India's New Foreign Policy Vision towards Bangladesh

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Abstract
Maintaining good relations with neighbours is the first priority for any country. India has close historical, religious, economic, ethnic and linguistic relationship with all neighbouring states. Moreover, India’s emergence as a regional power and a key global power depends largely on her image and standing in the South Asia neighbourhood. India’s relations with its immediate neighbours have been a mixed bag. India’s relations with Bangladesh are multi-dimensional-ideological, cultural, ethnic, political and also economic. An extreme sense of distrust, insecurity and perceived domination by India has shaped Bangladesh’s foreign policy in recent years. In the light of the new political climate in Bangladesh (January 2014) and the forthcoming Parliament in India (May 2014), Who will bell the cat? It is expected that both the countries (India and Bangladesh) is looking forward to resolving some of the key bilateral contentions.

Keywords: - South Asia, Indian Hegemony, India -Bangladesh relations, India’s Neighbourhood Foreign Policy.

Introduction
South Asia is the Southern region of the Asian continent which comprises the Sub-Himalayan countries; includes the adjoining countries on the west and east. It is vast area which comprises of India, Bangladesh, Pakistan, Bhutan, Nepal, Maldives and Sri Lanka. South Asia is the land of great ethnic, religious, cultural and linguistic diversities. The politics of cultural identity throughout South Asia arising out of a collective failure to recognize and acknowledge that South Asia has a distinctive personality and intertwined history arising out of its definite geographic identity. Virtually cut off from the rest of the world by the Himalayas to the north, the Indian Ocean to the South, and impenetrable forests to the east, and barren lands to the west, its population traditionally had relatively few contacts with the outside world. At the same time, the absence of any significant internal geographical barriers, other than the Central Indian forests and mountains created an inevitable geographical, cultural, economic and ecological interdependence of all parts of this vast expanse of territory. These circumstances gave to the heartland of the south Asian sub-continent, covering the bulk of the territory of present day India, Pakistan and Bangladesh, a generally common history and led to the evolution of a unique civilization and culture. Remote and protected in the pre-modern era from the cultural influences of the mainland by the sea and the mountains, the periphery of the Sub-continent (Sri-Lanka, Nepal, Maldives, Bhutan, Baluchistan, the northwest frontier and tribal regions of Pakistan and India’s Northeast Region) had a more self-sufficient development and therefore more distinguishing culture. But even these regions had considerable interaction with, and were greatly influenced by, the heartland.

India and South Asia
For much of the past sixty years, India’s relations with South Asian have been largely unilateralist and hegemonic in character. In 1971, India supported a democratic resistance in East Pakistan (EP) against pogroms conducted by the Pakistan army and then invaded the territory reducing by half its principal adversary in South Asia. In 1961, India annexed the Portuguese colony of Goa and, in 1974, the independent principality of Sikkim. In the 1980s, India proclaimed a doctrine against foreign intervention in South Asian affairs, while secretly supporting Tamil rebels in their conflict with the Sri Lanka government. Clearly, India used hard-power and exercised hegemony in South Asia in order to consolidate its territorial sovereignty, oppose regional and global adversaries and ensure access to water and other resources for a very large and growing population. While using hard-power in South Asia, India has established a reputation for the use of soft-power and multilateral leadership, especially at the UN and in the Non-Aligned Movement. After the economic reforms in 1991 and loosening of Cold War constraints, India developed its economy, became a beneficiary of globalization and became less defensive and more outgoing in the sub-continent. India stepped its engagement in the South Asian Association for Regional Cooperation (SAARC). Until recently, India, as the world’s largest democracy, has selected to promote non-alignment, rather than democratisation, though it occasionally enforced rules that opposed the abuse of power in South Asia (e.g., in East Pakistan in 1971 and Sri Lanka in the 1980s). From 1954 onwards, India found the US in a Cold War partnership with Pakistan, which impeded Indian efforts to assert its interests in the sub-continent. Also, India confronted china in a border clash and struggle for influence over Tibet, which culminated in defeat in the 1962 Sino-Indian war. Subsequently, India asserted its power in the South Asian subcontinent as a contradict to Pakistan, China and the US. India moved towards the
USSR which began to supply warplanes and other military hardware and helped to build Indian defence capabilities in both conventional and nuclear areas. In the wake of China’s 1964 nuclear test, India developed its own nuclear weapons programme.\(^5\) In August 1971, India signed a twenty-year Treaty of Peace, friendship and Cooperation with the USSR. In December 1971, India’s invasion of East Pakistan demonstrated its hegemonic tendencies, coming in the face of opposition from the US and China and led to the formation of Bangladesh, which became a client state for several years. India and Pakistan subsequently negotiated the Simla Agreement that stabilised relations until the mid-1980.\(^6\)

In 1974, India conducted a ‘Peaceful’ nuclear test of a crude fission device. The nuclear test, the victory over Pakistan and the creation of Bangladesh begun to change India’s reputation from that of a weak state to that of a regional power and hegemon. India sought to keep foreign powers out of the South Asian subcontinent through the proclamation of the ‘Indira’ and ‘Rajiv’ doctrine, discontent rose in the early 1980s in Bangladesh, Sri Lanka and Nepal against India’s hegemonic tendencies and the harmful effects of the India-Pakistan conflict.\(^7\) The end of the Cold War and the withdrawal of the two superpowers from South Asian affairs created the opportunity for India to shift from defensive unilateralism and hegemony to forward-looking, multilateral leadership in South Asia. The liberalisation on India’s economy in 1991 created the opportunity to engage in greater trade with its neighbours and economic interests in South Asian became more important in India’s foreign policy towards the region. India promoted the development of free trade within SAARC. In recent years, India’s rapidly growing economy and efforts to increase economic cooperation with its neighbours have created new challenges for SAARC. India reached bilateral trade agreements with Sri Lanka and Nepal. Bangladesh signaled its willingness to enter into similar negotiations. Nonetheless, Indian exports to South Asian neighbours have increased slowly since India opened up its economy in 1991. In 1996, Prime Minister I.K. Gujral promulgated a new doctrine for Indian policy in South Asia, which emphasised the principle of ‘non-reciprocity’ in its relations with its smaller neighbours – with the exception of Pakistan. This set a positive tone in the bilateral relations. Thus, Indian non-reciprocity made it possible to solve disputes with the neighbouring country especially with Bangladesh.\(^7\)

**India-Bangladesh relations**

Two Countries in South Asia are historically, geographically and culturally so close 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 before independence. As a result, many of the grievances that resulted in the original Partition of 1947 remain a part of a collective historical memory of modern-day Bangladesh. However, India’s role in establishing an independent Bangladesh meant that, at least for a few years, India enjoyed a privileged relationship with the new state.\(^8\) 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-Bangladesh War, acknowledged the new state’s sovereignty. India, not surprisingly, was also the first state to grant recognition to Bangladesh. The relations in the initial phase were shaped by historical episode of the liberation war when India shared excellent relations with the Bangladesh government in exile. This extraordinary coordination set the tone for bilateral relations after liberation. The relationship that started with shared memories of sacrifices made for the birth of a new nation also shaped the outlook of the two countries. An example of this was the signing of “Treaty of Friendship and Peace” in 1972 for a term of 25 years, declaring that both sides would respect their mutual independence, sovereignty, and territorial integrity in each other’s internal affairs. But the assassination of Mujibur-ur-Rehman in 1975, and the assumption of power by General Zia-ur-Rahman after a coup, disrupted the healthy evolution of India-Bangladesh ties. It was critical of the military takeover in Dhaka.
The Treaty of Friendship got involved in the domestic politics of Bangladesh till it lapsed in 1996 after 25 years of ignominious existence. Even when it was in existence the Awami League (AL) which was the chief architect of the Treaty refused to acknowledge it and allowed the treaty to die its natural death. 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 over-whelming 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, with the possible exception of the Awami League, were the dominant political force in Bangladesh for a decade after independence because the party was closely associated with the national liberation movement.

Bangladesh is not just another neighbour of India. For India, Bangladesh will always remain very special for a number of reasons. Geography dictates that the destinies of India and Bangladesh are, and will always remain, inextricably intertwined. If India’s map is likened to a human figure, with Jammu and Kashmir as the head and the northeast region as an outstretched arm, then Bangladesh is the joint that connects the Northeast region to the rest of India, and plays as vital a role as does a joint in a human body. Its geographical location and relative size vis-à-vis India creates an understandable feeling within Bangladesh of being landlocked, specifically ‘India-locked’. A similar feeling exists among the people of India’s Northeast Region who too regard themselves as being ‘Bangladesh-locked’. From the perspective of India’s Northeast Region, Bangladesh is India’s most important neighbour, one that India simply cannot afford to ignore. The Northeast Region continues to languish primarily since Bangladesh, on one pretext or another, refuses to give transit facilities to India.

As a neighbour country, Bangladesh creates for India many problems that are common between neighbouring states elsewhere in the world but which apply uniquely to Bangladesh in South Asia. Sri Lanka and Maldives, being islands, inevitably have a much less intense cross-border movement by sea with India than do states that share land borders with India. Bhutan and Nepal have open borders with India; with Pakistan the cross-border India’s most movement of people is minimal and very tightly regulated. Bangladesh, however, is India’s most populous neighbour, with which India shares the longest border (more than 4095 Kilometers long). It is also very
porous. There is large-scale and regular cross-border movement of people, more from Bangladesh to India–nearly half a million Bangladeshis visit India annually officially, much more illegally. Compared to its other neighbours, India is dependent on Bangladesh to a much higher degree—to harness water resources, to tackle illegal migration and to combat terrorism. In the Sub-regional balance of power of East and Northeast India, Bangladesh matches up quite well with India.2

India has become increasingly concerned about Bangladesh, its declining stability and state capacity, and the rising Islamist forces there over the past decades or more. China has been gaining influence in the country. India-Bangladesh relations have stagnated due to border problem as well as water issue, the feeling on the Indian side that security-related issue include arms trafficking; Illegal migration, transit and trade have not been given the importance they deserve in Dhaka.

From Bangladesh, the issues have been the sharing of the waters of the Ganges, Brahmaputra and other rivers, the controversial Indian 'river-linking' project (that could threaten the flow of water to Bangladesh) as well as trade and a variety of border-related concerns, including smuggling. Already, nearly $2 billion worth of Indian goods are smuggled into Bangladesh annually, in addition to the $1.5 billion worth of goods that enter the country legally. The Bangladesh market is swamped with Indian goods, many of which are smuggled across the border.7

Although there was an attempt by both sides to close the gap that had widened but the real transformation in the bilateral equation began with Sheikh Hasina assuming office in 1996. The signing of the Ganga water treaty of 1996 and the Chakma Agreement of 1997 removed the two main irritants that had plagued Indo-Bangladesh relations for years. Although the two neighbours during this period had several unresolved issues between them but they were firmly on friendly track. Unfortunately, this momentum was lost after the next elected government of the BNP (Bangladesh Nationalist Party) alliance took over in 2001. Without much exaggeration; bilateral ties reached their lowest point between 2001 and 2006. During the coalition period, India and Bangladesh differed virtually on all bilateral issues. Marked by the lack of high level contacts there were no serious attempts to resolve many of the outstanding problems. The Khaleda Zia government largely ignored Indian security concerns. One major cause responsible for souring of bilateral relations was granting asylum to ULFA leader Anup Chetia and ATTF leader Sanjeev Deb Barman by Bangladesh. Another issue which contributed to worsening of relations between two countries was Khaleda Zia government’s opposition to any proposal to export natural gas to India. For India, its core concern was security threats emanating from Bangladesh, while for Bangladesh the widening trade gap with India was its most serious concern.10

Under the caretaker government headed by Chief Advisor Fakhruddin Ahmad Indo-Bangladesh relations improved considerably. Though no major bilateral problem was resolved during this regime it was marked by regular contacts at high level. India’s approach during this phase was marked by understanding, accommodation and concessions.11

The Awami League government again won a landslide victory in the December 2008 elections. PM Sheikh Hasina adopted not only a pragmatic foreign policy but inaugurated a new era of friendship and assistance with India. She has shown considerable courage and conviction to free its soil from anti-Indian activity. Bilateral cooperation touched new heights during PM Hasina’s state visit to India in July 2010. The joint communiqué signed by Prime Ministers of two countries during the visit included various new areas of bilateral cooperation. Bangladeshi PM’s visit was reciprocated by PM Dr. Manmohan Singh’s state visit to Dhaka in early September 2011. After twelve years an Indian PM was visiting Bangladesh. He was accompanied by External Affairs Minister SM Krishna and Four Chief Ministers Tarun Gogoi of Assam, Manik Sarkar of Tripura, Mukul Sangam of Meghalaya, P Lalthanhawla of Mizoram and many top officials. Chief Minister of West Bengal Mamata Bannerjee was also to go with him, but suddenly she pulled out citing differences on the Teesta water sharing agreement which the centre was going to sign with Bangladesh. The two countries signed a major accord on the border demarcation to end the four decades old disputes over boundaries. This came to be known as the Tin-Bigha Corridor. India also granted 24-hours access to Bangladeshi citizens in Tin-Bigha Corridor. The agreement included exchange of adversely held enclaves, involving 51,000 people spread over 111 Indian enclaves in Bangladesh and 51 Bangladesh enclaves in India. The total land involved is reportedly 7000 acres. Along with greater cooperation, economic activity between the two nations has increased. India pledged to invest U.S.$1 billion to build infrastructure in Bangladesh. This visit yields impressive diplomatic results topped by a historic and boundary pact. Both PM’s also acknowledged that the destinies of the people of two countries were interlinked in their search for peace, prosperity and stability.

During the next year, Shri Pranab Mukherjee, then Finance Minister visited Dhaka on 5-6 May 2012 to attend the concluding ceremony of the year-long Joint Celebrations of the 150th Anniversary of Rabindranath Tagore. Cooperation in the areas of security and border management was discussed during institutionalized talks at Home Minister Level (February 2012, December 2012, and January 2013). During the visit of Home Minister Shri Sushil Kumar Shinde to Bangladesh in Feb, 2013, India signed the Extradition Treaty and Revised Travel Arrangements with his Bangladeshi counterpart Mohiuddin Khan Alamgir marks a major shift in their relationship. India has long demanded an Extradition Treaty with Bangladesh, which was not forthcoming due to
an adversarial relationship with the previous regime in Dhaka. With the treaty, New Delhi has signed a way to clamp down on insurgency in the North-Eastern region of the country, long a hotbed for separatist and insurgent groups who mostly operate from Bangladesh and other neighboring countries.

From October 2013, India started exporting 500 megawatts of electricity a day to Bangladesh over a period of 35 years. A 125-Kilometer Baharampur- Bheramara transmission line, 40 Km of it in Bangladesh, connects the two substations. Bangladesh officials believe the export would greatly ease the national shortage once 500 MW flows into the national grid. The two country’s Prime Ministers also unveiled the plaque of the 1,320 MW coal-fired Rampal power plants, a joint venture between the two countries. This link is being seen as a major milestone in strengthening the bilateral relationship and comes at a time when India is desperate to make up for its inability to deliver on two key pacts with Bangladesh: one on Teesta waters and the land boundary pact. From November 2013, Wagah Border like ceremony is being organized at Petra pole (in West Bengal, India) - Benapole (Bangladesh border checkpoint. The ceremony which includes lowering of the national flag of both the countries is now a daily routine, at sundown, on the eastern border. The relations between the countries are definitely moving in positive direction.

Taking note of the strategic importance of India and Bangladesh for each other, a report by a think tank IDSA, cautions against complacency and argues that during the period of Sheikh Hasina as Prime Minister, was an opportunity to take India-Bangladesh relations to a higher trajectory and move towards a strategic partnership. This significance of strong India-Bangladesh ties goes beyond the bilateral context. The Good relations between India and Bangladesh will have positive influence on the region.12

While the new extradition and visa agreement and stronger economic ties are a clear marker of progress, there is also a good deal of unfinished business between the two countries. For one, India has not yet signed the Teesta Water Treaty, which will give Bangladesh access to the Teesta River that flows from India. Meanwhile, India is waiting for Bangladesh to grant transit access to its landlocked northeastern states bordered by Bangladesh. According to analysts, as the biggest country in South Asia, India is taken to engage its neighbor in a bid to neutralize China’s growing influence there. To do so, New Delhi must give more economic leverage to Bangladesh and allow Bangladesh to have a bigger share of India’s growing economic success.

The arrangement suits India’s new foreign policy vision, which is based on greater economic engagement with its neighbours. India’s slowly growing ties with Bangladesh have given its Look East Policy a boost and could be the start of renewed progress.

**India’s Neighbourhood Foreign Policy: - A Brief Historical Perspective**

Ever since Independence, the broad strategy of India’s foreign policy towards her neighbours has been to maintain peaceful and friendly relations with all and Nehru is reported to have said in 1949, “the neighbouring countries have the first place in our mind”. However, during the Nehruvian era, India’s concept of neighbourhood covered the whole of Asia. The debacle of 1962 and 1965 led PM Lal Bahadur Shastri to initiate an active phase of intense concern for our immediate neighbours. Though Indira Gandhi shared the Nehruvian vision and aspirations, she also believed that it should be related to the country’s evolving security, political and economic interests for whom India needed to emerge strong and reliant. Most scholars see this period as one of India’s high assertiveness.13 The Janata Government was highly critical of India’s muscular foreign policy. It aimed at giving top priority to good neighbourlines and mutual beneficialism but was criticized by the next Congress Government of bartering away the country’s national interests. Though the initial years of the Rajiv era saw an improvement in the relations, later he accused the neighbours of seeking extra advantage. The V.P. Singh Government was also criticized for its mishandling of the ethnic crisis in Sri Lank thereby damaging India’s image as a regional power.

The return of the Congress to power in 1991 coincided with the end of the Cold War and India embarked on the path of economic liberalization. The wide scale economic reforms of this period attracted the neighbours barring Pakistan to seek deeper economic engagement with India. The emergence of the United Front Government in 1996 with I.K. Gujral minister and later as PM is seen by many as marking a new phase in India’s approach towards her neighbours based on the Gujral Doctrine of magnanimity and non-reciprocity, unilateral initiatives and peaceful solution of disputes. Though, the BJP led NDA Government continued the Gujral trend, the nuclear explosions of May 1998 added a nuclear dimension to Indo-Pak. Relations.14

**India’s Foreign Policy in South Asia under UPA I and II.**

The return of the Congress with its coalition partners of UPA in 2004 and 2009 marks another new era of India’s approach to her neighbours and is being identified as “Manmohan Singh Doctrine”. As observed by C. Rajamohanan, “promoting a peaceful periphery has now become the reigning doctrine in the South block and all successive governments after Gujral have adhered to it”. The UPA Government has come out with a foreign policy which is purposeful, result-oriented and pro-active by giving high priority to relations with all its neighbours. The primary objective of PM Manmohan Singh’s Government has been to improve the global and
regional environment for sustaining India’s growth process and overall development. C. Rajamohan has outlined four elements of this Manmohan Singh Doctrine.

- The changing weight of India in the global economy shaping its weight in global affairs.
- As a consequence of this recognition of new opportunities available to India to improve relations with all major powers.
- Positive impact of this new approach on regional integration in South Asia and improving bilateral relations.
- Recognition that as an open society and open economy India can build bridges with the world.¹⁵

Today the major shift evident in India’s relations with her neighbours is to focus on maximizing her gains and minimizing her losses, integrating her Look East Policy with her better relations in South Asia. Hence, in September 2012, addressing the three day Conference of Indian High Commissioners from nearly 120 Countries, PM Dr. Manmohan Singh focused on the idea of greater connectivity in South Asia so that India’s growth provided the engine of progress for its neighbours.¹⁶ Nowadays it is expected that the forthcoming parliament in India will resolve all the bilateral contentions between India and Bangladesh.

Five Principles of Indian Foreign Policy

While addressing the annual Conclave of Indian Ambassadors/High Commissioners on 04 November 2013 in New Delhi titled, “India in the Changing World: Priorities and Principles”, the Prime Minister Dr. Manmohan Singh said that”, over the past nine (9) years our Government has sought to engineer a fundamental reset in our foreign policy based on our national priorities and what we believe is India’s role and destiny in world affairs”. I believe “Five Principles” that defines Indian foreign policy. In his words:

“First, recognition that India’s relations with the world-both major powers and our Asian neighbors- are increasingly shaped by our developmental priorities. The single most important objective of Indian foreign policy has to be to create a global environment conducive to the well-being of our great country.

Second, that greater integration with the world economy will benefit India and enable our people to realize their creative potential.

Third, we seek stable, long term and mutually beneficial relations with all major powers. We are prepared to work with the International community to create a global economic and security environment beneficial to all nations.

Fourth, we recognize that the Indian sub-continent’s shared destiny requires greater regional cooperation and connectivity. Towards this end, we must strengthen regional institutional capability and capacity and invest in connectivity.

Fifth, our foreign policy is not defined merely by our interests, but also by the values which are very dear to our people. India’s experiment of pursuing economic development within the framework of a plural, secular and liberal democracy has inspired people around the world and should continue to do so.”¹²

Areas of Contention between India and Bangladesh

As highlighted, India’s military and economic support to Bangladesh during the 1971 War of Liberation and its aftermath were quite critical and substantial to the latter’s birth. However, events that followed the liberation of Bangladesh did not result in the maintenance 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 harmfully affected their relationship. On an hopeful note, however, interpersonal relations and civil society contact groups between the two countries have increased.¹⁷

Water Sharing Disputes

India and Bangladesh share 54 common rivers. Therefore water dispute is bound to arise. The origin of the first such dispute can be traced back to the Treaty of Friendship, Cooperation and Peace signed by India and Bangladesh on March 19, 1972. According to the provisions of the treaty, the two countries established a Joint River Commission (JRC) to work towards the common interests and sharing of water resources. India completed construction of the Farakka Barrage on the river Ganges in 1975. The barrage was 75 feet high and 700 feet long. The aim of this project was to flush out the Hoogly river near Kolkata and keep out port operational. Now Bangladesh insisted that it did not obtain a fair share of the Ganges waters during lean seasons, and got flooded during the monsoons when India released excess waters. The Ganga Waters Treaty was signed on December 12, 1996 for water sharing of river Ganga during lean season (January 1- May 31). The 37th Joint Rivers Commission (JRC) meeting was held in New Delhi from March 17-20, 2010. Water Resources Secretary-level meeting took place in Dhaka on January 10, 2011 which discussed interim water sharing arrangements in respect of Teesta and Feni rivers and water sharing of six other common rivers. A three member delegation led by BD Water Resources Secretary visited India on June 5-6, 2011 to hold further discussions on water related issues.¹⁸
Illegal Migration
The flow of migrants across Bangladesh boundary due to unstable condition in Bangladesh has also caused tension between the two countries. Large influx of such migrants across the boundary has posed socio-economic-political problems for the people of Indian states bordering Bangladesh Viz, Tripura, Mizoram, Assam, Meghalaya and West Bengal. India sought to check problem of refugees by erecting barbed wire fence along the border which was greatly resented by Bangladesh. Therefore, India decided to construct a road along the 2,200 Km Indo- Bangladesh Border, 150 yards from the demarcation line to check infiltration of unauthorized persons into India. India facilitated the repatriation of Bangladesh Chakma refugees from camps in Tripura. All of whom have returned.19

Border Disputes
Another contentious issue between India and Bangladesh that has recently come under the limelight is the border demarcation issue. Bangladesh shares a 4,096-kilometre border with India, of which 6.5 kilometers along the Comilla- Tripura border remains undemarcated. This border is marked by a large number of exclaves and enclaves- the legacy of a well international but difficult to implement partition plan. Three major disputes that arose between two countries were- the Tin Bagha Corridor, Muhuvir Char Dispute and the New Moore Island disputes.19

Trade
The geographical proximity makes both India and Bangladesh natural trading partners. They have potential to benefit each other tremendously through trade. However, lack of trust has not allowed them to explore bilateral trade fully. Their failure to do so has increased trade costs for both countries. Bangladesh has always been concerned about the increasing trade deficit with India. The trade deficit decreased for the first time in fiscal year in 2005-06 when’s exports rose to $242 million while India’s export fell to $1.8 billion from $2 billion. Bilateral trade between two countries has had an upward swing following New Delhi communiqué of 2010. The two way trade in Financial Year 2010-2011 was US$5.099 billion with India’s export to Bangladesh accounting for US $ 4.586 billion and imports $ 0.512 million.

To address the Bangladesh concern regarding trade deficit, India agreed to remove tariff and non-tariff barriers. In January 2008, under the SAFTA provisions the government of India had permitted duty free entry of Bangladeshi products into India. The negative list was also reduced from 700 products to about 400 products. The tariff free quota system has been applied where duty free entry was not possible. India also dismantled some non-tariff barriers which blocked the imports of Jamdani Saris and Hilsa Fish from Bangladesh to India. In September 2011 Indian PM Manmohan Singh announced quota-free access to the Indian market for 46 Bangladeshi textile products lines and 15 other items-a move welcomed by Bangladesh’s political and business circles.19

Transit
India was granted transit facilities for movement of goods and personnel to the North-Eastern States until the Indo-Pak war of 1965. This issue has eluded a solution despite the fact that Bangladesh committed both bilaterally and multilaterally, to permit transit. Bangladesh would benefit enormously, particularly from revenue collection by levying charge on all such movements, in addition to improving and expanding its existing, poor infrastructure. Bangladesh is mandated under the bilateral Trade Agreement, SAPTA and SAFTA to provide transit, but successive Bangladesh Government has consistently shown great reluctance and have not taken any steps towards changing their policy of denying transit facilities. For many years International Organisation and States have talked about creating Trans-Asian Highway (TAH). Bangladesh rejected this proposal and has denied Highway through Bangladesh. Probably they fear that this road will be coming from India and ending inside India and that brings up the question of Transshipment. India had earlier requested for a corridor or permission to send vehicles through Bangladesh from West Bengal to its North-Eastern States. Otherwise, they have to take the long rout around the Siliguri region bypassing Bangladesh. This raises transport cost and the time required for trade and supply. For inexplicable reasons, Bangladesh has not acted positively in this regard. Good connectively and cheaper means of transport is foremost condition for smooth trade. Therefore New Delhi and Dhaka have been discussing for long to provide transit facility to each other. Sheikh Hasina approved the renewal of the bilateral trade agreement between Bangladesh and India. This agreement permits both the neighbours to use their waterways, roadways and railways for transportation of goods between two places in one country through the territory of other. Bangladesh has also agreed to provide India transshipment facility to send goods from Kolkata to Tripura through Bangladeshi territory. Some South Asian experts believe that if both India and Bangladesh open up transit through their land and water routes as per their mutual commitment, Bangladesh is likely to emerge as a regional hub for inter-state trade and this will fetch her lot of transit revenue.10
Insurgency

Insurgency is one of the bones of contention between two countries. The question of ISI operating from Bangladesh and supporting the insurgents in the North-East is one of the major issues. In this way, India has been accusing Bangladesh of facilitating, encouraging and supporting various north east insurgent groups. In 1999, it was reported that the porous border between India and Bangladesh has been used by the insurgent groups for movement to and from their camps. In 2001, media reports highlighted the presence of a number of camps in Bangladesh operated by National Liberation Front of Tripura (NLFT), United Liberation Front of Assam (ULFA) and National Democratic Front of Bodoland (NDFM). There are also reports that ULFA has combatting international terrorism. Bangladesh’s cooperation to India’s fight against terrorism was well recognized by none other than Prime Minister Manmohan Singh. While addressing media in Dhaka on September 6, 2011, he conveyed India’s deep appreciation for the cooperation rendered by Bangladesh in their joint fight against terrorism and insurgency.20

Conclusion

The end of the Cold War and the withdrawal of the two superpowers from South Asian affairs created the opportunity for India to shift from defensive unilaterlism and hegemony to forward-looking, multilateral leadership in South Asia. The liberalisation on India’s economy in 1991 created the opportunity to engage in greater trade with its neighbours and economic interests in South Asia became more important in India’s foreign policy towards the region. The consequences of strained bilateral relations are far reaching or 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. Rightly our Prime Minister Dr. Manmohan Singh stated at Dhaka University on September 7, 2011, “The people of South Asia are second to none when it comes to their talent or their ability to cope with adversity. But to realize the potential of the region, we have believed in cooperative efforts. We have to learn to trust each other and work with each other.” 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. 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. 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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1. The sub-continent was under the British rule and in 1947 it got independence but at the same time United India was partitioned into India and Pakistan. Pakistan was comprised of two parts East Pakistan and West Pakistan. Another partition was there in 1971 when East Pakistan (Bangladesh) backed by military patronage of India got independence from West Pakistan. Thus it did not only give birth to Bangladesh on the world map as the youngest South Asian country but also based a solid edifice for the disintegration of Pakistan.
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