding or even plans of signing a treaty prohibiting interference in the internal affairs of other countries, as was signed between China and India called the *Panchasheela* Agreement in 1954. As a matter of fact, one of the principles of the Gujral Doctrine is that, 'no country should interfere in the internal affairs of another'. This would greatly help in fostering better neighbourliness and friendship among the South Asian states.

The South Asian countries may follow a 'prosper thy neighbour' policy. Such a policy would ensure better security for all and guarantee more interaction at the civil society, media, cultural, parliamentarians, and non-governmental organisations level, following the concept of Track II diplomacy. The media in both countries may be encouraged to engage in more objective and responsible reporting, and better cultural integration can go a long way in mindset change, although that would be a long drawn-out process. As a case in point, the concept of a South Asian University, proposed by the Indian Prime Minister in the last Dhaka SAARC Summit, is a commendable start towards that direction. All these processes, including the idea of a SAARC "Food Bank" may also help dilute the situation of mistrust in South Asia.

Both India and Bangladesh could further reinforce their border control and management mechanism specifically to reduce alleged informal trade, illegal immigration and cross-border terrorism.

The South Asian Free Trade Agreement (SAFTA), an outcome of the SAARC process, which was supposed to be in operation by this time, was unable to take off. However, the experts of both countries may also study the feasibility of a Free Trade Area (FTA) as the Sri Lanka-India free trade arrangement is producing a win-win outcome with Sri Lanka's exports to India and Indian investments in Sri Lanka surging. A World Bank study revealed that an FTA would benefit Bangladesh more than India. Bangladesh, however, insists on a multilateral framework under the SAFTA.³⁵ More intraregional trade, which only comprises five percent of the total trade in the region, may be encouraged.

³⁴ C. Raja Mohan, op.cit. The author elucidates that the idea of cooperative security recognises interdependence that ranges from avoiding a nuclear war to the actualisation of a free trade area in the Subcontinent.

³⁵ Sandeep Bhardwaj, "India-Bangladesh Relations: Are the carrots working?" Institute of Peace and Conflict Studies, New Delhi, 11 August 2008; [http:// www.ipcs.org/article_details.php?article NO=2644](http://www.ipcs.org/article_details.php?article NO=2644).

Conclusion

Greater regional cooperation, especially in the field of economic development to eradicate the poverty trap, may be the ultimate goal of all South Asians. But unless some corrective and ingenious measures are undertaken at this point in time, the situation might move in the opposite direction. That would be extremely disconcerting for the millions of poverty-stricken South Asians. Poverty also gives rise to many other newfangled crimes, such as women, child and drug trafficking, gun running, and cross-border terrorism, and there is therefore a need to generate greater political will through understanding and dialogue to resolve the outstanding issues, some of which may even seem intractable. They may have to go beyond the geopolitical compulsions and move towards more concrete regional cooperation like what the Europeans and Southeast Asians are doing. Otherwise, development *per se* will only elude the South Asians. A change of mindset is a dire necessity for the South Asians. Prosperity for all is the way forward. Both Bangladesh and India have much to contribute to this process.

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