

A. K. M. Abdus Sabur

FOREIGN POLICY OF BANGLADESH : CHALLENGES IN THE 1990s

INTRODUCTION

After a long period of struggle, Bangladesh has embarked upon a path of democratic development. The fall of autocracy was followed by free and fair elections and the formation of a democratic government. Presidential form of government that was identified with autocratic rule has been replaced with the parliamentary form with national consensus behind the move. Reforms are underway or under consideration with a view to democratizing government machinery, electoral process, judiciary, media and other institutions. In such a period of radical transformation of the society, it is necessary to evaluate the tasks of the nation in all spheres of its life—socio-economic, political as well as cultural. In this regard, one of the most important areas of national endeavour which deserves particular academic attention is foreign policy.

The need for the re-evaluation of foreign policy emanates also from the ongoing process of radical change in the international arena. We are witnessing a turning point in world history. Soviet alliance system—both economic and military—has crumbled. East European countries have abandoned socialism and emerged decisively on the path of capitalist development. The August *coup* drama in Moscow appeared to be the final blow to socialism in the

Soviet Union. All these have brought a rather abrupt end to the bipolar international order that emerged in the wake of World War II. The Third World emerged and developed in the bipolar world. It was well adjusted to the rough parity achieved between the two super powers. Its common forums, like Non-aligned Movement and the Group of 77, were created and their strategies were formulated in the context of the bipolar world. The abrupt change in the international system has already created serious problems of adjustment for the Third World countries. The challenges faced by countries like Bangladesh—extremely poor and dependent on external aid for mere survival—would be critical.

It is in this backdrop, that an attempt would be made below to study foreign policy of Bangladesh with particular focus on the challenges faced by the country in its external relations and the available options to meet these challenges. Foreign policy of Bangladesh, like that of any country, is basically an instrument for garnering material and political support in international arena with a view to realizing the socio-economic and political objectives of the country.¹ In studying foreign policy of any country, therefore, two factors are of crucial importance. First, the ongoing process of socio-economic and political development of the country which ultimately determines the tasks of foreign policy. Second, the international situation in which foreign policy should be pursued and which, in one way or the other, influence both the formulation and implementation of foreign policy. Hence, the understanding of international situation and domestic political process in a given country is *sine-quo-non* for evaluating the purpose of its foreign policy and its effectiveness as an instrument of achieving national goals. In our attempt to identify the challenges faced by Bangladesh in relation to its foreign policy and to find out available options to meet them, we would,

1. Virendra Narain, *Foreign Policy of Bangladsh*, (Aalekh Publishers, Jaipur, 1987), p. 5.

therefore, concentrate our attention on analyzing both domestic as well as global contexts. First two parts of the paper would be devoted to this. Part III would be an attempt to find out specific challenges and options with regard to Bangladesh's relations with geographical areas and international agencies of paramount importance to the country viz., i. South Asia; ii. West and the donor agencies; iii. Asia-Pacific region; and iv. West Asia. Needless to mention that the paper is more an attempt to initiate some fresh discussions on the subject than to offer prepared solutions to the problems faced by Bangladesh with respect to its foreign policy.

I. OBJECTIVES OF BANGLADESH FOREIGN POLICY

Foreign policy can be defined as a strategy or planned course of action developed by the decision makers of a state *vis-a-vis* other states or international entities aimed at achieving specific goals defined in terms of national interests.² In pursuit of their foreign policy, the nations recognize no 'eternal allies' or 'perpetual enemies', they single-mindedly seek to augment national self-interest which alone are eternal and perpetual. The tasks of foreign policy of any country is determined by its tasks in the domestic front which prompted Otto von Bismarck to characterize foreign policy as the extension of domestic policy. Being subservient to domestic policy, foreign policy is assigned to master international support and create international conditions favourable to the fulfilment of domestic national goals. Therefore, attempt to identify the tasks of foreign policy of Bangladesh would be premised on the analysis of the national objectives. In this regard, our prime focus would be the broad issues of socio-economic and political development of the country which constitute the major challenges.

2. J. C. Plano and R. Orton, *The International Relations Dictionary*, (Oxford : ABC-CLIO Inc. 1982), p. 7

The political process in Bangladesh has always been a rather volatile one. With the onset of the process of democracy, desperation has, to a certain extent, been replaced by hopes. Bangladesh's march towards democracy, however, is certain to be highly difficult and may even be painful. An array of reasons could be attributed in favour of such a prognosis. Economic and political institutions are highly underdeveloped. Only a small segment of the population is politically conscious. The vast majority remains illiterate and the level of their political consciousness and participation is also very low. They live in absolute poverty and are yet to be drawn to the modern economic activities. Country's small but geo-politically important minorities are yet to be drawn to the national mainstream. Slow exposure to modernization on the one hand, and the revolution in communication on the other, generated great expectations among mass population with regard to prosperity which even sincere attempts on the part of the leadership can hardly fulfill. The country is, thus, faced with the formidable challenge of telescoping the socio-economic progress achieved in the relatively advanced countries. If we take the past as a guide to the future, it could be asserted with some certainty that political stability as well as the future of the on-going democratic process in the country would depend primarily, though not exclusively, on the success of the government in facing the economic challenges. Our attempts, therefore, would be concentrated below to identify the economic tasks facing the country.

Bangladesh is a small country with 144,000 square kilometers of territory and 115.6 millions of people. With about 800 people per square kilometer, it is one of the most densely populated countries in the world. Despite a highly publicized national Family Planning Programme, the growth of population remains at about 2.6 percent.³ Since its emergence as an independent state in

3. *World Development Report 1991*, (Table 26), p. 254.

1971, Bangladesh has consistently belonged to the group of five poorest countries of the world listed by the World Bank. Its per capita GNP is only US \$180.⁴ Concrete indicators of economic performance of the country over the past couple of years reveal a bleak picture. GDP growth rate declined from 5.5 percent in 1985-86 to 3.6 percent in 1990-91. In agriculture, such decline is even more alarming—from 5.5 percent in 1985-86 to 2.43 percent in 1990-91.⁵ With 65 percent of the total labour force employed in agriculture, the country cannot meet the national requirements of food grains and many other agricultural commodities.

A look at the gross domestic savings and investment would reveal a no less bleak picture. After a slight rise during 1983-84 to 1986-87 fiscal years, gross domestic savings began to fall sharply. From 6.2 per cent in 1986-87, domestic savings declined to 2.67 percent in 1988-89. The gross investment as percentage of GDP, has always been very low. From 1983-84 to 1986-87, it was between 14 to 17 per cent. In 1988-89, it decreased to only 11.57 percent.⁶ While there have been a lot of talks to reverse the trend both in gross domestic savings and investment, no effective measures were initiated.

Persistent attempts of post-1975 governments to attract foreign private investment also did not yield desired results. After a rather sharp rise in the percentage of foreign private investment as a percentage of total investment from 0.02 percent in 1973/74 to 3.86 percent in 1975/76, it dropped significantly in the subsequent years and remained on an average at 0.64 percent in between 1976/77 and 1982/83. After further liberalization of

4. *Ibid.*, (Table 1), p. 180

5. *Purbabhas*, (June 17, 1991), p. 7.

6. *BISS Review and Analyses*, (April 1990), p. 1.

terms of investment during post-1982 period, it still remains at about 2 percent.⁷

The country's unemployment problem is also ever deteriorating. According to one estimate, about 20 million people in the country are without job. Among them 14.7 million are young people of which 4.7 million are literate.⁸ Employment opportunities for the Bangladeshis abroad, West Asia in particular, during the period between late-1970s and late-1980s sharply increased. Subsequently, however, such opportunities stagnated, and are now, declining sharply. In the rural areas of the country, in addition to high rate of unemployment, a large proportion of people is employed only partially. A large number of people from these areas are moving to the cities only to increase the number of unemployed there. Debilitating effects of prolonged joblessness is being painfully felt in the society in the form of deep social frustration which is believed to be associated with sharp deterioration in the law and order situation. The main reason behind such a frustrating state of affairs in the employment situation in the country lies not as much in the failure of population control as in the failure of the economy to generate dynamic growth that could create employment opportunities.

Self-reliance has been one of the major national goals of all the governments of the country since its birth. Nonetheless, the country is becoming more and more dependent on the external sources to finance its export as well as Annual Development Programme (ADP). Deficit in foreign trade increased from US \$1.65 billion in 1985-86 to US\$2.88 billion in 1990-91,⁹ and by

7. Abul Bayes, "Foreign Policy and External Economic Relations of Bangladesh : Direction, Nature and Implications", in M. G. Kabir and Shaukat Hassan (eds.) *Issues and Challenges Facing Bangladesh Foreign Policy*, (Bangladesh Society of International Studies, Dhaka, 1989), pp. 181-82.

8. *The Daily Ittefaq*, September 7, 1991.

9. *Purbabhas*, (June 17, 1991), p. 7.

all indications, it is likely to increase further. The dilemma facing the country is that it neither can reduce import by producing import substitutes nor can increase export by accelerating export oriented growth. It ultimately leads to the dependence on the external sources for financing the import bill.

The most alarming aspect of Bangladesh's economy is its absolute dependence on foreign aid for its ADP. The dependence on external resources for financing the development budget increased from 75 percent in the early-1980s to 92 percent in 1989-90.¹⁰ In monetary terms, Bangladesh is to borrow about US\$2 billion from external sources to finance its ADP. It is likely to be increased further during the years to come. Total external debt of the country reached a figure of US\$10.71 billion in 1989. Total external debt as a percent of GNP is increasing sharply : from 31.7 percent in 1980 to 53.3 percent in 1989.¹¹ By all indications, it is to increase further. Meanwhile, a part of the foreign aid is being used to finance the government's consumption expenditure.¹²

Such desperate situation created constant compulsions for Bangladesh to approach to the external sources of aid, primarily to the International Monetary Fund (IMF) and the World Bank. As a rule, their assistance is tied to the acceptance of foreign experts, highly over paid and often irrelevant. More ominous, however, are the conditions imposed on Bangladesh which are primarily aimed at serving the interests of donor countries. They often turn to be sheer dictates. These conditions, on their part, further increase both the deficit in foreign trade as well as

10. Sultan Hafeez Rahman, "Thoughts on the Budget : 1991/92", *Dhaka Courier*, (May 31-June 6, 1991), p. 12.

11. See, *World Development Report 1991*, (Table 21 and 24), pp. 244 and 250.

12. Mahbub Hossain, "Restructuring the Budget : Some Thoughts", *Dhaka Courier*, (May 31-June 6, 1991), p. 10.

dependence on external sources for financing the ADP and thus, create a vicious circle for the country breaking of which becomes an impossible task. What is at stake for excessive dependence on foreign aid is the economic sovereignty of the country and with it political sovereignty as well.

As our brief discussions reveal, economic life of the society is characterized by highly under-developed infrastructure, low level of growth and even much lower level of savings and investment, predominance of the agricultural sector that is primarily dependent on the mercy of nature and cannot meet the national requirement of foodgrains, extreme dependence on foreign aid and above all lack of discipline in the overall management of the economy. In a country where about three-fourths of the population live below the poverty line, prosperity is a distant dream.

Under these circumstances, what are the tasks of our nation in the field of economy and how foreign policy could be of any use to them ? The first and foremost task is to increase the growth rate. According to one estimate, "the overall economy must grow at a rate of 7 percent per year for a decade before a serious dent on poverty can be made through employment creation".¹³ As a matter of fact, increase in the overall growth of the economy would influence not only poverty alleviation and employment creation, it would also help bridge the gap between export and import, increase gross domestic savings and investment and thus, reduce external dependency. The dilemma facing Bangladesh is that its overall economy cannot grow without increase in the domestic savings and investment as well as export and scaling down import. It would also need increased flow of foreign aid and technology. The tasks are, therefore, mutually competing.

While economic challenges should be faced primarily through domestic efforts, mainly in the form of better economic discipline

13. Sultan Hafeez Rahman, *op. cit.*, p. 12.

and management, foreign policy of the country and its external economic relations could as well be of crucial importance. It is primarily because of the fact that the world is highly interdependent. No country, no economy—small or big—can survive in isolation. More important, external economic relations—foreign trade, aid, investment, scientific and technological cooperation etc.—are increasingly becoming more and more powerful instrument of socio-economic advancement. For countries like Bangladesh, export of manpower is as well an important factor contributing to the developmental process. How foreign policy and external relations of the country could serve as an instrument of facing the economic challenges?

With regard to foreign aid, as indicated earlier, Bangladesh faces the classic dilemma of a poor country : it needs more aid to achieve self-reliance, but the more it accepts aid the more it becomes dependent on the donors not only economically, but also politically. Bangladesh, however, is deprived of any option other than accepting foreign aid. Foreign policy must, therefore, be directed at diversifying the sources of aid. In this regard, the objective should be not only to increase the flow of aid, but also to assure favourable conditions or, at least, reduce the 'strings' as much as possible. The task is an extremely difficult one because of our domestic constraints as well as current situation in international arena. Nonetheless, skillful diplomacy could widen the options of the country in its quest for aid.

One of the major reasons for Bangladesh's excessive dependence on aid is the fact that the country's exposure to the global economy is very low in terms of other aspects of external economic interaction, trade in particular. If its diplomacy continues to be directed towards securing aid only, at the sheer neglect of trade, the fate of the nation might be sealed with dependence and self-sustained growth may remain as a forlorn hope. Therefore, it is necessary to recognize foreign trade, export

in particular, as a powerful instrument of self-sustained growth. The need of the time is to explore the prospects for expanding the market for our products, both traditional and non-traditional. It is necessary to undertake 'promotional measures' in those markets where Bangladeshi goods are already being exported. Efforts also should be directed at exploring new export markets for the country. Some of the best markets of Bangladeshi goods are protected. For instance, the largest market for Bangladeshi garments products—the US—is highly protected. The same implies to Japanese and French markets. Initiative aimed at removing protectionist barriers against Bangladeshi products is among the most urgent tasks. As evidences suggest, the issue is more a political one than economic. Therefore, the traditional approach that the trade is a subject of the Commerce Ministry and hence peripheral to the Foreign Ministry needs to be revised. While trade should be, as a rule, conducted through the Commerce Ministry, the Foreign Ministry and diplomacy can do a lot in the expansion of trade.

Bangladesh can not avoid inviting foreign private investment. However, regulatory measures in this regard are of urgent necessity. Broadly two groups of foreign enterprises operate in Bangladesh. First group, mainly Western Multinational Corporations (MNCs), who produce goods for Bangladeshi market; and second group with enterprises in the Export Processing Zones (EPZ), produces goods exclusively for foreign market. As the experience of Bangladesh and many other developing countries shows, MNCs, due to their strength and the weakness of the host country, turn to be an insurmountable obstacle in the way of economic development of the latter. As one study reveals, in addition to making super profits, MNCs in Bangladesh are driving out local entrepreneurs and inhibiting the emergence of small-scale industries. It is particularly true in the

case of pharmaceuticals, tobacco and shoe industries.¹⁴ Either directly or through the country of their origin, MNCs also exert unwelcome influence on the host country. While current realities would not allow Bangladesh to drive the MNCs out, it is necessary to regulate their economic behaviour through both economic as well as diplomatic measures.

In contrast to MNCs operating in Bangladesh, enterprises in the EPZ are bringing some material benefits to the country. In addition to creating employment opportunities, they are also a source of income for Bangladesh as they pay for the use of varied kind of facilities in the country. Instead of inviting MNCs, it would be more beneficial to the country to undertake measures that would encourage the foreign entrepreneurs to establish enterprises in the EPZ.

Foreign policy and external relations could play a crucial role in the creation of employment opportunities for the Bangladeshis abroad. It is indeed a significant area of our national economic endeavour. More than a million Bangladeshis have so far migrated abroad on employment dispersed across different parts of the world, primarily in West Asia.¹⁵ Total remittances received from them amounted to US\$771 million in 1989.¹⁶ They play a significant role in the economy of the country. Bangladesh meets 98 percent of its cash imports from remittances.¹⁷ Bangladesh

14. Md. Abdul Mannan Chowdhury, "The Role of Multinational Corporations (MNCs) in the Economy of Bangladesh : A Critical Analysis", in M. G. Kabir and Shaikat Hassan (eds.), *op. cit.*, pp. 190-207.

15. Raisul Awal Mahmood, "International Migration, Remittances and Development : Untapped Potentials for Development", paper presented at the Seminar on : *Bangladesh in the 1990s : Society, Polity and Economy*, organized by Bangladesh Institute of International and Strategic Studies, Dhaka, 17-19 September, 1991, p. 27.

16. *World Development Report* 1991, (Table 18), p. 238.

17. *Dhaka Courier*, (February, 1-7, 1991), p. 7.

suffered badly due to the Gulf War. For Bangladesh Kuwait has been a country which employed about 70,000 of its citizens and has been a source of remittance amounting to US\$94.40 million in the fiscal year 1988-89.¹⁸ Total losses suffered by Bangladesh due to the Gulf crisis as estimated by the IMF amounted to US \$ 600 million.¹⁹ Bangladesh is yet to recover its losses and yield dividends for its role during the Gulf War.

The delicate balance between human power and environment maintained through millennia is being distorted rapidly and severely because of unrestrained and unplanned exploitation of the nature by men. The consequence is a disastrous environmental degradation which is resulting into deforestation, desertification, soil erosion, air and water pollution, and so on. Only a very few states are faced with environmental challenges that could be compared with the one faced by Bangladesh. Bangladesh is a flat alluvial plain with an average elevation above sea-level of only 10 meters into which flow no less than 54 rivers and all of them flow into the country from India. These include two of the three mightiest rivers of South Asia—the Ganges and the Brahmaputra—which converge in the centre of Bangladesh and empty into the Bay of Bengal. In case of common Bangladesh-India rivers, two types of natural problems are equally operative : too little water during the dry season and too much flood water during the monsoon. The annually recurring devastating floods followed by no less devastating drought have, not once, put the very survival of Bangladesh at stake. Bangladesh is, however, unable to design and implement much-needed water resources management and development projects without active cooperation of India, the upper riparian state, since the key to the control of these flows lies with the latter. Such a situation puts Bangladesh virtually at the mercy of its giant neighbour.

18. P. L. Bhola, "Gulf Crisis and its Fallouts on South Asia", *Indian Journal of Asian Affairs*, (Vol. 3, No. 1-2), 1990, pp. 45-46.

19. *Dhaka Courier*, (February, 1-7, 1991), p. 8.

In addition, Bangladesh remains constantly vulnerable to devastating cyclones, tomadoes and storm surges. Only this year, one of such calamities took the life of hundreds of thousands of peoples and properties worth hundreds of millions of dollars. Bangladesh is also one of the few countries which will be among the first victims of sea level rise. Therefore, environmental threats constitute a major area of concern to Bangladesh. The very magnitude of the problem has rendered Bangladesh virtually helpless. Mobilizing international support in facing environmental challenge is another vital task.

II. CHANGING GLOBAL ORDER : MOUNTING CHALLENGES

Post-War international order has been consistently dominated by the two super powers and their politico-military and economic blocs. By virtue of their economic and military strength, scientific and technological potentials, and politico-diplomatic influence, they, at times, acted as the virtual arbiter of global developments. Their relations, however, have been characterized by fierce competition and rivalry interspersed by periods of constructive dialogue, reconciliation, accommodation and certain degree of cooperation.

Apparently rigid bipolarity had also its own limitations and was challenged by a number of relatively autonomous actors in international arena. First among them was the establishment and strengthening of the Non-aligned Movement which united under its fold more and more nations in Asia, Africa and Latin America deciding to keep themselves independent of super power conflict. Second is the growing assertion of autonomy among a number of countries in both parts of Europe, Japan, China and others. Third is the emergence of large number of authoritative regional and international organizations which significantly influenced major international developments formulating and executing their own policies in a quasi-autonomous fashion.

In the bi-polar world, while the Third World countries were often squeezed by both super power conflict and domination, they were also left with sufficient room for maneuverability. Even during the heydays of First Cold War, despite enormous US pressure, the vast majority of Third World countries remained out of US-sponsored military blocs while most of them were economically dependent on the West and were following capitalist model of development. Many of the Third World countries who joined super power military blocs, did so more due to the vulnerability of the regime to indigenous opposition or conflict with the neighbours than super power pressure. Pakistan's participation in US-sponsored military blocs could be cited as a classic example.

In the world of all-embracing confrontation between the two super powers, Third World countries have had the option of counter-balancing aggression or intimidation on the part of one of the super powers by the clout of the other. In certain cases, it was even possible to defy both the super powers with certain degree of impunity. Iran under Khomeini is a striking example.

Even in economic terms, where Western domination has consistently been overwhelming, the existence of the other bloc left the Third World with substantial bargaining capability. Aswan, Bhilai and Bakaro may be more symbolic than substantial, nonetheless, they could be used as bargaining chips *vis-a-vis* the West and always reminded Third World's other option.

Following the emergence of Gorbachev phenomenon, the world has undergone a process of dramatic transformation with far-reaching consequences. The process of change in the Soviet Union—the lone stabilizing factor in East European alliance—has spread over other East European countries with a hurricane speed, and in 1989, it gained momentum. Entangled with *perestroika* and *glasnost* at home, Gorbachev became the first Soviet leader to

demonstrate a distinct unwillingness to intervene in East European countries. It gave the final boost to East European upheavals. Gorbachev has allowed the dominoes to fall one after another. With the overthrow of Ceausescu regime in Rumania, the last domino of 'old regime' in the Eastern Europe fell. In a historic move, two German states have reunited to form a single political entity. All other countries of the region have opted for Western democracy and capitalist model of development. In view of the lack of democratic traditions and institutions coupled with the economic and political chaos, the future of East European democracies would continue to remain under serious question for some time to come. Nonetheless, their march towards capitalism is proving to be irreversible. Despite some uncertainties, one thing has already become clear : life in the East Europe and its role in international arena would never be the same again.

The fall of socialism in the East Europe has led to the crumbling of the Soviet alliance system, both military and economic. Subsequently, East European changes were exerting reverse influence on the Soviet Union. By 1991, political and economic difficulties suffered by the country have transformed into a crisis situation. It was becoming more and more evident that Gorbachev has exhausted most of his ideas and energies. He was increasingly failing to keep pace with the development of events at home. As evidenced by his humiliation in the London Summit of the G-7, Gorbachev's international stature also reached the lowest ebb. More important, the G-7 countries were clearly displaying that they have quite different designs than saving him and his country from the gathering catastrophe. Following the mysterious *coup* drama of last August 19-21, the country is plunged into total chaos. Gorbachev has lost both confidence of the people and self-confidence. He is increasingly becoming less and less relevant to the context of Soviet politics. A growing process of disintegration of the country is in the offing. What would emerge from the erstwhile second mightiest power of the universe would remain an

open question until the unfolding developments take a concrete shape.

The most pertinent question posed to us by the recent development of events in the Soviet Union and the East Europe is what sort of changes are likely to take place in the current international order and how they would effect the Third World of which Bangladesh is a part and with which it shares a common fate?

Recent socio-economic and politico-ideological crisis suffered by the Soviet Union, ensuing process of its disintegration, dissolution of its alliance system on the one hand, and the absence of any power that could pose the US an all-pervasive challenge as done by the Soviet Union on the other, have created a situation wherein a single power—the United States—became the unchallenged hegemon of the universe. Even before the recent collapse of central authority in Moscow, certain circles on both sides of the Atlantic were asserting that the US would remain the only world power.²⁰ For a considerable part of American elite, it is an ambition nourished for long. Present situation in international politics has offered them to materialize their long cherished goal.

The process, however, began soon after the weaknesses of the Soviet Union were exposed by Gorbachev, when the US emerged on the path of pursuing its foreign policy objectives with a high hand. Its dealings with Libya and Panama were the first test cases of the new assertiveness. Success of these ventures in terms of both cost effectiveness and neutralizing adverse international repercussions added confidence to the US assertiveness. Saddam Hossain's occupation and annexation of Kuwait, in addition to providing the US with a *casus belli* that was justified in the eyes of the larger section of international community, also provided Washington with an opportunity to test its ability to gather world

20. See, *The Economist*, (February 24, 1990), pp. 11-12.

powers around itself. The US capability in gathering virtually all the powers who matter in international politics behind its policy towards the Gulf crisis crystallized its position as the only super power destined to establish its own order in the world. The arrogance with which the US and its allies are involving themselves in the internal crisis suffered by the Soviet Union, and more important, their success in this regard, leave no doubt that the bipolar world has given way to a unipolar one with the US being at its apex.

Politico-strategic and economic realities of the present day world and the current trends in these fields, however, conceive the seeds of multi-polarity. The US is a super power primarily in military terms. It has lost its position as the economic giant that dominated and structured the world economy of the post-War period. Its share in the world economy has significantly dropped. From world's main creditor it has turned to be the largest debtor with a debt burden of US \$664 billion.²¹

In the contemporary world, aggregate economic strength is increasingly becoming the determinant of national status of a state. In the changed context, Japan and Germany have already risen to world power status. With its economic muscle flexing, Japan is further squeezing the United States. United Germany has surpassed the US as world's largest exporter. According to one estimate, in 1988, two German states exported goods and services worth US \$354.1 billion as against the US export of US \$321.6 billion.²² According to the same estimate, trade surplus of Japan and the two German states combined in 1988 was US \$77.5 billion and US \$ 73.9 billion respectively as against a US deficit of US \$138 billion.²³ The unification of Western Europe as envisaged

21. *Asiaweek*, (August, 23, 1991), p. 8.

22. *Newsweek*, (February 26, 1990), p. 8.

23. *Ibid*, p. 9.

by the EEC's plan for the 1992, if materialized, would further dilute US economic clout at the global level.

Even in the field of security the situation is changing. Japan is quietly, though in a moderate and circumscribed fashion, emerging on a path of active security policy. West Europe as well is thriving for greater influence in the Western security system.²⁴

These factors, while posing some considerations for US foreign policy, can not pose a challenge to US position in world politics in the immediate future. Reasons are manifold. None of these powers in the foreseeable future could pose a military challenge to the US and military power is to remain the single-most important denominator of the super power. More important, militarisation of Germany and Japan would be vehemently opposed by their neighbours because of past memories. For the same reasons, they can hardly master necessary international authority, even in case they acquire military power. On the other hand, EEC could hardly be a monolithic grouping that could pose collective challenge to the US. In economic terms as well, the US is certain to remain the largest power of the world for decades to come. Its economic difficulties are also not insurmountable. On the other hand, none of the economies—German or Japanese—despite faring well, can surpass the US one in the immediate future. The US, however, cannot ignore the economic, political and military potentials of these important actors in international affairs. Therefore, the US will have to make a power sharing arrangement with these poles of power in international arena.

The Third World came into being and developed in the bipolar world, where two opposite camps were challenging each other in politico-strategic, economic as well as ideological spheres.

24. Phil Williams, "US-Soviet Relations : Beyond the Cold War ?", *International Affairs*, (Volume 65, Number 2, 1989), p. 285.

Super power conflict while posing a challenge to the Third World, also provided the latter with an opportunity. The challenging task was to keep the region away from super power conflict and domination by either of them. In this regard, they could take the advantages offered by the conflict itself. All common forums of the Third World, the Non-aligned Movement and the Group of 77 in particular, were created and their strategies were formulated with these objectives in mind. Recent changes in Eastern Europe and the consequential changes in the international system upset most of Third World calculations and it appears to be quite unprepared to adjust to the changed situation.

As indicated earlier, with the erosion of the Soviet power, the West has consolidated its position and re-established its unchallenged dominance over the international system. The Third World is now to face a much stronger West without the Soviet card in its hand which often played vital role in its dealings with the West. Its bargaining capability *vis-a-vis* the West, particularly on economic issues, has decreased significantly. Once mighty voice of the Third World—the Non-aligned Movement—is increasingly fading away. The movement has already lost its vitality and is increasingly losing relevance to the changed context of international politics. Similarly, the Group of 77 and its vital agenda—New International Economic Order—are making no headway. Even during the 1970s, the West displayed a significant degree of preparedness to make compromise on North-South issues. Since it has consolidated its position at home and over world economy, it is more and more advocating the old values of free trade while offering little concessions to the Third World. As viewed from the Western capitals, there is no incentive for making compromise with the South and no disincentive for not doing the same. The intransigence of the developed countries *vis-a-vis* most of the North-South issues is getting increasingly firm. It is difficult to foresee any change for the better in the near future.

In the years to come, Western aid to the Third World, LDCs like, Bangladesh in particular, is likely to be reduced significantly. Two reasons could be singled out in favour of such a prognosis. First, the decreased ability of some of the donors to offer economic assistance. As discussed earlier, once the largest creditor of the world, the United States, has turned to be the largest debtor. It has effected the situation in two ways. On the one hand, while the US is continuing its economic assistance programme to developing countries, the amount is becoming less and less significant. On the other hand, the US is borrowing huge amount of money from the major sources of surplus capital in Western Europe and East Asia, Japan in particular. Part of this amount could otherwise be available for the traditional aid recipients. Second factor is the recent changes in Eastern Europe. While the World Bank and EEC officials are making persistent efforts to reassure the Third World countries that no money would be diverted to Eastern Europe at their expense, the region has enough reasons to be worried.²⁵ The richest of the European countries, West Germany, would be busy with the integration of two German economies which would need tens of billions of dollars. It is also making clear its commitment to East European countries. One important factor is that traditionally East Europe and Russia have been important markets for Germany. Germany is also displaying its intention of playing a more active role in European politics. Its policy towards Yugoslav crisis and hurried recognition to Baltic Republics are cases in point. The Third World would be the last area for Germany to be concerned with. Other prosperous members of the EEC as well are concentrating their attention on East European market to the extent that even comparatively poorer members of the Community like, Greece, Spain and Portugal are seriously concerned. The truth, however may be bitter to the Third World, is that the West has already reduced its commitment to the developing world substantially and the process

25. *BISS Reviews and Analyses*, (April 1990), p. 3.

is to continue unabated. While Japan is timidly appearing on a path of increased commitment to the developmental efforts of Asian nations, economic rationalism would continue to prevail over political considerations in Japanese policy. Under these circumstances, the developed countries are likely to be less and less generous towards the Third World countries in general and the poorer ones in particular. Bangladesh will have to face the reality and formulate its policy accordingly.

In the backdrop of recent changes in Eastern Europe, the Third World is posed with even a more dangerous threat. The ongoing process of the restoration of capitalism in East Europe and Soviet Union leaves no rationale for the continuation of the post-War division of Europe. Economies of the erstwhile Comecon countries, including that of the Soviet Union, are more complementary to those of the major Western countries than competitive. These economies would thus be increasingly linked with those of the West and subsequently may be integrated. Such a process is already underway. Most of the East European countries are being considered by the EEC as candidate for membership. Following the post-*cuop* drama paralysis of central authority in Moscow, EEC is also embracing the Soviet Baltic Republics. Without communism as its ideology, the Soviet Union will have no future either as a super power or as a counter-balance to the West. There will be, however, no rationale for the Soviet Union—economic or political—to sustain the confrontation with the West. Whatever emerges out of the present Soviet Union would be dictated by the political and economic realities to a closer cooperation with the West. With ideological barriers removed, in addition to politico-economic necessity, historical memories, geographical proximity, racial identity, religion, as well as quest for a common destiny would exert insurmountable pressure in favour of close integration of Soviet and East European societies into the West. Such a scenario, thus, raises the fear of 'collective new-colonialism' with the participation

of all the major economic powers. Such a phenomenon has already appeared at the horizon. As we have discussed earlier, the developed countries have significantly withdrawn their commitment from the Third World. Nonetheless, as a source of raw materials and market for industrial products, the Third World remains as important to the developed countries as ever. In this backdrop, emerging collective new-colonialism poses the Third World countries with a grave threat—they could be thrown back somewhere near to the dark days of classical colonialism.

As it was indicated, the Third World is miserably failing in keeping pace with the dynamic changes in international arena. Its maneuverability is circumscribed not only by the changes in international arena, but also by its internal weaknesses. Economically, the Third World remains as vulnerable to the West as ever. After so much talks about self-reliance for so many decades, the vast majority of the countries are becoming more and more dependent on the West. A good number of them are dependent on the developed world for mere survival. Those Third World countries who are richer or are faring well in the contemporary international economic relations, are increasingly deserting the common cause of the region. Many of the organizations of regional co-operation in the Third World are facing almost insurmountable difficulties. The region is beset with numerous intra- and inter-state conflicts. Nothing is going to change easily or within a short time. The Third World countries, particularly the poorer ones, are thus unlikely to be benefited from the ensuing changes in the international system, while the risk of being squeezed further would persist.

III. MAJOR AREAS OF IMPORTANCE

As we have discussed in the previous chapters, Bangladesh is going through a critical stage of its history. Economic situation of the country is highly precarious. Its foreign policy is faced with a

set of difficult challenges. In addition, some of its tasks are mutually competing. The country, moreover, would have to pursue its foreign policy objectives in an international environment that became much less favourable for the Third World than before. In this backdrop, following is an attempt to evaluate the nature of specific challenges faced by Bangladesh in its external relations and how foreign policy could play a role in meeting these challenges. For the convenience of our analysis, we would concentrate our attention on the following major areas of importance to the country : i. South Asia; ii. the West and the donor agencies; iii. Asia-Pacific region; and iv. West Asia.

i. South Asia

Relations with India

Owing to a number of reasons pertaining to its geography, history, ecology as well as socio-economic and politico-cultural life, South Asia remains the most significant area of importance to Bangladesh. In this regard, India occupies the paramount position. As a matter of fact, no country merits greater consideration in the conduct of Bangladesh's foreign policy than India. A complex web of reasons could be held responsible for such a situation. Geographical location has rendered Bangladesh virtually India-locked. Barring a small border with Myanmar over a highly difficult terrain in the South-East of the country, Bangladesh is surrounded by India on three sides. Its sea-routes through the Bay of Bengal are guarded by the Indian Navy with no parallel in the region. Bangladesh and India are common co-basin states in the Ganges and the Brahmaputra river basins, importance of which for the very survival of Bangladesh can hardly be exaggerated.

Historically, relations between the peoples of these two countries were characterized by numerous ups and downs. They have common ethno-linguistic origin. They are common heirs to one of the greatest ancient civilizations. They have lived for centuries within the same political entity. The list can be

enlarged further. Nonetheless, the relations between the people of the territory what constitutes now Bangladesh on the one hand and that of India on the other, over a long historical period have also been characterized by a struggle for the survival of the former and the supremacy of the latter. It has deeply influenced the formation of the collective personality of the Bangladeshis creating an adversary self-image *vis-a-vis* India. Even the experience of 1971 proved to be insufficient to break such a self-image.

Over the recent couple of years, relations between Bangladesh and India have been characterized by the parallel existence of two opposite trends. On the one hand, sharp differences between them continue to persist over India's regional security posture, and a number of bilateral issues. On the other hand, efforts are being employed by both the sides, *albeit* with varied degree of sincerity, to bridge the differences. Simultaneously, both the countries are committed to regional cooperation within the framework of SAARC.

As Indicated earlier, Bangladesh has got two major concerns with regard to its relations with India : a) Indian regional security posture; and b) A set of bilateral disputes. Our discussions would be centered primarily on these two issues.

a) Indian Regional Security Posture

During post-1971 period, Indian strategic thinking on South Asia underwent a radical transformation. Taking into account its historical heritage, geo-strategic position, economic and military potentials as well as international standing, Indian strategists developed a series of well-connected foreign policy and security perceptions with regard to its role in determining the destiny of South Asia which are widely known as India Doctrine. To a significant extent it is the South Asian version of the Monroe Doctrine, wherein India views the entire region as a single strategic

unit and herself as the sole custodian of security and stability in the region.

During the late-Indira period, and particularly under Rajiv Gandhi, this doctrinaire precept was put into action. As judged by the policy makers in New Delhi, over the four decades of its existence as an independent state, India has prepared herself to embark upon such a policy. Economically, politically and geo-strategically, it has emerged as the single-most dominant power in South Asia overwhelming all its neighbours taken together. In size, it is the largest country, even larger than all its neighbours taken together. It is one of the ten largest industrial powers of the world. As a land power, it is only next to the super powers and China. It has the world's sixth largest navy and eighth largest air force. Despite recurrent crises, its political system proved to be more stable than that of any South Asian country. In international arena, it emerged as a factor that should be reckoned with by all the great powers.

Another important development by which India has been encouraged is that the super powers and great powers have significantly reduced and even minimized their competitive involvement in South Asia and have shown a distinct unwillingness to be involved in disputes and conflicts in the region. In this regard, their unwillingness to challenge India within the region has been remarkable. During the entire post-Independent period, most of the smaller South Asian countries either directly or indirectly welcomed external great power involvement in the region with a view to counterbalancing otherwise unchallenged might of India. In this regard, China and the US have been readily available. On the other hand, India's policy was to keep the great powers—friends and adversaries alike—out of intra-regional affairs, so that it could exert its power and influence to bear upon the countries of the region.

Under these circumstances, with the withdrawal of super and great power involvement from South Asia a vacuum was created, setting the stage for India to fulfill its objectives envisaged in the India Doctrine and to emerge as the self-appointed custodian of peace and security of the entire region. While such a situation has been envisioned by India's founding fathers, Nehru in particular, in terms of the method of its implementation, the new Indian policy was an antithesis to Gandhian non-violence and Nehruvian peaceful coexistence. It was highly heavy handed and dependent on the use of or the threat to use force in dealings with the neighbours. Indian policy towards the ethnic violence in Sri Lanka and the stationing of IPKF in that country under a controversial treaty, its intervention in the Maldives to suppress an attempted *coup* and the deadlock in its relations with Nepal are only the most illustrated manifestations of this policy.²⁶

India's role of self-appointed custodian of peace and stability in the region has generated deep mistrust and suspicion in the region. Bangladesh as well as other South Asian neighbours of India are aware of and do recognize India's pre-eminence in the region. What they resist is India's attempts to transform this natural pre-eminence into an imposed pre-dominance. They have developed a sense of being intimidated. They were deeply concerned that what happened with Sri Lanka, Maldives and Nepal could be repeated with any other country of the region. As a consequence, India's relations with its neighbours deteriorated severely. Its authority in the region reached the lowest ebb. Bangladesh-India relations reached a near-deadlock over almost all the contentious issues. The worst victim of such an unhealthy atmosphere in the region became the emerging process of cooperation within the framework of SAARC.

26. See, A. K. M. Abdus Sabur, "Changing Global Scenario : Implications for South Asia", *Regional Studies*, (Vol. VIII, No. 1, Winter 1989-90), pp. 15-20.

However, India's experience as a regional hegemon is not encouraging for itself. The reasons are primarily of domestic and regional nature. Enormous costs incurred by India in terms of material and human resources to sustain Sri Lankan adventure, unhappy experience of deadlock in its relations with Nepal have brought, even during Rajiv Gandhi's rule, a change in Indian mind. Influential circles in India came to realize that the prevailing situation of mistrust and suspicion cannot be congenial for the long-standing interests of the country in the region. They became aware that Indian diplomacy has failed to display the wisdom, sophistication and caution as displayed by the previous generation of its leaders. In concrete terms, they have clearly realized that it is necessary to devise more sophisticated methods of exerting influence on the neighbours than employed against Sri Lanka or even Nepal. The crisis in Kashmir, while deteriorated Indo-Pak relations, also vividly demonstrated the need for shifting emphasis from foreign adventures to domestic politics. During V. P. Singh, Indian regional posture underwent a process of change. The withdrawal of IPKF from Sri Lanka, a comparatively conciliatory approach towards Nepal and to a lesser extent towards Bangladesh were indicative of the new trend in Indian thinking. The crisis over Babri Mosque issue and subsequent developments, including the change of government, have reinvigorated the shift in Indian policy away from foreign adventure to domestic problems. Sharp division of the society along ethnic, linguistic, regional, religious as well as ideological lines coupled with the development of events prior to and following the tragic death of Rajiv Gandhi painfully reiterated the fact that India is literally at war with itself. Any dramatic improvement in the domestic situation is unlikely and it would serve as a powerful restraint against foreign adventure.

Another important related development is the declining role or regional powers. Third World regional powers had consolidated their positions in their respective regions in the environment of

fierce rivalry between the two power blocs and rough parity between the two super powers in terms of military might. These regional powers have prospered during the first *detente*. During the second Cold War and, particularly, during the early stage of the second *detente*, Third World regional powers reached the zenith of their power and influence. As indicated earlier, with the relative withdrawal of great powers, regional powers like India could be in a position of maintaining an independence of will and capacity which became singularly important in the context of regional balance of power. The replacement of the bipolar world with a unipolar one resulted in the establishment of unprecedented control over the international system by the US and its allies. The great powers—virtually united in a single bloc—have embarked upon a policy of curbing the power and influence of the regional powers. In the Gulf, they have already demonstrated their firmness *vis-a-vis* hostile designs of a regional power. The Gulf War and the fate of Iraq would put severe restraint on the ambitions of regional hegemony particularly, when such ambitions are confronted with the collective designs of the great powers. As evident by Indian policy, it has clearly received the message and adjusting its policy to the current realities of international politics.

In the circumstances, security threats to smaller South Asian neighbours of India—as posed by Indian regional security posture during the 1980s—have significantly reduced. Without any dramatic change in the domestic, regional as well as international situation—which is highly unlikely in the foreseeable future—no realistic politician in power in New Delhi could or would revert to the foreign and security policies of the 1980s.

b) Bangladesh-India Bilateral Disputes

Bangladesh-India relations are characterized by the existence of a number of contentious issues which proved to be too difficult to resolve. While some of them are rooted in the historical past,

others are in the current dynamics of bilateral as well as intra-state relations. The list of such issues would be long enough :

- i. the sharing of the water resources of common rivers, including that of the Ganges;
- ii. implementation of the 1974 Land Border Agreement in general, and accord on the leasing of Tin Bigha Corridor to Bangladesh in particular;
- iii. India's policy towards ethnic insurgency in the Chittagong Hill Tracts;
- iv. demarcation of maritime boundaries and the ownership of South Talpatty Island;
- v. trade imbalances in favour of India;
- vi. smuggling, illegal cross-border activities and a number of other issues.

The relations between Bangladesh and India have been shaped under the influence of a host of historical, geographical, ecological, socio-economic and politico-cultural factors of highly contradictory nature. While some of them warranted close ties others dictated a distant approach. In addition, some factors, while creating high degree of interdependence between the two countries, also generated almost irreconcilable conflict of interests. The emergence of disputes between Bangladesh and India can, therefore, be viewed as natural or even inevitable. Nonetheless, the persistence of all these disputes creating such a crisis of confidence in bilateral relations for so many years and with no solution in sight looks certainly bizarre.

Answer to the questions why and how it happened is difficult to find out and could very well be controversial. However, in order to look at the future, answer to such questions are indispensable. When responsibility for something done is difficult to establish, it is better to investigate along the question : who benefits from that?

Here we get a more or less clear picture. In comparative perspective, the degree of adverse consequences for Bangladesh and India resulting from the procrastination of the settlement of contentious bilateral issues vary widely leaving the former in a much disadvantageous position. It is particularly true when one looks at the matter from strictly bilateral perspectives. For Bangladesh, economic and ecological consequences of the deadlock over the sharing of water of the Ganges alone is so critical that the very survival of the nation has, over time, been put to the question. Other issues are as well of considerable concern to her. For her, there is no option other than the early settlement of the disputes. On the other hand, India's stake in the early settlement of the disputes is insignificant if it is to be compared with that of Bangladesh. The tragedy is that Bangladesh remains at the receiving end on almost all the issues, while India holds the key to the solution. Such a situation shaped India's long-standing policy toward the contentious issues in general and her overall approach toward Bangladesh in particular. Over a period of time, Indian has developed a policy which could be summarized as follows :

- i. procrastination of the settlement of the disputes with the assumption that time would work in favour of her;
- ii. creating occasional pressures on Bangladesh with a view to weakening her moral;
- iii. when pressure fails, displaying benign indifference to the sensitivities of Bangladesh.

It is a comprehensive policy approach with the ultimate objective of compelling Bangladesh to come to terms with New Delhi on the terms offered by the latter.

Lacking any viable leverage on India, Bangladesh had to depend on the goodwill of the latter which it persistently failed to demonstrate. Constrained by its predicaments, Bangladesh neither

could afford confrontation with India nor it could submit to the will of the latter. In the circumstances, it had to find out a gray area between confrontation and submission which let her avoid major crises in bilateral relations that Bangladesh could hardly afford. However, from such a gray area Bangladesh neither could compel India to find out a compromise solution of the disputes nor could it generate any concession from New Delhi. Bangladesh's options appear to be severely circumscribed.

Thus, as seen from bilateral perspective, the dynamics of Bangladesh-India relations reveal a bleak picture for the former. If the complexity of Bangladesh-India relations are judged from a regional perspective, New Delhi stands nowhere better than Dhaka does. Very recently, Indians themselves are clearly realizing it. India is engaged in similar or even more serious disputes and conflicts with almost all of her neighbours, Nepal, Pakistan and Sri Lanka in particular. While assessing the magnitude of all these disputes taken together, their consequences for the long-standing interest of India in the region, Indian leadership could hardly avoid disappointment.

Despite the replacement of India's regional security posture of the 1980s by a much more moderate one and its realization of the consequences of protracted disputes with the neighbours, Indian leadership could hardly undertake any courageous initiative with a view to resolving bilateral disputes, including those with Bangladesh. Primary reason behind such a rather paradoxical situation is the fact that there is, at present, a too weak government in power in New Delhi. Its position is too vulnerable to domestic opposition. The resolution of Bangladesh-India bilateral disputes would need substantial compromise on the part of India. If such compromises are made, it would be, in all likelihood, characterized by the domestic opposition as weakness of the government. A government that is vulnerable at home cannot expose its weakness abroad. Another important factor, the main opposition to the

ruling Indian National Congress is the Bharatya Janata Party (BJP) which represents Hindu chauvinism almost exclusively directed against the Muslims. It has already made clear its hostility towards Bangladesh. Uproar over a fabricated news that a commando group was sent from Bangladesh to kill the BJP leadership is just a manifestation of the Party's approach towards Bangladesh.²⁷

India is not only unable to take any initiative with regard to contentious issues, but also unable to respond to Bangladeshi initiatives. This has been painfully revealed during the visit of Bangladesh Foreign Minister to New Delhi in August 1991. As press reports suggest, no serious discussions on the issues of bilateral disputes took place. The situation is unlikely to change substantially very soon.

Nonetheless, Bangladesh should continue its efforts with a view to initiating fruitful discussions with India on the issues of mutual discord. It would at least keep the issues alive. All along highly vigilant Bangladesh also needs to be visionary. So far it has considered its relations with India only in terms of that with government in power in New Delhi. Such approach needs to be revised. India is a vast country with diverse regions and interest groups. It leaves Bangladesh some maneuverability *vis-a-vis* the centre and opportunity of influencing the centre through them. A Bangladeshi researcher has put forward a set of interesting proposals that could be initiated with a view to creating favourable lobbies primarily in the border states.²⁸ It is not as impossible a task as an average Bangladeshi perceives. As indicated by some of recent statements by West Bengal Chief Minister Joyti Basu, he is advocating the need for making compromise with Bangladesh. He is employing considerable efforts with a view to neutralizing

27. *The Times of India*, August 1, 1991.

28. See, Shaukat Hassan, "India Factor in the Foreign Policy of Bangladesh", in M. G. Kabir and Shaukat Hassan (eds.), *op. cit.*, pp. 59-60.

CPM's coalition partner Forward Bloc's opposition to transferring Tin Bigha corridor to Bangladesh. Unidimensional India policy of Bangladesh, aimed at influencing only the government in power at the centre needs to be replaced with a multi-dimensional one which would also be aimed at influencing border states and lobbies operating in socio-economic and political life of India.

Bangladesh-Pakistan Relations

Bangladesh's relations with Pakistan are comparatively less problematic than those with India. There are two major problems in relations between the two countries. These are : i. the repatriation of stranded Pakistanis; and ii. the division of common assets.²⁹ Despite the existence of these problems and Pakistan's clearly demonstrated unwillingness of settling its disputes with Bangladesh, relations between the two countries during the post-1975 period developed rather smoothly. If one takes into consideration 'internal colonialism' perpetrated by the ruling elite of Pakistan in relation to Bangladesh for long twenty three years and the military crackdown of March 25, 1971 which unleashed the worst genocide and exodus in post-War history, such a smooth development of relations between the two countries would certainly look bizarre. There were, however, an array of reasons which made it possible. First and foremost is the difficulties in Bangladesh-India relations. For reasons, discussed above, Bangladesh witnessed a resurgence of anti-Indian feelings during the post-independent period. Certain ideas and personalities rejected by the War of Liberation could come back to the forefront of socio-political life of the country. Pakistan took the most cynic advantage of the situation. No less important, successive regimes in Bangladesh displayed undue eagerness to

29. See, M. Abdul Hafiz, 'Bangladesh-Pakistan Relations : Still Developing ?', *BISS Journal*, (Vol. 6, No. 3, 1985), pp. 367-76.

develop relations with Pakistan. As a consequence, Pakistan even did not formally regret the crimes committed by its army in Bangladesh during 1971 as Germany and Japan did in relation to the victims of World War II.

It is not to argue that no attempts were made to resolve the disputes over the repatriation of stranded Pakistanis and the division of common assets. But, the pattern of behaviour as displayed by Bangladesh in relation to Pakistan let the latter believe that it could develop relations with the former without resolving the outstanding issues which, in course of time, would be taken off from the agenda of bilateral relations. The issue of the division of assets has virtually transformed into that of a symbolic one. The stranded Pakistanis are living in Bangladesh, primarily in the cities, creating some additional problems with regard to employment. They are a real problem for the country and a potential destabilizing factor. Bangladesh cannot compromise with such a state of affairs. It is necessary to employ serious and sincere efforts with a view to resolving these problems.

SAARC

Bangladesh pioneered the idea of the creation of SAARC and it remains one of the cornerstones of the country's South Asia policy. Past few years since the emergence of SAARC have shown how swiftly politics in South Asia can oscillate between conflict and cooperation, between combativeness and constructive diplomacy. Despite enormous problems in inter-state relations in the region, SAARC has survived. Recent adverse developments in inter-state relations of the member countries suggest that the organization appears to have gained some shock-absorbing capabilities. It did not suffer any fatal blow as it was feared. The countries of the region have a consensus that while the progress of SAARC is too slow, the organization still has the potential to respond to their aspirations for a better future. To sum

up, the mere fact that the politics of cooperation has made a beginning in the strife-torn environment generated certain degree of optimism.

The difficulties suffered by it and the tasks ahead would continue to create tremendous pressure on South Asia for evolving an anlightened structure of mutual relations based on shared interests and mutual consensus. The need of the time is to create a viable mechanism of conflict management and resolution with the collective efforts of regional countries so that they could learn to live with one another in peace and cooperate confidently with a view to resolving the tasks of their socio-economic and politico-cultural development.

ii. The West and the donor agencies

Bangladesh has long abandoned the anti-imperialist and anti-Western rhetorics of its foreign policy as displayed during the immediate post-independence period. Over the last one and half decade or more, Bangladesh has been pursuing a policy in international arena that was being more and more tilted towards the West. Barring some issues of vital concern to the Islamic community and the Third World, like Palestine issue, Namibia and apartheid, Bangladesh was by and large identified with the West. It is particularly true when one looks at issues which divided the two power blocs during the second Cold War. Even the political and economic values of the society were becoming more and more influenced by those of the West. The extent of Western influence on Bangladeshi society could be gauged by the fact that the sudden outburst of so passionate anti-Western, particularly, anti-American feelings during the Gulf War died down as quickly as they developed.

Bangladesh's performance in international politics during the second Cold War earned the country a good name in the Western

capitals. Therefore, Bangladesh appears to have very little to be worried about the fall of the East. As a matter of fact, it can expect to yield the dividends for pro-Western stance in its foreign policy. It may be partially true. But it is also true that following its victory over the East, the West hardly needs the political support of economic liabilities like Bangladesh. Political considerations in Western policy is likely to give way to economic rationalism.

Under these circumstances, availability of Western aid to Bangladesh may reduce. With regard to the impact of reduced aid on developmental process of the country some radical economists are already forecasting that it would not have any effect on the overall well-being of the common people. The main argument behind such an assertion is that the primary beneficiary of foreign aid is a numerically small preveligentsia of the country. Rest of the people remained unaffected by the foreign aided development programmes. They, however, do not take into account the fact that this small segment is the people who control the economy, politics, administration and all other centers of power. In case of reduction in foreign assistance, scramble for scarce domestic resources would increase significantly and the already slow process of trickling down of foreign aid to the grass root level would be thwarted. With regard to the overall performance of the economy, it cannot but have negative consequences as the developmental activities are exclusively dependent on foreign aid. Therefore, Bangladesh has no option but to concentrate its efforts on sustaining the current flow of external aid and if possible, to increase it. Another area of attention could be to reduce the gap between the aid committed and that disbursed.

With regard to Western aid, the foreign policy is faced with another severe challenge namely, ever increasing pressure of the donor countries/agencies on how to run the economy. Such pressures are motivated primarily by two reasons. First consists of

mismanagement of the economy, improper utilization of aid and corrupt practices. In 1990, a combination of all these factors led to the sharp deterioration in the macro-economic situation of the country and it faced tremendous as well as well-publicized pressure on the part of the donor agencies to improve its macro-economic situation. Such problems can be faced only by improving the performance of the economy. Another set of pressures, however, are dictated by the requirements of donor countries who usually act through the donor agencies. These are mostly aimed at opening the market of Bangladesh to foreign products, creating favourable conditions for foreign private investment and so on, as a rule, mostly to the detriment of the local industries. Because of the economic weakness of the country, mainly its absolute dependence on foreign aid for development programmes, such pressures would be persistent. The same reasons would make it extremely difficult for the foreign policy of the country to resist such pressures. Nonetheless, skillful diplomacy may reduce some of the sufferings of the country.

The best way of reducing the consequences of external dependence is the improvement of trade relations, particularly the increase of export. In this regard, foreign policy and external relations as an instrument of trade promotion still remain under-explored. The necessity of pursuing an 'economic diplomacy', as the Japanese call it, is being gradually realized. There have been some talks on the subject as well, but little action followed. The West (including Japan) is the largest market for Bangladesh export, where in 1989, Bangladesh exported goods worth US \$882 million out of its total export of US \$1,305 or in other words more than 65 percent of the total.³⁰ Potentials for increasing export further remain vast. Foreign policy establishment may be of significant use in export promotion in two ways : first, by undertaking measures aimed at promoting export market; second,

30. *World Development Report 1991*, (Tables, 14 and 17), pp. 230 and 236.

by providing the business circles of the country with current information on the market situation in the West.

iii. Asia-Pacific region

The Asia-Pacific region has emerged as one of the most important economic, commercial and geo-strategic centres of the present day world. It is a vast area washed by the waters of two oceans and currently populated by more than half of the mankind. For the convenience of our analysis, we would concentrate our attention, primarily on Japan, China and the Newly Industrialized Countries (NICs) of the Asia-Pacific who are assuming increasing importance in Bangladesh foreign policy, particularly in its external economic relations.

Since the World War II, the Asia-Pacific region has been undergoing a dramatic transformation. The countries of the region witnessed spectacular growth in their economies, technological and scientific development parallel with the deepening of economic cooperation, interdependence and rapid increase in their share of world trade.

In this regard, the meteoric rise of Japan as an economic super power has been one of the most significant developments of post-War period. From the ashes of nuclear catastrophe, it has emerged as the second largest economic power of the world. It has also emerged as the World's largest creditor nation. Along with Japan, the Asia-Pacific NICs, namely, South Korea, Taiwan, Hongkong, Singapore, Indonesia, Malaysia and Thailand have achieved great success in economic and industrial development. All these developments have transformed the region as one of the most important focus of attention in the present day world. In the broader perspective, the balance of global politico-strategic and economic importance is increasingly being shifted from the Atlantic Ocean to the Pacific setting the stage for the "Age of the Pacific".

Such developments of global significance in its neighbourhood cannot but have profound implications for Bangladesh. The challenge facing the country today is how to derive benefit from the dynamic economic growth and progressive socio-political developments in the Asia-Pacific region?

For Bangladesh, Japan is of paramount interest. It has already turned into the largest aid donor and a leading economic partner of the country. A host of reasons would suggest that there is tremendous scope for further development of Bangladesh-Japan relations. In a highly interdependent world, Japan also needs cooperation with its relatively less prosperous and backward neighbours. Technologically highly developed but resource-starved Japan needs its neighbours as source of raw material and market for its industrial goods. Very recently, Japan is also suffering from the lack of manpower, particularly the unskilled one. In the face of growing protectionism in Europe and the US, Japan's sustained prosperity is likely to be dependent significantly on a prosperous neighbourhood. It is already displaying a clear interest in the economic well-being of Asian countries and a certain degree of preparedness to invest in this venture. Over the recent years, Japan is displaying a distinct willingness to increase the current level of cooperation with the SAARC countries. There are also indications that Bangladesh has a particular place in Japan's South Asia policy. Tokyo is also timidly embarking upon a more active foreign policy. As indicated somewhere else in the paper, Japanese policy would be determined more by economic rationalism than political considerations. It is necessary to evaluate carefully every step of Japanese foreign policy and its economic diplomacy and act accordingly.

Current realities of regional and international politics would discourage China from playing the role of a counterbalance to India in South Asian politics. In practice, India has already neutralized Chinese support to smaller South Asian countries

vis-a-vis her.³¹ Nonetheless, China remains an important partner of Bangladesh for a number of reasons. It is a major arms supplier to Bangladesh and due to latter's inability to pay for Western arms it is likely to remain the same for some times to come. China is as well an important donor country. The amount China offers to Bangladesh may be small, but it does not impinge on economic sovereignty of the country. Being concerned with the ongoing process of the restoration of capitalism in the Soviet Union, China would like to strengthen its relations with the Third World countries for mutual benefit. Bangladesh will have to maintain and strengthen further its mutually beneficial relations with China without being unduly concerned with the development of Sino-Indian relations.

It is being increasingly realized that Bangladesh needs economic cooperation with the Asia-Pacific NICs, particularly the ASEAN countries, with a view to stimulating its nation-building process. There was also a lot of talks on the subject among different circles of the society. Some efforts were as well initiated with a view to expanding Bangladesh's cooperation with the ASEAN countries. Nonetheless, very little has been achieved. The expansion of trade took place at the expense of a huge deficit against Bangladesh. In 1987, Bangladesh exported goods to ASEAN countries worth US \$43.7 million as against its import from these countries worth US \$317.4 million.³² Nothing else could be held as responsible for such a situation as Bangladesh's lack of ability to produce goods that could be attractive in the ASEAN market. Lack of measures directed at

31. The issues have been analysed in detail in A. K. M. Abdus Sabur, "Sino-Soviet Rapprochement : Implications for South Asia", in *BISS Journal*, (Vol. 10, No. 3, 1989), pp. 282-85.

32. Iftekharuzzaman, "South Asian Trade Cooperation within SAARC and with ASEAN", *BISS Journal*, (Vol. 10, No. 1, 1989), Tables, 10 and 11, pp. 22-23.

promoting market for Bangladeshi goods and insufficient information on the part of business circles are as well responsible for the situation.

A combination of colonial legacy, economic and technological backwardness, external economic dependence and a perceived sense of intellectual poverty made us traditionally reliant on the West for development models. Recently however, certain obscurantist forces are seeking a reversal of history, a retreat into the past that they have mythified for political purposes. Their aim is the eradication of the present in the hope that the future will more closely resemble the past. Development models, successfully tested in the West, are facing severe problems of adaptation and adjustment to the peculiar conditions of Bangladesh. A retreat into the past—an irrational as well as impossible task—would only make the nation-building process more painful. Current realities of national, regional and international life would suggest Bangladesh to learn more from the nation-building experiences of the Asia-Pacific NICs than from any other region of the world. It would smoothen the quest for finding out a workable development model for the country as well as allow it to impart some of the economic dynamism of these countries to Bangladesh. Most of the Asia-Pacific NICs—North Korea, Taiwan, Hongkong, Indonesia, Malaysia and Thailand—have been as impoverished during the 1950s as Bangladesh was. During the past three decades, they have achieved tremendous success in industry, trade, education and science and turned into envy of other developing countries. Learning from the nation-building experiences of Asia-Pacific NICs and imparting some of their economic dynamism to Bangladesh is a gigantic task that would need concerted efforts on the part of national planners, business circles, foreign policy establishment, and above all, political leadership of the country.

iv. West Asia

West Asia occupies an important place in Bangladesh foreign policy. It is the single-most important area of employment opportunity for the Bangladeshis abroad and the largest source of remittance. It is also an important source of foreign aid to the country. The region remains almost the only source of crude oil and a largely unexplored market for Bangladeshi goods.

Bangladesh foreign policy is faced with two broad groups of issues in its relations with West Asia. First one pertains to its aid and trade relations as well as employment opportunities for the Bangladeshis in the region; and the other pertains to Bangladesh's stand on the issues of significant concern to the regional countries.

As discussed earlier, Bangladesh has suffered severely from the Gulf crisis in the form of the return of a large number of Bangladeshis working in the Gulf, their repatriation costs and sharp reduction in the remittances. The losses, however, were not confined to these areas alone. Trade relations with Iraq remains suspended and those with Kuwait are yet to be restored fully. Both were major importers of Bangladeshi goods.

Despite a rather generous Saudi response to recently suffered devastating storm surge by Bangladesh, the country has enough reasons to be concerned about the prospects for decrease in the aid from West Asian countries. Barring United Arab Emirates, all of the Gulf countries have fallen from the group of high income economies. Official Development Assistance (ODA) offered by the Organization of Arab Petroleum Exporting Countries (OAPEC) after reaching its pick in 1980 has been in sharp decrease. ODA of OAPEC from US \$9,538 million in 1980 reduced to a meager amount of US \$2,307 million in 1988.³³ The trend further continued.

33. *World Development Report 1991*, (Table 19), p. 241.

The Gulf War is likely to decrease further their ability to offer economic assistance. The economy of Kuwait is virtually destroyed. To rebuild itself, Kuwait will have to depend on borrowing from the West and/or spending its past savings. Once one of the richest countries of the world, Saudi Arabia, with its current per capita GNP of US \$ 5,838 stands very close to South Korea.³⁴ Meanwhile, the country will have to face a set of domestic and regional problems as complex as never. Recent generosity shown by Saudi Arabia to Bangladesh has certainly been a reciprocity on the part of the former for latter's stand during the Gulf War. In view of the economic difficulties suffered by the Gulf countries, how long such generosity in terms of economic aid to Bangladesh would be shown by them remains an open question. The country, however, is to make persistent efforts to earn as much economic dividends as possible from its political investment during the Gulf War.

Current state of Bangladesh's relations with the mainstream West Asian countries are highly favourable for increasing the country's export to the region as well as employment opportunities for Bangladeshi workers. Whether the business opportunities would be explored or not would depend largely on the ability of the country's business community. With regard to increasing employment opportunities, along with the private initiatives, the foreign policy establishment needs to invigorate its activities. Employment market in West Asia is increasingly becoming competitive and Bangladesh has already been in certain instances outsmarted by Pakistan and India. Proper coordination of both government and private initiatives is highly essential.

Bangladesh foreign policy will have to deal with two major issues of the region. First one is the Palestinian issue and the Arab-

34. *Asiaweek*, (August, 23, 1991), p. 8.

Israeli conflict and the other is intra-Arab feud the nature of which is both unpredictable and volatile.

With regard to the Arab-Israeli conflict, correlation of forces both in the regional as well as global context is overwhelmingly against those who are struggling for a just and peaceful solution to the conflict. The Western and US commitment to Israel is firm and that has no counterbalance. While there is a deep underlying psychological drive for Arab unity at the grass-root level on anti-Israeli basis, most of the Arab regimes have now a common patron with Israel—the US. After the destruction of Iraq's military might and political moral, no Arab regime or a group of them have either political will or capability to challenge Israel. In the circumstances, there is no reason why Israel should make any compromise on the Palestinian issue. The Palestinian state has never been in the agenda of the West. The East has long abandoned the issue from its agenda. The Arabs have put it not to the back burner, but to the deep freeze. Despite the involvement of lot of emotions with the Palestinian issue, Bangladesh cannot ignore these developments.

Intra-Arab feud, while a permanent phenomenon of regional politics, it is also highly unpredictable, volatile and complex. It is often difficult to find out rational explanation for why and when Arab regimes would come into conflicts. The same implies to the process of escalation and de-escalation of the conflicts and the pattern of shifting alliances in West Asia. Therefore, it would be difficult for Bangladesh to formulate any policy towards the problems. Intra-Arab conflicts will have to be considered case by case while keeping in mind Bangladesh's national interests as of paramount importance.

Following the Islamic Revolution, Iran has been viewed by the West and the conservative Arab regimes as a pariah in international politics. Bangladesh has been rather unduly influenced by it. At least normal or correct relations with Iran could be maintained without risking the country's relations with the West and the GCC countries. Misjudgement on the part of policy makers may be partially responsible for what happened with Bangladesh's policy towards Iran. But, the main reason lies with the fact that a small coterie exerted undue influence on the policy. The most embarrassing manifestation of this policy has been Bangladesh's failure to mourn the death of Khomeini in a befitting manner. It is the time for Bangladesh to correct its stand on Iran.

CONCLUDING REMARKS

As evident from the preceding discussions, challenges faced by Bangladesh in relation to its foreign policy in the 1990s are literally formidable. Options available to the country are as well severely circumscribed. Such a situation renders policy formulation and implementation a highly difficult undertaking. Difficulties also arise due to the fact that foreign policy remains a rather sensitive object of political polemics. Actions and inactions in the sphere of external relations often have been motivated more by narrow regime interests than broad national interests. On the other hand, apparently constructive criticism of foreign policy often turned to be propaganda campaigns aimed at achieving parochial political goals. The country needs a departure from the past. Some of the apparently irreconcilable differences among mainstream political forces on fundamental issues of domestic politics have already been bridged successfully. It is the time to initiate efforts aimed at bridging the differences among the

mainstream political forces on the basic issues of foreign policy and thus, achieving national consensus on the subject. At the implementation level, crucial task is the most optimal use of available resources and opportunities. To this, concerted efforts on the part of policy makers, diplomats, academia and above all, the national leadership have no alternative.