

# India-Bangladesh Relations

Issues, Problems and Recent Developments

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# INDIA-BANGLADESH RELATIONS

## ISSUES, PROBLEMS AND RECENT DEVELOPMENTS

PIYALI DUTTA

Bangladesh, shares 4094 kilometers of land border with India on three sides, the fourth side being open to the Bay of Bengal.

Various issues need to be resolved if the relationship between the two are to be improved, from sharing the water of 54 international rivers that flow from India to Bangladesh to controlling terrorism and promoting economic development.

### I TRADE

The trade relationship has had a detrimental effect on bilateral relationship. The geographical proximity of India to Bangladesh has made it one of its biggest trading partners.

There are pressing concerns in Bangladesh regarding the large bilateral trade deficit with India and the large volumes of informal imports from India across the land border which avoid Bangladeshi import duties. Bangladesh's bilateral trade deficit with India has been increasing rapidly on average at about 9.5% annually. However, the deficit narrowed for the first time in fiscal year 2005/06 when Bangladesh's exports rose to \$242 million while India's exports fell to \$1.8 billion from \$2 billion in officially recorded exports.<sup>1</sup> For Bangladesh, India

<sup>1</sup> Executive Summary Report, 2005, "Studies on India-Bangladesh Trade, Trade Policies and Potential FTA", <http://www.worldbank.org.bd/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/BANGLADESHEXTN/0,,contentMDK:20610536~menuPK:295780~pagePK:64027988~piPK:64027986~theSitePK:295760,00.html>

has now become the largest single source of its imports.

Political discontentment in Bangladesh tends to stem from the huge trade gap, supported by the fact that India has a lot of non trade barriers for Bangladeshi exports. Even though exports from Bangladesh are growing at a healthy pace, there is no sign of reducing this trade gap.

The non trade barriers, as pointed out by Bangladesh Commerce Ministry, and cited by the *Daily Star* include: <sup>2</sup>

- Laboratory tests in Bangladesh, especially for food products, cosmetics, and leather and textiles products.
- Packaging requirements
- Inadequate infrastructure facilities such as warehousing, transshipment yard, parking yard and
- Connecting roads at land customs stations also hinder exports from Bangladesh; the land border trade is subject to very serious administrative constraints in Bangladesh. The most important of the Customs posts with comprehensive Customs clearance powers is at Benapole, which borders Petrapole on the Indian side and which is on main roads linking Kolkata with Jessore and Dhaka.

As per the report by Bangladesh Commerce Ministry, trade barriers include:<sup>3</sup>

<sup>2</sup> Sajjadur Rahman, "Analysts urge India to erase trade barriers to Bangladesh", *The Daily Star*, 11 January 2010

<sup>3</sup> "On India-Bangladesh Trade Imbalances", *Diganta*, 2 February 2010,

- Imposition of state tax
- Anti-dumping (AD) is one of the WTO-legitimate measures introduced by India during the 1990s,
- Countervailing duties

90% of industrial tariffs are now at 12.5%, far lower and far more uniform than they have ever been in the past 50 years.<sup>4</sup> From the perspective of SAARC countries, including Bangladesh, these changes mean that Indian domestic markets, for most manufactured goods, are highly competitive, with prices that are close to world prices, and are likely to be difficult to penetrate even with complete exemption from Indian tariffs under bilateral or multilateral free trade arrangements such as those planned under SAFTA.

### **Illegal and Informal Trade**

Informal trade carried out through porous land border between India and Bangladesh adds to the trade deficit, dating back to the initial years of Bangladesh's birth. The substantial, informal and unrecorded trade, carried across the India-Bangladesh border, is more quasi legal in nature, and is often described as 'informal' rather than illegal, since there is wide participation of local people in the border areas who operate in liaison with the anti-smuggling enforcement agencies. Informal trade of this kind often involves large numbers of local people individually transporting small quantities as head loads or through bicycle rickshaws, also known as 'bootleg' smuggling.

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<http://horizonspeaks.wordpress.com/2010/02/02/on-india-bangladesh-trade-imbalance>

<sup>4</sup> Executive Summary Report, "Studies on India-Bangladesh Trade, Trade Policies and Potential FTA",

<http://www.worldbank.org/bd/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/BANGLADESHEXTN/0,,contentMDK:20610536~menuPK:295780~pagePK:64027988~piPK:64027986~theSitePK:295760,00.html>

Another kind of informal trade, termed 'technical' smuggling, involves explicit illegal practices such as under invoicing, misclassification and bribery of Customs and other officials. During the 1990's about three quarters of imports were by land and sea which has recently shown a decline to between 50% and 60%. The cause of concern for Bangladesh, thus, is more intense than that of India, since much larger volumes of goods are smuggled from India to Bangladesh escaping customs duties. Trade deficit is intertwined with other issues like trans-shipment, transit and export of natural gas, one of the natural resource possessed by the independent nation of Bangladesh. In a recent visit to India, Mr. H.E. Tariq A. Karim, Bangladesh High Commissioner to India at the Institute of Peace and Conflict Studies, New Delhi noted that "...if India were to facilitate Bangladesh's exports to India by completely removing all tariff and non-tariff barriers, then the loss in revenues to India from duties and levies would be insignificant while in return, huge goodwill will be created..."<sup>5</sup> which is actually essential for a progressive relationship between two democracies.

## **II TRANSIT**

Transit was used by India with Pakistan till the 1965 war, after which it declined, but with the consequent emergence of Bangladesh, it failed to change. Immediately after Bangladeshi independence, it allowed transit in air and sea routes to India while the major issue of transit through road remained unattended.

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<sup>5</sup> Seminar Report, #313, 17 February 2010, "India-Bangladesh Relations", <http://www.ipcs.org/seminar/bangladesh/indiabangladesh-relations-829.html>

While air transit is still widely used than water transit, it has been considered uncompetitive over the years. The goods carried from the Northeast of India reaches the mainland after traversing Assam and North Bengal, taking a route much longer than what could have been the shortest through Bangladesh. In spite of India's frequent attempts to pursue the Bangladesh government to open transit for its economic activities, even at the cost of a hefty sum, it has been continuously refused on grounds that it is a possible threat to national security.

### **Transshipment versus Transit**

Transshipment refers to the shipment of goods or containers to an intermediate destination, and then to yet another destination. This has been achieved by India in its relationship with Bangladesh. Transit refers to the passage of Indian good across Bangladeshi borders to and from the North Eastern states of Indian owned surface transport, while transshipment may also refer to the same movement using Bangladesh-owned transport. This remains an issue of contention.

Bangladesh, on the 31 May, 2010 signed an agreement to finalize a transshipment deal with India to allow Indian goods to be transported to the northeastern city of Tripura in the state of Assam through Bangladeshi territory. Anything produced in the northeast region of India faces the difficulty of marketing to the rest of the country, the main reason being the distance to the port of Kolkata. With globalization and the policy of liberalization no foreign or private company is going to be inclined to invest in the north-east corner of India owing to several hassles, including the rise in transportation cost. Thus hampering the development of the north eastern market.

To deal with such logistical problems of linking the Northeast with the rest of

India, New Delhi is left with the only option of urging the reopening of the northeastern routes through Bangladesh to its West, and with Myanmar and south-East Asia to the East. The region that is also rich in energy resources like natural gas and hydro-electricity can progress, thus addressing problems that give rise to long- standing grievances, which in turn encourage insurgency surrounding the region.

The benefits of transit facility between India and Bangladesh are not limited to the Indian growth list. Bangladesh, whose average GDP is 6% per year, can also become a regional hub.

### **Role of the Asian Development Bank**

ADB (Asian Development Bank) Country Director Hua Du, pointed out in a seminar to Bangladesh, "You can benefit tremendously through opening up of transit and great opportunities for crossing from east to west and giving the land-locked neighbours access to the sea."<sup>6</sup>

The controversial issue of connecting Bangladesh to the Asian Highway is sustained by the anti Indian groups in Bangladesh. The Asian highway, also known as the Great Asian Highway, is a cooperative project among countries in Asia and Europe and the United Nations Economic and Social Commission for Asia and the Pacific [ESCAP], to improve the highway systems in Asia. Anti-India groups in Bangladesh for the opposition of the Asian highway scheme feel that:

- Transit facility once given is difficult to take back.

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<sup>6</sup> Salah Uddin Shoaib Choudhury, "Transit, Asian Highway and other issues on table for Bangladeshi Government", American Chronicle, September 24, 2009, <http://www.americanchronicle.com/articles/view/118555>



- It may give rise to more violent acts of terrorism and insurgency
- With the availability of transit facilities to the North-eastern Indian states that now depend on Bangladesh for imports would move towards selling its own products to the region and Bangladesh will lose.
- There is a fear of destroying the roads and highways of Bangladesh by the Indian traders and gradually military personnel passing through.
- There is an abundant lack of trust between India and Bangladesh that resulted from India's contradicted position on the Farakka Barrage and the sharing of Ganga Water.

The Chittagong port can become a modern busy port like Singapore and China serving the SAARC countries.

- Huge foreign investment may be attracted by Bangladesh and finally, a throbbing service sector like banks, insurance, hotels, rest houses, petrol pumps etc. may develop around the Transcontinental roads and railways.
- There is an estimate of direct economic gain from transit fees. It ranges from 500 crore taka to 4,666 crore taka.
- The mutual transit will give Bangladesh a much shorter route to China and an initiative to link Chinese province of Yunan with Seven Sisters of India, Myanmar, Thailand and Bangladesh.

### **III WATER**

For centuries, natural resources have been a source of continual conflict between nations, though unlike oil, which still is a major cause of discord between nations, water remains a less disputed issue. But this varies regionally. In the Middle Eastern and North African states,

water has been shaping relationships within the region's states.

#### **The Farakka Barrage**

The origin of the dispute can be traced back to the Treaty of Friendship, Cooperation and Peace signed by then Indian Prime Minister Indira Gandhi and Bangladesh's founding leader and Prime Minister Sheik Mujibur Rahman on 19 March, 1972. According to the treaty, the two nations established a Joint River Commission to work towards the common interests and sharing of water resources, irrigation, floods and cyclone control. As per the treaty, the Farakka Barrage was built in 1974, about 10 kilometers from the border of Bangladesh, controlling the flow of the Ganges, possessing strong economic and religious importance, diverting some of the water into a feeder canal linking the Hooghly River, keeping it silt free.

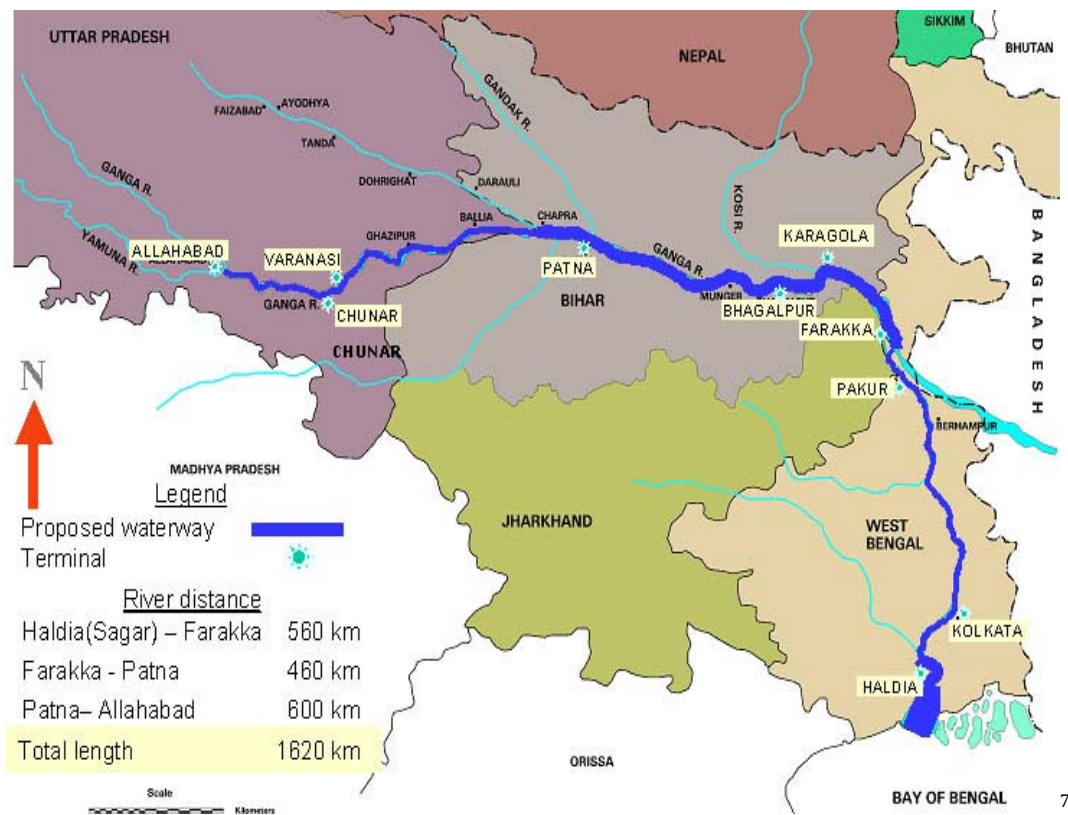
With increasing demands for water in Kolkata for industrial and domestic use, and for irrigational purposes in other parts of West Bengal, dispute over the sharing of water is intensifying. The objective behind the construction of the Farakka Barrage was to increase the lean period flow of the Bhagirathi-Hooghly river branch of the Ganges to increase the water depth at the Kolkata port which was threatened by siltation. In November 1977 the two countries proposed a five year agreement on water sharing. However, the basic issue remained unaddressed, leading to its lapse in 1982. Finally a comprehensive bilateral treaty was signed by the Indian Prime minister H. D. Deve Gowda and his Bangladeshi counterpart Sheik Hasina Wajed on 12 December, 1996. This treaty established a thirty year water sharing arrangement with guaranteed minimum quantities of water supply for Bangladesh, whose rights as a lower riparian country was recognized.

The 30 year water sharing treaty envisaged that the water of the Ganges River would be distributed from Farakka for the two countries between 1 January and 31 May of each year, and that India was required to maintain the flow of Farakka at the average level of the previous 40 years including any critical period when Bangladesh would continue to receive 35000 cusec of flow. This treaty essentially regarded the lean season flows related to actual flows at various levels not exceeding 75% dependable flows, as in past agreements. The basic formula of equal sharing during the lean season flows had two modifications at the upper and lower extremes. Governmental

interpretation says that this treaty is successful in settling the dispute over the sharing of water, but contrary views on the part of India and Bangladesh have been extended over this treaty that also has the provision of being reviewed at the end of five years, or even at the end of two years, if so wished.

**The Bangladeshi view suggests:**

- There was unilateral diversion of Ganga water by India at Farakka prior to the 30 year water sharing treaty.



<sup>7</sup> <http://www.defence.pk/forums/bangladesh-defence/59471-india-going-ahead-tipai-dam-2.html>

- This was a case of a large and more powerful country disregarding the needs and interests of a small and weaker neighbor, resulting in reduction in flows that had serious adverse effects on Bangladesh. This view further ascribes to the big brotherly attitude of India over her neighbours.<sup>8</sup>
- Critics also emphasized environmental hazards such as raised salinity levels, contaminated fisheries, hindered navigation and a threat to the water quality and quantity. Silt levels were believed to have an adverse effect on the Hooghly River and the Kolkata Port.

**The Indian view suggests:**

- That the water allocated to Bangladesh leaves India with less water necessary for the functioning of the Kolkata port and the National Thermal Power Corporation at Farakka.
- Bangladesh has taken an unnecessarily rigid and unreasonable stand on this issue. Greatly overstating its water needs, Bangladesh claims a disproportionate share of water.

Bangladesh High Commissioner to India Mr. H.E. Tariq A. Karim, during his address at the Institute of Peace and Conflict Studies in New Delhi, regarding water sharing between India and Bangladesh commented that “Transparency in these matters is very important...India and Bangladesh must not quibble about cusecs or percentage of

share and realize that water is an intangible asset that does not recognize political boundaries...there should be an emphasis on water conservation and optimum water management”.<sup>9</sup>

**Teesta River Dispute**

The Teesta River enters Bangladesh near Nilphamari district and courses 45 kilometers through the predominant rice-growing districts of Rangpur, Lalmonirhat and Gaibandha before meeting the Brahmaputra River in Kunigram. The Teesta River floodplain that includes the extreme northwest region of the country accounts for 14% of the total cropped area in 2001. Around 63% of the total cropped area in the region is irrigated laying down a direct link between irrigational water availability and agricultural use. The floodplain which is presently considered a dry zone depends on the Trans Boundary River flows between India and Bangladesh.

Sheikh Hasina in her three day visit to India on 10 January 2010 exchanged draft agreements on the Teesta water sharing issue with India, after a two-day ministerial level meeting of the Joint River Commission was held. While Bangladesh presented a draft on an interim agreement, India presented a draft of a Statement of Principles on the sharing of river water during the dry season. The immediate achievement of this meeting was the decision that, within a year, an agreement over the Teesta River water sharing would be signed. It would provide key support to agricultural production in the northwest region of Bangladesh. One question that remained unanswered regarded the amount of river water likely to be shared between the countries.

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<sup>8</sup> Executive Summary Report, 2005, “Studies on India-Bangladesh Trade, Trade Policies and Potential FTA”, <http://www.worldbank.org.bd/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/BANGLADESHEXTN/0,,contentMDK:20610536~menuPK:295780~pagePK:64027988~piPK:64027986~theSitePK:295760,00.html>

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<sup>9</sup> Seminar Report, #313, 17 February 2010, “India-Bangladesh Relations”, <http://www.ipcs.org/seminar/bangladesh/indiabangladesh-relations-829.html>



Critics suggest a joint initiative to be undertaken by India and Bangladesh, to build reservoirs in both the countries that would help in storing the excess water during the rainy season and utilize it during the dry seasons.

#### **IV BORDER**

##### **Land Border**

India and Bangladesh share almost 4096 kilometers of land border, whereas official records suggest that only 6.5 kilometers of land along the Comilla-Tripura border is considered as officially disputed by the governments of both countries. But the border disputes between Bangladesh and India are by no means confined to demarcation problems. It is further linked with other problems like illegal migration of people and goods and other cross border criminal activities.

Within just six weeks of partition, the border between India and Pakistan was drawn by Sir Cyril Radcliff on the basis of the Two Nation Theory. This provided for India's control over 112 enclaves and Bangladesh's control over 32 enclaves based on the religious identities of the inhabitants of those areas. An agreement was signed by the Presidents of the two countries in 1972 but since it was not ratified by India it could not be put into effect. On the other hand Bangladesh's immediate ratification of the treaty and the fulfillment of its obligation gave way to the return of Berubari to India by Bangladesh, while India gave permission to Bangladesh to use the Tin Bigha corridor in 1992 which would work as an entrance to Bangladesh's enclaves inside India.

##### **Boundary Dispute**

The boundary dispute between India and Bangladesh in April 2001 worsened relations. It raised questions about the

survival of the newly installed Hasina government. Border skirmishes occurred around the village of Padua, also known as Pyrdivah, in India adjoining the state of Meghalaya and the Timbli area of Sylhet district in Bangladesh. It was held that India had illegal possession of the area since 1971. Attention to the disputed area was drawn to Bangladesh when the Indian forces attempted to construct a footpath from an army outpost in Padua across the disputed territory some 300 meters wide to Meghalaya. The refusal of the Indian forces to withdraw led to the conflict that lasted from 16<sup>th</sup> to the 19<sup>th</sup> of April killing 16 Indian and 11 Bangladeshi soldiers.; 243 people were killed due to exchange of firing between security forces of both countries, and further led 10,000 Bangladeshi and 1000 Indians to flee from the disputed area because of the ongoing tension.

##### **Maritime border**

While Bangladesh, having concave coastlines, delimits its sea border southward from the edge of its land boundary, India stretches its claim southeast wards, covering around thousands of miles in the Bay of Bengal. Due to competing claims of the two countries, delimitation of the sea boundary and determining Bangladesh's *exclusive economic zones* have remained unresolved. Moreover, in terms of determining the *continental shelf*, the presence of the Andamans and Nicobar Islands puts India, in a favorable position.

##### **Territorial Waters**

The issue of demarcating *territorial waters* led to serious differences between the two countries. Questions of ownership over a new born island known as South Talpatty in Bangladesh and New Moore/ Purbasha in India spotted by a satellite picture in 1975 in the estuary of Haribhanga River on the border of the two countries has been a source of contention since its discovery. In order to

settle the above dispute Bangladesh proposed sending a joint Indo-Bangladesh team to determine the flow of channels of the river on the basis of existing International Law of the Sea. But the Indian counterpart sent forces to establish claims by stationing naval troops on the island in 1981. After initial resentment by Bangladesh, India agreed to resolve the issue through negotiations. Till now the sovereignty over the island nation remains undecided, and recent reports of the press and media suggests that Bangladesh views India with suspicion in its activities over the disputed piece of landmass on the breast of an international water.

## **V SECURITY CONCERNS**

Illegal immigration is a perennial problem in almost all nations. Problems of immigration considered illegal have even led to the outbreaks of xenophobic violence in certain places. India has completed around 1357 kilometer fencing of the international border with plans to cover another 2429 kilometer of border in the second phase and also plans to illuminate around 300 kilometer of international border to prevent illegal migration. Cooperative measures like joint patrolling of the border areas, consular access to prisons and signing of an extradition treaty are on the verge of materializing as steps to increase vigil to check drug and arms trafficking, as well as illegal immigration, especially the trafficking women and children. The Centre for Women and Children Studies based in Bangladesh estimated in 1998 that 27,000 Bangladeshis had been forced into prostitution in India. Illegal Bangladeshi migrants enter Indian Territory to settle in rural areas like Nandigram in West Bengal, as share croppers.

In the Northeastern states like Nagaland, the population of Bangladeshi, mostly Muslim immigrants, have more than tripled in the past decade, from 20,000 Bangladeshi immigrants in 1991, to more than 75,000 as of 2001.

### **Drug Trafficking**

Bangladesh is increasingly being used as a transit point by drug dealers and the drug mafia, which dispatches heroin and opium from Burma, and other countries of the golden triangle, to different destinations. As a result, Bangladesh's Department of Narcotics Control has come under the scanner several times and invited criticism. Bangladesh has become the prime transit route for trafficking heroin to Europe from Southeast Asia, according to a report from the International Narcotics Control Board (INCB) 2007 annual report<sup>10</sup>.

INCB notes that the most common methods and routes for smuggling heroin into Bangladesh are by courier from Pakistan, commercial vehicles and trains from India, and via sea through the Bay of Bengal or overland by truck or public transport from Burma.

### **Anti Terror Cooperation**

The Ministry of Defence, India, expressed its interest in seeking Bangladesh's 'firm cooperation' in fighting anti-India terror and insurgent outfits operating from its soil. The armies of both countries have, in the past, proved their might by fighting the ULFA cadres, by, for example, the handing over of Arabinda Rajkova to the Indian Security agencies.

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<sup>10</sup> "Bangladesh used as Heroin Trafficking routes", March 07, 2008, Narinjara News, Burma News International, <http://www.bnionline.net/news/narinjara/3719-bangladesh-used-as-heroin-traffickingroutes.html>.

Bangladeshi attempts to cooperate with India on anti-terror grounds, recognized that some Pakistan based terror outfits had formed a strong nexus with militants in Bangladesh, because of its close proximity to India with its porous border, to carry out attacks in India. India has vital security related concerns vis-à-vis Bangladesh such as sanctuaries enjoyed by indigenous Indian ethnic terrorist organizations like ULFA, activities of trans border Islamic terrorist groups like Muslim Liberation Tigers of Assam (MULTA), the Independent Liberation Army of Assam (ILAA) and the People United Liberation Front (PULF), the activities from Bangladesh territory of pro-AL Qaeda organizations of Pakistani origins supported by the ISI such as the LeT, HuJI, and Harkat-ul-Mujahideen (HuM), gun running in India's northeast from and through Bangladesh, illegal migration into Assam and West Bengal, the flow of funds from Wahabi charity organizations in Saudi Arabia to fundamentalist elements in Bangladesh-India region, money laundering through India-Nepal and India-Bangladesh region, etc.

India is often seen as a big power with hegemonistic tendencies amongst its neighbors in the subcontinent. Bangladesh, in relation to India, has to take note of the large anti-Indian sentiments presiding in its soil. After all, no successful democracy can avoid the feelings and sentiments of its people. In fact, the sustenance of a democracy depends on the will of the people, and the performance of a democracy is measured by the scale of fulfillment of the wishes of its people.

## **VI EXTERNAL INFLUENCES**

A perplexing issue the Prime minister of Bangladesh faced before her visit to India in January 2010 was whether to visit

India or China first. Bangladesh, has always used China as a counter balance against India, was generous this time towards India, when Prime Minister Sheikh Hasina decided to visit her Indian counterpart, Prime Minister Manmohan Singh first.

A major setback to the enthusiasm in India of Hasina's visit, came in the form of her visit to China immediately after that, wherein a communiqué was issued, consisting of similar transit facilities given to China as given to India. Bangladesh sought Chinese assistance in constructing a highway passing through Myanmar to Yunan province in China. A rail network passing through the same area has been proposed. Bangladesh was also reportedly engaged in persuading China to further develop and use the Chittagong port and develop a deep sea port at Sonadia Island. This becomes problematic for India who fears China's access to the Myanmar naval base in Hanggyi Islands and the monitoring station, established at Coco Island in the north of India's Andaman and Nicobar Islands. India fears China encircling India as part of its String of Pearls strategy. The relationship between China and Bangladesh since 1975 influences Bangladesh to move away from India. Bangladesh maintains a very close relationship with China for its economic and military needs.<sup>11</sup>

Over the years, the two sides have signed a plethora of bilateral agreements including economic engagements, soft loans, social contacts, cultural exchanges, academic interactions, infrastructural development and military sales at reduced prices, with China emerging as

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<sup>11</sup> Jasim Uddin Khan, "China top import source for Bangladesh: Beats India for the first time", Vol 5, No.614, *The Daily Star*, 19 February 2006.

the major supplier of arms to Bangladesh's armed forces. China and Bangladesh along with Myanmar, have decided to build the 900 kilometer Kunming Highway linking Chittagong with Kunming through Myanmar to facilitate greater trade. Dhaka-Beijing relations have reached new heights as China overtook India as Bangladesh's largest trading partner. In addition to economic engagement, Bangladesh and China in 2005 signed the Bangladesh-China Cooperation Agreement on the Peaceful Usage of Nuclear Energy which aims to assist Bangladesh in developing peaceful nuclear energy for power generation and other developmental purposes and a Defense Cooperation Agreement with China in 2002.

India, considers South Asia as its backyard, exerting influence over it, and so a growing relationship between China and Bangladesh is visualized by India as potentially problematic. Bangladesh tries to bargain between India and China, thus standing only to gain. Apart from that, Bangladesh's government over the years has been characterized by one favoring India, and one against it. Additionally, the Chinese quest for regional power and then global power should be taken into account. This quest is based on the sustained and dedicated engagement with India's neighbors for access and basing. Therefore, Bangladesh has been an obvious choice for partnership.

## **VI CONCLUSIONS**

Bangladesh-India relations over the years reflect the prominence of coercive elements in India's hegemonic role in South Asia. This perception will affect the

development of long term institutional relationships with smaller neighbors of South Asia. This was clearly reflected in India's aversion towards multilateral cooperation frameworks like SAARC and the lack of reciprocation in trade and economic cooperation with countries, as seen with Bangladesh.

The United States' hegemony over the years achieved a boost with its involvement with smaller and weaker neighboring allies in several economic and security cooperation ventures like the NATO and NAFTA. But India's influence in a regional context results in discontentment on the part of weaker states. Thus, India should rely on an institutional doctrine with greater involvement with smaller and weaker neighboring states with an aim to aid their efforts to develop themselves in various fields.

The history of the formation of the European Union as a powerful regional bloc shows a greater compromise on the part of bigger states like France and Germany to achieve regional cohesion and peaceful relations. India, too, should prepare itself to compromise on certain fronts if regional cohesion and peace is to be achieved.

India's relationship with all South Asian countries should not be dictated by its relationship with Pakistan and China, with whom it has undergone prolonged conflict and competition. If India wishes to continue its relationship with Bangladesh, it needs to take a good look at the stand it takes towards other South Asian countries also. A hegemonic stance by India would have significant impact on the Indo-Bangladesh relations.