

India's relations with Bangladesh

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Introduction

Begum Khaleda Zia's first visit to India came in March 2006, only at the end of her term as Prime Minister of Bangladesh, and head of the Bangladesh Nationalist Party (BNP)-led administration. A visit to India—Bangladesh's most important neighbour—was probably viewed as either unnecessary or too problematic, resulting in it being relegated to the very end of her tenure. In contrast, her successor, Sheikh Hasina Wajed, visited India in January 2010, just a year into her term as the nation's Prime Minister, in which overcoming formidable hurdles, Sheikh Hasina Wajed's Awami League had swept to a decisive electoral victory in December 2008. New Delhi rolled out the red carpet to welcome Hasina as its first state guest of the decade, as talk was of the two countries looking to 'turn a corner' in their bilateral relations.¹

This tale of two visits is a reflection of how India's relationship with Bangladesh, a relationship in search of meaning, seems to have become hostage to domestic political imperatives in Dhaka. It is ironic that this should happen to Indo-Bangladesh ties, given India's central role in helping to establish the independent state of Bangladesh and the close cultural affinities, geographic ties and ethnic linkages they share. However, friends are as temporary as enemies in international politics. Instead, it is a state's national interests that determine the contours of its foreign policy. In the case of India and Bangladesh, these interests have been diverging for some years now; theirs has been 'a relationship adrift', with a bilateral relationship highly susceptible to the domestic political narratives in New Delhi and Dhaka.²

This chapter examines the factors that are shaping India-Bangladesh relations and argues that a host of structural and domestic political variables are pulling the two states in opposite directions. It will require more than routine diplomatic posturing to restore amicable ties. Unless some serious efforts are made by both sides, there is little hope of significant improvement. Such deterioration would have important consequences not only for the two states involved, but also for the entire South Asian region and, indeed, the international community at large.

Historical overview: a long road from 1947 to 2010

India and Bangladesh are historically, geographically and culturally so tied to each other that they cannot escape having significant bilateral interaction. Before achieving independence in

1971, the modern state of Bangladesh was part of a larger, non-contiguous Pakistan. It must be noted that Bangladeshis (then known as 'East Pakistanis') comprised a major part of the movement to establish the independent state of Pakistan in 1947. As a result, many of the grievances that resulted in the original Partition of 1947 remain a part of the collective historical memory of modern-day Bangladesh. However, India's role in establishing an independent Bangladesh in 1971 meant that, at least for a few years, India enjoyed a privileged relationship with the new state.³ India's assistance to refugees from East Pakistan, as well as its relief and reconstruction aid, went a long way toward setting the foundations of the new country. New Delhi, by pulling its troops out of Bangladesh quickly after the 1971 Indo-Pakistani war, acknowledged the new state's sovereignty. India, not surprisingly, was also the first state to grant recognition to Bangladesh. In 1972 the two states signed a Treaty of Friendship and Peace for a term of 25 years, declaring that both sides would respect their mutual independence, sovereignty and territorial integrity while refraining from interfering in each other's internal affairs.

However, the assassination of Mujib-ur-Rahman in 1975 (Sheikh Hasina's husband) and the assumption of power by General Zia-ur-Rahman (Begum Khaleda Zia's husband) in 1977, disrupted the friendly enough evolution of India-Bangladesh ties. It did not take long for relations to deteriorate as Bangladesh started moving away from the linguistic nationalism that had been the focal point of its national liberation from Pakistan. Instead, Islam became the new symbol and binding force of the emerging form of Bangladeshi national identity. From a four-pronged state policy of nationalism, democracy, secularism and socialism, Bangladesh began moving rapidly toward embracing Islamic ideology, which has been used by subsequent Bangladeshi governments to legitimate their rule.⁴ In fact, India's attempt to emphasize its common ethnic and cultural affinities with Bangladesh backfired as this supposedly threatened to dilute the status of hard-earned Bangladeshi national identity. Much like other states in South Asia, Bangladesh also started resenting India's overwhelming regional presence and India eventually became one of the central issues around which domestic politics in Bangladesh revolved. Opposing India became the most effective way of burnishing one's nationalist credentials in Bangladesh, and political parties made full use of this tactic, with the possible exception of the Awami League, Sheikh Mujib-ur-Rahman's party that was now led by his widow Sheikh Hasina Wajed.

It has been correctly observed that bilateral relations have been characterized by belligerence and insensitivity on India's part, and oversensitivity and suspicion on the part of Bangladesh.⁵ Despite this, both states recognized that they needed to co-operate in order to address mutual problems. Thus, India agreed in 1992 to grant Bangladesh a perpetual lease over the Tin Bigha corridor, covering an area of 1.5 hectares, which had long separated an enclave of Bangladeshi nationals from their homeland, in accordance with the promises of a pact signed between India and Bangladesh in 1974. This happened despite Indian concerns that the land had become a haven for illegal immigrants to cross over to India and was being used by terrorist groups to infiltrate Indian territory. The return of Sheikh Hasina Wajed's Awami League to power in 1996-2001 saw the signing of the Ganges Water Sharing Treaty in 1996, valid for 30 years.

The coming to power of the Bharatiya Janata Party (BJP) in 1998 in India was, though, viewed with suspicion in Bangladesh. Dhaka had concerns that certain sections of the Hindu nationalist BJP might desire to re-establish the 'sub-continental India' that existed during the British rule, including territories stretching from the Khyber Pass in the north-west to Chittagong in the east. Thus, the return to power in 2004 of the more 'secular' Congress Party-led United Progressive Alliance (UPA) was cautiously welcomed by Bangladesh, which sent its foreign minister to India immediately for a four-day visit as a special envoy of Prime Minister

Khaleda Zia, who had come back into power in 2001. However, bilateral relations nosedived after New Delhi refused to attend the South Asia Association for Regional Cooperation (SAARC) summit in Dhaka in February 2005, citing law and order problems in Bangladesh and Nepal. Given Bangladesh's special attachment to SAARC, it found India's attitude particularly insulting. India's ties with Bangladesh touched their nadir under the Khaleda Zia administration in Dhaka.

Overcoming formidable constraints, Sheikh Hasina Wajed, daughter of Sheikh Mujib-ur-Rahman, led the Awami League to an absolute majority in the December 2008 elections, displacing the openly anti-India BNP. Since then, both sides have made attempts to address each other's concerns, though it still remains unclear how significant a mere change in administration is going to be in transforming India-Bangladesh ties. Each state still perceives that the issues most important to it are being taken lightly by the other side. The factors that inhibit better relations can be categorized into three broad types: structural, institutional and bilateral. Each will be discussed separately below.

Structural: balancing India's predominance

Bangladesh is surrounded on three sides by India along a 4,094-km land border. This results in near total geographical domination by India except for the 193-km land border that Bangladesh shares with Myanmar. India's overarching presence in South Asia, in fact, has been a cause for concern for all of its smaller neighbours. Bangladesh is no exception. For India, the struggle against Pakistan in 1971 was a strategic imperative, in which India further marginalized Pakistan by cutting it in half with the emergence of Bangladesh. India may have expected Bangladesh to remain indebted to it for its role in assisting Bangladesh to achieve independence, but this did not happen. Structural constraints are the most important determinant of state behaviour in international politics and Bangladesh soon began 'balancing' against Indian preponderance in the region. Like other states in South Asia, Bangladesh has tried to counter India's regional hegemony through a variety of means.

Bangladesh's relations with Pakistan in the years immediately after independence were severely strained for obvious reasons, but their ties eventually began to improve quite dramatically. A major impetus for this was the desire of both countries to balance India's power and influence in the region. In 1974 Pakistan and Bangladesh signed an accord to recognize each other and two years later established formal diplomatic relations. The two states have maintained high-level contacts ever since. It has been correctly observed that popular fears of Indian domination in both countries outweighs any lingering animosity between them, resulting in closer Pakistan-Bangladesh ties.⁶ Thus Bangladesh started cultivating Pakistan in an effort to counterbalance India because it sees India as its main potential threat. In contrast, India's foreign policy obsession with Pakistan has led it to ignore Bangladesh. There is some suspicion that Pakistani President General Pervez Musharraf used his 2003 visit to Bangladesh to forge covert military ties with Dhaka and obtain authorization for Pakistan's premier intelligence agency, the Inter-Services Intelligence (ISI), to operate from Bangladeshi territory.

More significant are Bangladesh's attempts to woo an extra-regional power, namely China, to prevent New Delhi from asserting regional supremacy in its relations with Dhaka—something for which other states in the region, including both Pakistan and Nepal, have also frequently used China. For its part, China has been quite willing to play this role because it not only enhances Beijing's influence in South Asia, but also keeps India bogged down in regional affairs and hobbled in its efforts to become a major global player.

Since China and Bangladesh established ties in 1976, their bilateral relationship has grown steadily, culminating in the signing of a Defence Co-operation Agreement in 2002 that covers military training and defence production.⁷ China has also provided Bangladesh with substantial resources to bolster its civil service and law enforcement agencies. The two states have signed an agreement on peaceful uses of nuclear energy in the fields of medicine, agriculture and biotechnology. Energy-hungry China views Bangladesh's large natural gas reserves as a potential asset to be tapped. Much to India's discomfort, Bangladesh supports China's full entry into SAARC. China is also helping Bangladesh in the construction of a deep water port at Chittagong, further heightening Indian fears of 'encirclement'.

In this context, it is interesting to note the proposal to revive the Stilwell Road (also known as the 'Old Burma Road'), which stretches from the Indian state of Assam through Bangladesh and Myanmar, extending all the way to Yunnan Province in southern China. In 1999 China, India, Myanmar and Bangladesh all came together in what is known as the 'Kunming Initiative' to push this proposal forward, mainly because of the potential trade advantages that would derive from linking those countries to South-East Asia via a long land route.⁸ However, India has been reconsidering this proposal, fearing that it might give a fillip to insurgents in north-eastern India who receive support from Bangladesh and might also allow Chinese goods to potentially flood Indian markets.

Institutional: domestic politics and the 'other'

A nation's foreign policy is also a function of domestic political institutions. India has emerged as a major factor in domestic Bangladeshi politics. It would not be an exaggeration to say that, in many ways, India is the central issue around which Bangladeshi political parties define their foreign policy agenda. This should not be a surprise given India's geographic, linguistic and cultural linkages to Bangladesh. Over the years political parties opposing the Awami League have tended to define themselves in opposition to India, in effect portraying Awami League as India's 'stooge'. Moreover, radical Islamist groups in Bangladesh have tried to buttress their own 'Islamic identity' by attacking India.

India realizes that it is perceived in Bangladesh as being close to the Awami League; consequently, New Delhi has made some efforts to rectify this situation. When the BNP-led coalition of Begum Khaleda Zia assumed office in 2001, Indian officials sent a special emissary to Dhaka to assure the new government that New Delhi had no political favourites in Bangladesh and that its internal affairs were not India's concern. However, this failed to make any long-term impact on the new political alignment in Bangladesh. Some in India argue that India should separate its relationship with Bangladesh from the latter's domestic politics and pursue greater engagement.⁹ However, the harsh reality is that political parties in Bangladesh invariably drag India into the nation's domestic politics in order to criticize each other. By visiting India just before the 2008 elections and showing that she, too, could do business with India, Khaleda Zia was hoping to marginalize her long-time rival in Bangladeshi politics, Sheikh Hasina Wajed.

Since she came to power in December 2008, Sheikh Hasina Wajed has faced challenges to her authority from right-wing parties as well as the fundamentalist organizations such as *Jamat-e-Islami* and *Jamat-ul-Mujahideen*, which enjoy Pakistan's support. These groups are united in undermining efforts to improve ties with New Delhi. The greatest challenge that Sheikh Hasina overcame in her first year was the mutiny by the paramilitary Bangladesh Rifles, which erupted in February 2009. It soon became clear that the mutineers were being instigated by supporters of the opposition led by the BNP and others connected to the *Jamat-e-Islami*. India supported

Hasina's crackdown on the mutineers by sealing its borders with Bangladesh and forcing back mutineers attempting to cross over.

The army in Bangladesh has also made periodic forays into politics, further preventing democratic institutions from consolidating. General Zia-ur-Rahman seized power in 1975 in the turbulent aftermath of the massacre of ruling Awami League leaders including Sheikh Mujib-ur-Rahman (Sheikh Hasina Wajed's husband). To give his military regime increased legitimacy, Zia actively wooed domestic Islamist fundamentalists and the Islamic regimes of the Middle East. In essence, he transformed Bangladesh from a secular to an Islamic republic. This transformation continued under his successor, General Hussain Mohammed Ershad, who ruled from 1982 to 1990, thereby ensuring that the military held an entrenched position in Bangladeshi politics. The army's role is less active today, but it still remains a powerful force with its own deep-seated interests. Elements in Bangladesh's army continue to hold a strong anti-Indian outlook, in part because of the military's institutional Pakistani legacy.

The inability of civilian state institutions to govern Bangladesh effectively has not only raised serious concerns about the future viability of democracy there but has also undermined relations with India. In the immediate aftermath of the 2001 elections there were concerted attacks by ruling-party activists against Hindus, who were perceived to be supporters of the opposition Awami League. The weakness of governmental institutions has emboldened non-state actors such as the radical Islamist groups that are attempting to make Bangladesh into another frontier in their global struggle against the 'infidels'.¹⁰ Religion has succeeded in so dominating political institutions that *The Economist* called the 2001 parliamentary elections in effect 'a vote for Bin Laden', given the overwhelming presence of Osama Bin Laden's visage in campaign posters.¹¹ By 2005 there were estimated to be around 50,000 Islamist militants belonging to more than 40 groups controlling large areas of Bangladesh with the assistance of *Jamat-e-Islami* and a section of the BNP.¹² The emergence of Bangladesh as a 'weak state with fragile institutions' unable to tackle internal security and governance has also given rise to problems in India-Bangladesh relations on a whole range of issues.¹³

Domestic politics in India have also played a role in shaping bilateral relations. The issue of illegal immigration (or infiltration) into India from Bangladesh has been part of the BJP election manifesto for several years, while the other national political parties tend to avoid this sensitive issue in their agendas. When operating in opposition, Congress Party leaders often criticized the BJP foreign policy towards Bangladesh as being driven by sectarian purposes. In this view, the BJP's anti-Muslim posture in domestic politics largely shapes its antagonistic posture towards Bangladesh. For its part, the BJP has argued that Bangladesh maintains a lackadaisical attitude on illegal migration and when dealing with anti-India elements within its borders. The BJP's aggressive foreign policy posture was often considered to be reckless and overbearing by other political parties. They argued that it does not behave a government to project Bangladesh as a bastion of Islamist fundamentalism when the BJP itself often callously tries to polarize Indian society on communal lines for the purposes of gaining domestic political mileage.

In turn, the BJP, in opposition, has argued that the Congress-led UPA's policy towards Bangladesh and illegal immigration is driven by the need to appease minorities rather than India's own national interests.¹⁴ It has jumped upon the Indian Supreme Court's ruling that 'there can be no manner of doubt that the state of Assam is facing external aggression and internal disturbance on account of large scale illegal migration of Bangladesh nationals'.¹⁵ Instead of addressing illegal immigration in a judicious manner, both Congress and the BJP have ended up making a 'political football' of the issue even as the problems it engenders continue to fester and the India-Bangladesh relationship continues to deteriorate.

Bilateral issues between India and Bangladesh

Water concerns

Bangladesh is heavily dependent on India for the flow of water from the 54 rivers that the two countries share. Bangladesh has complained that its share of river waters, in comparison with India's, remains unfair. The construction by India of the Farakka Barrage—a low dam in West Bengal Province designed to increase water supply in the Hoogli River—was a major bone of contention between the two countries. India has built a feeder canal at Farakka where the Ganges divides into two branches; this has allowed India to control the flow of Ganges water by re-channelling it on the Indian side of the river. This dispute was resolved in 1996 with the mutual signing of a 30-year water-sharing agreement for the Ganges. This happened after earlier short-term agreements had lapsed.

However, differences between the two countries have re-emerged after India announced a plan to link 30 major international rivers in order to divert the flow of water toward its own drought-prone regions. This has generated concern in Bangladesh about potential economic and environmental problems emanating from this plan, whereas India continues to insist that its project to integrate the rivers will not harm Bangladeshi interests. India's project is currently aimed only at peninsular rivers and officials have indicated that Bangladesh would be consulted when northern rivers were to be interconnected. As the upper riparian state India clearly dominates the management of water resources. Dhaka's bigger grievance is that although a water-sharing accord exists for the Ganges, similar agreements are needed for the remaining 53 shared rivers. Officials in the capital assert that many rivers and canals have dried up because of India's denial of water to Bangladesh. During Sheikh Hasina's visit to New Delhi in January 2010, the two sides decided to resolve the issue of the sharing of the waters of the river Teesta after Bangladesh agreed to joint hydrological observations. The construction by India of the Tipai-mukh Dam across the Barak river has also been addressed.

Migration and its discontents

Another kind of flow has also become a serious bilateral issue: the stream of illegal Bangladeshi immigrants into India. India shares a border with Bangladesh running through the Indian states of West Bengal, Assam, Meghalaya, Tripura and Mizoram. This border is longer than the one that India shares with China. Indian officials have alleged that continued illegal immigration from Bangladesh has altered the demography of India's border areas resulting in ethnic imbalance, electoral irregularity, and loss of employment opportunities for Indian nationals.¹⁶ In fact, in the late 20th century the massive influx of refugees fleeing persecution in East Pakistan (as Bangladesh was known before independence) was one of the major reasons India assisted the Mukti Bahini guerrillas fighting for liberation from Pakistan. According to some estimates around 15m.–20m. illegal immigrants from Bangladesh have crossed over to India over the last several decades.

The north-eastern states in India are particularly vulnerable to population movement: less than 1% of the region's external boundaries are contiguous with the rest of India whereas 99% are international boundaries. Bangladesh has complained that the overwhelming numerical superiority of Indian security forces along their long common border has spurred the killing of innocent Bangladeshi nationals by India's paramilitary Border Security Force (BSF). According to some estimates the ratio of Indian to Bangladeshi security forces deployed along the border is 2.5:1. Exchanges of fire between the BSF and its counterpart, the Bangladeshi Rifles, are now a

regular feature along the border, often resulting in inhumane treatment of each other's forces. Bangladesh also argues that the land boundary delimitation agreement signed in 1974 between Indira Gandhi and Mujib-ur-Rahman has yet to be implemented, with 6.5 km of unmarked borderland in need of clear demarcation.

Ineffective border management has also emerged as a major irritant in India-Bangladesh relations because of concerns about smuggling, illegal immigration, trafficking in women and children, and insurgency. India's plan to erect a 2,886-km fence along its border with Bangladesh, with an additional 400 km in the state of Mizoram, is nearing completion. However, there is no evidence that fencing will be effective in checking infiltration in the area, where for historical reasons there are around 57 Bangladeshi enclaves in Indian territory and around 111 Indian enclaves inside Bangladesh. In many ways the border with Bangladesh is more difficult for India to manage than the border with Pakistan. The Indian army has little presence on the eastern border which is patrolled almost exclusively by Indian paramilitary forces. New Delhi's concerns are not only about demographic changes but also about the security threat posed by anti-India radicals and insurgents who sneak in along with economically deprived Bangladeshi migrants. As mentioned earlier, Indian domestic politics further complicate this issue, making an amicable bilateral solution difficult.

Bangladeshis, for their part, are apprehensive that India has the resources and inclination to re-ignite ethnic rebellion in the Chittagong Hill Tracts area of Bangladesh. India had been accused of helping Chakma tribal insurgents there with resources and training from 1975 to 1997, when the Dhaka Government finally signed a peace treaty with the Chakmas. Part of this accord allowed for the return to Bangladesh of tribal refugees who had fled to India in the 1980s to escape violence caused by the insurgency. However, suspicions about Indian motives and potential political leverage remain strong in Bangladesh.

Islamist fundamentalism

The rise of Islamist fundamentalism in Bangladesh has further aggravated India's relations with its neighbour, with Indians like Sengupta 'concerned' about Bangladesh's role as the 'next terror frontier'.¹⁷ After independence, Bangladesh not only had declared secularism to be one of its founding principles, but it had also banned religious political parties. As the military became a major political force in Bangladesh over the years, it used the country's Islamic identity to give its rule increased legitimacy, whilst mainstream political parties started using Islam for their own partisan purposes as well. As a result, religion has come to occupy a central place in Bangladeshi political discourse.¹⁸ Islamist radicals are no longer shy of openly declaring their ambitions. After the US invasion of Afghanistan in 2001 the members of IOJ—one of the constituents of the then ruling coalition led by the BNP—took to the streets chanting, 'We will be the Taliban, and Bangladesh will be Afghanistan'.¹⁹

Bangladesh has the third-largest Muslim population out of any country in the world, but of its 144m. population, 70m. live on less than US \$10 a day.²⁰ This has made the country an easy target for Islamist radical groups with global pretensions believing in the unity of *ummah* (the Islamic community of believers) against the West and other non-believers. Militant groups have percolated into all sections of Bangladeshi society, including mosques, seminaries, educational institutions, the judiciary, mass media and the armed forces. The Awami League, while in opposition, tried to draw the attention of the international community toward the 'Talibanization' of Bangladesh.²¹ Not only did anti-India rhetoric reached an all-time high in Bangladesh, but Pakistan's ISI had been making full use of growing radical Islam for furthering its own activities against India. The BNP leader Begum Khaleda Zia, while in opposition, had been

quoted as saying that the insurgents in India's north-east were 'freedom fighters' and that Bangladesh should help them instead of curbing their activities.²² The BNP also went all out to burnish its Islamic credentials with an eye on the elections. For example, a bridge was even named after Hezbollah by a government minister, who claimed that this was being done 'because of our love for the Lebanese resistance group'.²³ Indian fears were that 'the growing trend of Islamisation in Bangladesh is the fall out of its Pakistanisation, which would ultimately turn it also in the category of a second terrorist state neighbouring India'.²⁴

There is a consensus in India that Bangladesh cannot continue to deny the anti-India terrorist and insurgent activities that emanate from Bangladeshi territory and that Dhaka should be forced to take concerted, verifiable action against anti-India actors within its borders. Bangladesh, in fact, has long been a willing host to militant outfits operating in north-east India.²⁵ Even before the emergence of Bangladesh as an independent state, the Chittagong Hill Tracts were used by the Pakistani army to train and shelter Mizo and Naga insurgents fighting against India. It has been suspected that Bangladesh and Pakistan's ISI has been co-ordinating anti-India activities along with outfits like the United Liberation Front of Assam, the National Socialist Council of Nagaland, the National Liberation Front of Tripura and the All Tripura Tiger Force.

There have been concerns in recent years that as Pakistan comes under increasing scrutiny for its role in sponsoring terrorism, some Pakistan-based terrorist groups have moved their training camps to Bangladesh. Indian intelligence agencies also claimed that the ISI and various militant organizations based in Pakistan had changed their *modus operandi* and were now using Bangladesh as a transit point for pushing terrorists into India. Bangladeshi nationals who are part of terrorist groups are often asked to illegally enter India and set up bases in different parts of the country. They subsequently provide safe hideouts to more incoming terrorists, and act as couriers of explosives and finance.

The rise of the *Jamat-ul-Mujahideen* in Bangladesh is a testament to the country's growing Islamist radicalization. As a consequence, Islam in Bangladesh—which has traditionally been tolerant and syncretic in nature—has come to be dominated by the radical strain in more recent years. Although the *Jamat-ul-Mujahideen* in Bangladesh was finally banned by the Dhaka Government in early 2005 following threats of withdrawal of aid by the West, the group still managed to set off serial bomb blasts during August 2005 in 63 out of the 64 districts of Bangladesh.²⁶

Suicide bombings have also emerged as another tool in the arsenal of radical Islamists, suggesting that militants in Bangladesh are adopting the tactics and techniques of their counterparts in the Middle East. Bangladesh is now viewed as a safe haven by *jihadists*, who use its friendly government and infrastructure to regroup and for training purposes. A number of recent terrorist attacks in India have been traced back to Bangladeshi nationals working on behalf of *Harkat-ul-Jihad-al-Islami*, which is suspected of being an al-Qaeda front and also has links with the *Jaish-e-Mohammed* and *Lashkar-e-Taiba* jihadist groups based in Pakistan. *Harkat-ul-Jihad-al-Islami* is now one of the fastest growing fundamentalist organizations in Bangladesh and has been designated a 'terrorist organization' by the US Government. Islamist radicals from across Asia, including India, Myanmar, Thailand, Indonesia, Afghanistan and the Philippines, have gravitated toward Bangladesh for military training and refuge from their home governments, under the protection of *Harkat-ul-Jihad-al-Islami*.

Despite the fact that the international community, including India, has long been asking Dhaka to take action against the presence of Taliban remnants along with various other militant groups in its territory, it was only in February 2005 that the Government of Bangladesh finally decided to act by banning two groups, the *Jamat-ul-Mujahideen* and Jagrata Muslim Janata Bangladesh, and taking additional action against some others. Even these steps seemed half-hearted

on the part of the BNP Government. It is under the Awami League Government, which regained power after the December 2008 elections, that Dhaka has stepped up its activities against Islamist extremists. The Awami League Government of Sheikh Hasina Wajed cracked down on the *Lashkar-e-Taiba* and *Jagrata Muslim Janata Bangladesh* groups, with the chief of the *Jamat-ul-Mujahideen*, Said-ur-Rahman, being finally arrested in Dhaka on 26 May 2010 after a pursuit of three years. The Bangladeshi Government has also acted to pre-empt cross-border attacks on India and on the Indian establishments in Dhaka, which has effectively curtailed the ability of Pakistan to use Bangladesh as a springboard for terrorism against India.

Weak economic ties

The economic basis of bilateral ties between India and Bangladesh remains weak and lacks any constructive agenda, making it even more difficult for the two states to move forward on other issues. This is despite the fact that India and Bangladesh are members of both SAARC and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIM-STEAC—formerly Bangladesh, India, Sri Lanka, Thailand Economic Cooperation). The Indo-Bangladeshi Joint Working Group on Trade Issues was established in 2003 and has held regular meetings ever since. None the less, it has failed to re-orient economic ties between the two states in a meaningful way. Bilateral trade may have increased to \$3,180m. (a 0.71% share of India's overall trade) by 2007/08, but it had slipped back to \$2,810m. by 2008/09 and \$2,690m. by 2009/10 (a 0.58% share). Illegal trade, amounting to about three-quarters of the regular trade, has been the bigger winner. India's efforts to secure transit and trans-shipment facilities for accessing north-east states through the territory of Bangladesh have been rebuffed by Dhaka.

The BNP Government also reneged on its earlier commitment, via the tripartite agreement, for the transportation of natural gas from Myanmar to India via a pipeline running through Bangladesh. India wants to pursue this project because it is deemed to be its most economical option. The India-Bangladesh-Myanmar pipeline idea was initially seen as a landmark in Indo-Bangladeshi relations, in which Bangladesh would have agreed to let its territory be used for the transport of an economic commodity to the Indian market for the first time in 30 years. Although India appeared willing to pay a \$125m. transit fee to Bangladesh, Dhaka also wanted additional concessions before concluding this agreement. These included a transit facility through India for hydro-electric power from Nepal and Bhutan to Bangladesh, a Nepal-Bhutan trade corridor, and measures to reduce the bilateral trade imbalance. The Indian corporate giant, the Tata Group, has proposed massive investments in Bangladesh to the tune of \$2,500m. in the steel, fertilizer and power sectors, but this agreement has been stuck over differences regarding the price of the natural gas that Bangladesh has insisted be used. The Tata Group finally decided to put its investment plans for Bangladesh on hold, citing Dhaka's insufficient progress in assessing and responding to the firm's revised investment offer.

India has also proposed concluding a Free Trade Agreement (FTA) with Bangladesh. Many Bangladeshis are asking the Government to consider this seriously in the light of Sri Lanka, which has operated an FTA with India since 2001.²⁷ Concluding an FTA would strengthen the economic basis of bilateral ties between India and Bangladesh and go a long way toward solving the problem of illegal trade. However, India's scepticism of Bangladesh's testing procedures for its food exports remains a constraining factor and it has asked for the codes to be harmonized and classifications to be made standard in order to come to a 'rules of origin' agreement to give Bangladesh greater access to Indian markets. Many in Bangladesh view this as another sign of India's protectionist tendencies. India has assured Dhaka that it would bring down some of its

existing non-tariff barriers to exports from Bangladesh and assist Bangladesh in ensuring that its exports met Indian quality standards. Both countries are working to ensure that long delays experienced by traders on cross-border trade are minimized by trade facilitation measures.

Dhaka has also been asking for unilateral tariff concessions on select items of export interest to help reduce its trade deficit with India. In contrast, India feels that Indian investments in Bangladesh, such as the one proposed by the Tatas, are another way of solving this problem. With India's economic growth at an all-time high, its investments in the region will increase in coming years and there is no reason for Bangladesh to exclude itself from a process that will benefit it immensely. After all, Bangladesh is set to become the second largest economy in South Asia, behind only India. Bangladesh's economic development is also in India's best interests, both to help curb illegal immigration and to make it more difficult for terrorist groups in Bangladesh to find fresh recruits.

India is undertaking actions to meet Bangladesh's immediate energy requirements by selling 250 megawatts of electric power. Indian companies will find investment opportunities in the development of power infrastructure in Bangladesh as the power deficit in the country is set to increase further in coming years.

It is clear that the SAARC agenda—including regional free trade, upgrading of the transport and communication infrastructure, and energy co-operation—cannot be fully realized unless India-Bangladesh relations are improved. This is also essential for the integration of the eastern part of the sub-continent, including Nepal and Bhutan, into a regional framework. India realizes that the success of its 'Look East' policy depends on Bangladesh acting as an effective bridge between north-east India and South-East Asia. The need has long been apparent for development of closer transport and communication links between India and Bangladesh in order to achieve the full potential of regional economic integration, but so far progress has only been lacklustre.

Although a regular bus service between Kolkata and Dhaka started in 2003, it continues to face management problems, primarily because Dhaka insists on levying high travel taxes. Proposals to commence bus service from other Indian cities such as Shillong, Guwahati and Siliguri to Dhaka have not progressed significantly. Regular passenger train services have yet to start between India and Bangladesh, despite their signing an agreement to this effect in 2001. However, in a move that could have long-term benefits for the north-east, the countries have agreed to allow each other's territory to be used for transporting goods via waterways, roadways and railways, both for commerce and trans-shipment. This is an emerging bright spot in bilateral relations that could be the basis for even further co-operation in the future. By extending a line of credit of \$1,000m. for the development of infrastructure, India has cleared the way for its involvement in the development of rail and road communications linking its land-locked north-east with the rest of the country. India is also planning to invest in the development of Chittagong and Mongla ports, which will provide access for goods from Nepal and Bhutan to these ports, furthering regional economic integration.

Conclusions

The consequences of strained bilateral relations are far reaching for both India and Bangladesh. India is witnessing rising turmoil all around its borders and therefore a stable, moderate Bangladesh as a partner is in its long-term interest. Constructive Indo-Bangladeshi ties could be a major stabilizing factor for the South Asian region as a whole. The instability in Pakistan, Afghanistan, Nepal, Sri Lanka and Myanmar is a significant inhibiting factor for India to realize its dream of becoming a major global player. India is surrounded by several weak states that

view New Delhi's hegemonic status in the region with suspicion. The structural position of India in the region makes it highly likely that Indian predominance will continue to be resented by its smaller neighbours, even as instability nearby continues to have the potential of upsetting its own delicate political balance. However, a policy of 'splendid isolation' is not an option and India's desire to emerge as a major global player will remain just that—a desire—unless it engages its *immediate neighbourhood* more meaningfully.

The present constraints that impinge upon this India-Bangladesh relationship make it imperative for both sides to reduce the mutual 'trust deficit' that has crept into their bilateral ties. This is a necessary first step before any meaningful relationship can emerge. India, being the bigger and economically more powerful of the two, can and should take the lead in this process by taking generous and constructive steps to improve relations with Bangladesh. In this context, the recent initiative by the Indian Government to allow easy access to Bangladeshi goods represents a significant step.

However, Bangladesh also needs to return to the more secular, tolerant traditions of Islam that it used to espouse, and to oppose Islamist radicalism more forcefully. It has been rightly observed that the unchecked rise of religious extremism currently underway in Bangladesh bodes ill for the country, its neighbours and the world. A failed state in Bangladesh is in no one's interest. India and the rest of the international community can lend a hand, but the bulk of the burden for extricating itself from the morass into which it has sunk will have to be borne by Bangladesh itself.

Notes

- 1 S. Srivastava, 'India, Bangladesh Look to Turn a Corner', *Asia Times*, 16 January 2010. Her visit to China in March 2010 brought further concerned, albeit muted, Indian comments.
- 2 See H. Pant, 'India and Bangladesh: A Relationship Adrift', in M. Chatterji and B. Jain (eds), *Conflict and Peace in South Asia*, London: Emerald Publishers, 2008. Also H. Pant, 'India and Bangladesh: Will the Twain Ever Meet?', *Asian Survey*, Vol. 47, No. 2, 2007.
- 3 A useful account of the 1971 war can be found in S. Ganguly, *The Origins of War in South Asia: Indo-Pakistani Conflicts Since 1947*, Boulder: Westview Press, 1994, pp.81–116.
- 4 T. Hashmi, 'Islam in Bangladesh Politics', in M. Hussin and T. Hashmi (eds), *Islam, Muslims and the Modern State*, New York: St Martin's Press, 1994, pp.100–38.
- 5 K. Jacques, *Bangladesh, India, and Pakistan: International Relations and Regional Tensions in South Asia*, New York: St Martin's Press, 2000, pp.3–24.
- 6 *Ibid.*, p.161.
- 7 S. Kapila, 'Bangladesh-China Defence Co-operation Agreement's Strategic Implications', *Papers (SAAG)*, No. 582, 14 January 2003.
- 8 R. Maitra, 'Prospects Brighten for Kunming Initiative', *Asia Times*, 12 February 2003.
- 9 See, for example, C. Raja Mohan, 'Five Fold Embrace for Khaleda', *Indian Express*, 20 March 2006.
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- 11 'A Vote for Bin Laden?', *The Economist*, 27 September 2001.
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- 17 *Ibid.*; Sengupta, 'Bangladesh: Next Terror Frontier?', *India Abroad*, 19 December 2005.
- 18 A. Riaz, 'God Willing: The Politics and Ideology of Islamism in Bangladesh', *Comparative Studies of South Asia, Africa, and Middle East*, Vol. 23, No. 1/2, 2003, pp.310–20.
- 19 E. Griswold, 'The Next Islamist Revolution', *New York Times*, 23 January 2005.

- 20 A. Perry, 'Rebuilding Bangladesh', *Time (Asia)*, 3 April 2006.
- 21 See, for example, the 74-page report, 'Growing Fanaticism and Extremism in Bangladesh: Shades of the Taliban', on the official website of the Awami League, www.albd.org/aldoc/growing/growing_fanaticism.pdf. Also S. Kapila, 'Bangladesh Government in Denial Mode on Country's Talibanisation', *Papers (SAAG)*, No. 1062, 15 July 2004.
- 22 H. Karlekar, 'Cautious Tango', *South Asia Intelligence Review*, Vol. 1, No. 42, 2003.
- 23 'An Ugly Alliance', *The Economist*, 12 August 2006.
- 24 R. Upadhyay, 'De-Pakistanisation of Bangladesh', *Papers (SAAG)*, No. 2199, 7 April 2007.
- 25 P. Tarapot, *Insurgency Movement in North Eastern India*, New Delhi: Vikas Publishing House, 1993, pp. 127–46.
- 26 '459 Blasts in 63 Districts in 30 Minutes', *The Daily Star*, 18 August 2005.
- 27 This view has been articulated very forcefully by a former Foreign Secretary of Bangladesh, Farooq Sobhan. See his paper, 'India-Bangladesh Relations: The Way Forward', 2005, www.bei-bd.org. Also World Bank, 'India-Bangladesh Bilateral Trade and Potential Free Trade Agreement', *Bangladesh Development Series Paper*, No. 13, 2006.