



India, Bangladesh and Southeast Asia Connecting the Neighborhood

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As development becomes the primary focus, nations attempt to advance their interests through multilateral regional and international cooperation. Even States that have traditionally been sovereignty sensitive, at least in terms of integrating themselves through roads, today, are trying to negotiate multilateral economic arrangements that include transit and transportation across their national boundaries.

Bangladesh, which has traditionally opposed such an idea on the grounds of sovereignty and security, is slowly adjusting to this phenomenon. As a part of the South Asian Association of Regional Cooperation (SAARC), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Asian Highway and Trans-Asian Railway networks it is imperative that Dhaka considers this issue pragmatically.

I POLITICS OF REGIONAL CONNECTIVITY

Problems of connectivity can largely be attributed to the mistrust and suspicion that has been characteristic of Indo-Bangladesh relations since 1977. The military rulers perpetuated anti-India feelings to maintain their regime's sustainability, resulting in a steady decline in relations between the two countries; India, which played a significant role in Bangladesh's liberation was portrayed as a security threat. A cultivated national imagery was created by emphasizing 'motives' for India's intervention and attention was drawn to several incidents, arguing, that India wanted to exploit Bangladesh economically. While shaping such a threat perception, the national memory failed to take into account the fact that India did not attack the militarily vulnerable former East Pakistan when

it was left defenceless in the 1965 India-Pakistan war. Bangladesh has not demonstrated any willingness to have a mutually beneficial relationship with India. The argument on the issues of trade and transit centres mainly on the fact that it will benefit India as it will enable it to connect to its northeastern region. Dhaka's hostile attitude appears to be bereft of any logic.

The issue of regional connectivity is part of the debate on 'small state - big state syndrome,' where a smaller country tries to hold on to leverage to maximize its advantage. However, for Bangladesh, this leverage appears to be non-negotiable. The political divisions within the country run along party lines, making the situation more complex. However, the current government, which has a large mandate, has shown willingness to take firm economic decisions. It now needs political vision to overcome the hurdles by encouraging an informed debate on the issue. Even if this creates a congenial atmosphere on the trade front, it will open up new vistas in transit issues, which cannot be divorced from the larger issue of economics.

The Awami League (AL) government assumed power in Dhaka in January 2009. The party is aware that the slogan in its manifesto promising change will not fructify if it does not take prudent economic decisions at a time of global recession. Therefore, it becomes pertinent for the country to integrate itself to the global economy by being part of multilateral arrangements. That AL has had a huge electoral victory and has obtained a 49.2 per cent share of the popular vote gives the government confidence to take economic decisions without political consideration, unlike in the past. Therefore, it is not surprising that the government took the decision to join the Asian Highway Network and to connect itself to the larger global community. Earlier, Bangladesh's Ministry of Foreign Affairs had

suggested that signing upto the Asian Highway would be an economic and political imperative. Joining the route would help Bangladesh to strengthen its much publicized "Look East" policy and especially its relations with China.

II

CONNECTIVITY VS SECURITY & SOVERIEGNTY

Connectivity between the two neighbours is at present restricted to bus services between Dhaka-Kolkata and Dhaka-Tripura and a train service between Kolkata and Dhaka, which started on 14 April 2008. Both countries signed the treaty on Inland Water Transport in 1972, which has facilitated river water transit. This treaty has been renewed periodically by both governments.

Security and sovereignty issues have been of paramount concern in Bangladesh's consideration of India's proposal for transit facilities. The nationalistic constituency in Bangladesh, for ideological reasons, does not favour greater economic relations and communication linkages between India and Bangladesh and wants to accentuate a security centric discourse for political reasons. While dealing with various problems, India and Bangladesh can move forward in forging better economic relations .

In contrast to India's bilateralism, though Bangladesh insists on multilateral arrangements, it is ironic that Dhaka is reluctant to join the multilateral initiative for bilateral reasons. Although Bangladesh has agreed in principle, as per Article V of the 28 March 1972 agreement, to extend facilities for the use of its ports, roads and railways for the transportation of goods and passengers to India's Northeast, there are major stumbling blocks in its implementation. Analysts have been citing security reasons for denying India transit or even transshipment facilities. Some Bangladeshi analysts feel that this is the only tool Bangladesh possesses when negotiating with India. As Bangladesh tries to keep the advantage it has over other countries in order to emerge as a

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major connectivity hub, it will lose its significance. Other options available to India to connect its northeastern region to the larger world would be difficult but not impossible to implement. In the past few years India has been making an effort to establish various road and rail networks with Myanmar. India has been providing aid to construct the Sittwe port in Myanmar, which would emerge as a major port for products from the Northeast. It is trying to construct a road network that would connect the northeastern part of India to Thailand through Myanmar.

Bangladesh's security concerns are unfounded on two counts. First, in spite of adverse relations with India, Pakistan had granted India transit rights through the territory of East Pakistan. This was only stopped after the 1965 war. Second, Bangladeshi analysts who cite China-India relations, which if soured would drag Bangladesh into a bilateral conflict, should look at the growing trade ties between India and China despite unresolved border issues.

The politics of transit also play on semantics. Confusion exists about what a transit facility would entail. Many believe that transit is synonymous with providing a transport corridor. This is illustrated by the fact that it would connect Indian territories through Bangladesh. The BNP was not against the transit facility and in the 2001 elections it showed willingness to consider this issue. However, many believe that it would benefit India more than it would benefit Bangladesh. If that is the case, why should Bangladesh waste its only trump card without gaining substantially?

III

IMPROVING EXISTING CONNECTIVITY

Inland Water Treaty

India and Bangladesh signed the Protocol on Inland Water, Transit and Trade in 1972. However, river transit has remained of limited utility to India given the fact that very few rivers are navigable throughout the year. Bangladesh levies BDT20 million annually on India for allowing it to use its waterways.

On 1 April 2009, the Indo-Bangladesh Protocol on Trade and Transit was extended by two years. Irrespective of who has been in power in Dhaka, this treaty has been extended by two years, each time it has expired. Since January 2002, the BNP has extended it periodically. The treaty was extended 21 times during the four party alliance

government. It was only after the army-backed caretaker government assumed power that the treaty reverted to being extended for two years each time. Given the fact that the treaty has been in existence for more than 35 years, both countries need to seek a long-term arrangement.

A new river route for linking India's Northeast to Bangladesh has been proposed. Bangladesh and India already have eight specific routes for river transit connecting West Bengal and Assam with Bangladesh. During his visit to Dhaka in 2007, Minister of State for Commerce and Power, Jairam Ramesh requested Bangladesh to allow India the use of the Ashuganj river port for the transportation of goods from Tripura, which is just 62 kilometres away from the port. This proposal is being considered and does not constitute part of the recently extended protocol on trade and transit.

Port Facilities

Citing poor facilities, Bangladesh has constantly argued that it is difficult to allow the Chittagong port to be used as a regional economic hub. Modernization of the Chittagong port is under consideration and the Asian Development Bank (ADB) submitted a preliminary study on the subject in March 2008. Recently, the World Bank proposed that it would support Bangladesh in developing internal and communications infrastructure and that it would help to establish regional connectivity. According to a study, increasing the efficiency of Chittagong port would enable it to handle 67 per cent more cargo than it is currently capable of. This would be achieved without any new infrastructure development. Similarly, Mongla port can be developed to handle cargo from India, Nepal and Bhutan. Allowing the northeastern states of India to use the Chittagong port while allowing the western districts of Bangladesh to use Kolkata, Haldia and Kulpi ports as quid pro quo to facilitate trade, has been suggested.

Rail links

During the British period Assam was linked to Chittagong port by Eastern zone railways. By 1965, due to various problems between India and Pakistan, the inland waterways were used for goods transit between India's northeastern states and Kolkata through Bangladesh and subsequently railway freight reduced substantially. After 35 years India and Bangladesh resumed the Dhaka-Kolkata passenger train service in 2007. The proposal was bogged down initially due to

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security concerns raised by the Home Ministry in India. There are proposals now to reopen similar facilities in Tripura. There are additional proposals to establish rail links between Sylhet and Shillong. There are problems in expanding people to people contact as in several places the railway networks of the two countries are not compatible. Both India and Bangladesh continue to have metre gauge railway tracks that need to be upgraded to broad gauge in order to facilitate transit if and when both countries agree.

IV

ASIAN HIGHWAY NETWORK: UNDERSTANDING THE POLITICS

The previous government led by the BNP declined to sign up to the Asian Highway. The main controversy was that signing of this treaty would be tantamount to providing transit to India – a political issue without any economic logic. Dhaka's desire to change the route before signing the agreement was not supported by member countries. They urged Dhaka to join the AHN and to then propose a change to the route. After the AL assumed power in January 2009, the Cabinet approved Bangladesh's accession to the AHN in principle, in a meeting held on 16 June.

As Bangladesh was not comfortable with the Asian Highway route, it had previously explored various other possibilities for augmenting its "Look East" policy. The policy envisages a close relationship with China and Southeast Asian countries. It also strives to reduce its dependency on India and open up new vistas of cooperation with Southeast Asia for trade and economic development. As it was not prepared to sign up to the AHN Dhaka proposed to build roads that would connect the country with Myanmar.

On 27 July 2007 Bangladesh and Myanmar signed a bilateral agreement for a Bangladesh-Myanmar Friendship Road, which would serve as a link between the two countries that would give Bangladesh access to Thailand, Malaysia and Singapore through Myanmar. Bangladesh has proposed to bear the entire cost of this road.

Although greater connectivity is important for Bangladesh, this proposal is mooted, bearing in mind the fact that it is part of the Asian Highway, which Bangladesh initially refused to sign up to. To further its foreign policy goals there is a proposal to build Dhaka-Yangon-Kunming road, which would allow China to ship its crude oil through Chittagong port to eastern China. Dhaka's proposal for a trilateral agreement on connectivity has China's support. These proposals are being propagated under the Kunming Initiative (BCIM) and therefore largely bypass India.

V CONCLUSIONS

Having a multilateral transit framework would help the region in that it would facilitate trade. Transit and communication will not be sufficient to deal with the issue of connectivity and any such initiative has to be complimented by facilitation by the customs authorities and by improvements in the road network. Developing Chittagong, Mongla, Haldia and Kolkata ports would be a major step towards facilitating trade.

The security centric debate on connectivity has made it extremely difficult for the two countries. Bangladesh needs to take the broader picture into account. Even though both countries conducted a dry run in February 2000, to see whether transshipment would solve the issue of transit, it is yet to be implemented. This dry run demonstrated that transshipment would be economically beneficial to Bangladeshi lorry drivers as well as to the two countries. Both Bangladesh and India have been trying to take the initiative in order to improve trade between the two countries. Although the balance of payments (BoP) is heavily in favour of India, the two countries can try various means to improve trade. Providing transit facilities would also help Bangladesh to improve the BoP situation with India as well as expanding trade baskets to include more products from Bangladesh.

Bangladesh needs to play a leading role in facilitating connectivity. In fact, this is one area in which Bangladesh can play a greater regional role. Being the founder country of SAARC, which has paved the way for greater cooperation within the region, Bangladesh again needs to assume a leadership role. In the era of globalization Bangladesh needs to emerge from its insecurity syndrome, which has been carefully cultivated by successive military governments in Dhaka to protect their regime's interests. Bangladesh's decision not to cooperate with India in this regard

would be a loss to both countries. If India's loss is Bangladesh's gain Bangladesh's policy is justified. However, there is nothing to prove that Dhaka is gaining either politically or economically by following such a policy. Although the current government has agreed to sign up to the AHN the debate still seems to hover around whether this will lead to granting corridor to India or to providing transit to India. Bangladesh needs to make an investment in terms of providing facilities, if it wants to reap the rewards of economic integration. As India is connecting its northeastern region, linking it to Myanmar and further to Southeast Asia, Dhaka's advantage will slowly lose its relevance. Before that happens, Dhaka needs to make a choice between the economics and the politics of regional connectivity.

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*SEARP is supported by the SAEA Group,
Singapore*

