CHAPTER 1

Foreign Policy of Bangladesh: Reflection on Some Crucial Challenges

A. K. M. Abdus Sabur, M. Jashim Uddin and Razia Sultana

1.1 INTRODUCTION

The world is awakened to a series of events and phenomena of far-reaching consequences. While global recession and efforts at overcoming its consequences remain at the centre of contemporary international relations, international community is also preoccupied with a series of other challenges emanating from factors as diverse as intra- and inter-state conflicts, climate change and environmental degradation, trade and investment, terrorism and crime, cross-border migration and a host of others. In the process, international community as well as individual countries like Bangladesh is undergoing radical transformation marked by difficult challenges as well as enormous opportunities. Bangladesh has been undergoing an arduous process of institutionalisation of democracy and economic transformation during the past about two decades albeit with mixed success. With the successful holding of the General Elections of 29 December 2008 and the formation of the government on 6 January 2009 headed by Sheikh Hasina as the Prime Minister, a protracted political crisis found a democratic solution. A new era of fresh prospects and opportunities has ushered in the history of Bangladesh. The country’s march towards democracy and prosperity is, however, certain to be difficult due to the gigantic tasks and severe challenges faced by it in the way of democratic transformation and socio-economic advancement.

In the economic realm, the challenges for Bangladesh have always been formidable. Global recession has further complicated the country’s predicaments. The burgeoning garments and textile industries accounted for about 79 per cent of the country’s export in
The export of manpower reached a stunning figure of 875,055 in 2008 and the remittances received constituted US$8,979 million during the same year. Both the sectors, the two most important pillars of the country’s external economic relations, have been under considerable strain during 2009. The challenges ahead are likely to be no less formidable. While the challenges outlined above are economic in nature, foreign policy of the country and its external relations could as well be of crucial importance in facing these challenges. This dimension of diplomacy, more often regarded as ‘economic diplomacy’, remains a challenging task for the foreign policy of Bangladesh.

Bangladesh shares common maritime boundary with both of its territorially contiguous neighbours, India and Myanmar. Over the last couple of years, maritime disputes figured prominently with both the neighbours. With Myanmar, however, the issue generated bitter and well-publicised confrontation. Failure to resolve the issue through bilateral negotiation, ultimately, led Bangladesh to opt for arbitration under the relevant provisions of the United Nations Convention on the Law of the Sea (UNCLOS). Facing the process of arbitration remains a severe challenge before Bangladesh diplomacy.

Bangladesh remains one of the most disaster-prone countries of the world as it has been from time immemorial, owing to its geographical location, land characteristics, multiplicity of rivers, the monsoon climate and coastal morphology. It has been exposed to a wide variety of natural disasters, such as, tropical cyclones and storm surges, floods, tornadoes, river/coastal erosions, droughts, torrential rains, earthquakes, epidemics and arsenic contamination. Ongoing process of climate change, accompanying environmental degradation in particular, has further worsened the country’s ordeal. By now, Bangladesh is characterised as one of the most environmentally vulnerable countries in the world. While environmental threats to the security of Bangladesh as depicted above emanate from a host of domestic, regional and international sources, these could only be faced by galvanising international support through diplomatic efforts.

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 materialising the socio-economic and political objectives of the country. Thus, any study on the foreign policy of Bangladesh would include an exploration of the major
challenges and tasks facing the nation as well as the ways and means to meet the challenges and fulfil the tasks. 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. While the ongoing Introduction is Section 1.1 of the paper, Section 1.2 is designed to explore some of the crucial challenges facing Bangladesh foreign policy and diplomacy. Section 1.3 would evaluate the pursuit of Bangladesh diplomacy in the regional context. Section 1.4 would deal with the same at the global context. Finally, Section 1.5 would shed some light on the outlook for the future. 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 and diplomacy.

1.2 BANGLADESH FOREIGN POLICY: REFLECTION ON SOME CRUCIAL CHALLENGES

Foreign policy of Bangladesh, like that of any country, is basically an instrument for mobilising material and political support in the international arena with a view to achieving the socio-economic and politico-cultural objectives of the country and facing the challenges that stand in the way of achieving these objectives. In studying foreign policy of any country, the ongoing process of socio-economic and politico-cultural development of the country and concomitant challenges that ultimately determine the tasks of foreign policy are of crucial importance. Hence, the understanding of the process of development in a given country is a sine-qua-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 objectives of foreign policy and explore the available options to meet these objectives, we would, therefore, concentrate our attention on analysing the domestic context of foreign policy and concomitant challenges.

Viewing in this light, an attempt would be made below to evaluate the pursuit of the foreign policy of Bangladesh and its diplomacy with a focus on a number of geographical regions of crucial importance to the country. While it is certainly a useful method of evaluating the performance of the country's diplomacy,
this method does not leave enough room for grappling squarely with some of the issues that pertain to a specific time or a specific region or regions. No less important, some of such issues, at a specific point of time, may appear to be more crucial overshadowing others, more traditional ones. In the context of Bangladesh, the list of such issues would be rather long. We, however, would concentrate our attention on three such issues for exploration, which in the current context of Bangladesh diplomacy appear to be more pressing. These are:

i) Economic Diplomacy;

ii) Maritime Boundary; and

iii) Environmental Security

The discussion on the three crucial issues that would follow is designed to explore the predicaments of the country in this regard. In the process, challenges faced by Bangladesh and the options available to meet these challenges would be explored in a rather general framework. The outcome of such discussion would be reflected on the evaluation of the pursuit of Bangladesh diplomacy in relation to specific geographical regions of crucial importance to the country.

1.2.1 Developmental Challenges and Economic Diplomacy: An Overview

The Developmental Challenges

The political processes in Bangladesh have always been a volatile one marked by recurrent crises and occasional setbacks. Meanwhile, the end of 2008 also witnessed a turning point in the history of Bangladesh. The long drawn political turmoil has ended with the successful holding of the General Elections of 29 December 2008, wherein Bangladesh Awami League achieved a stunning victory with a three-fourth majority in the Parliament. In conformity with the verdict of the people, the victorious party—Bangladesh Awami League—formed the new government, on 6 January 2009, with its Chief Sheikh Hasina as the Prime Minister. As a protracted political crisis found a democratic solution, a sense of security and stability has come to prevail in the country. The country’s march towards democracy and prosperity is, however, almost certain to be highly difficult.
An array of reasons could be cited in favour of such a prognosis. Economic and political institutions of the society are still underdeveloped. About half of the population remains illiterate and the level of their political consciousness and participation remains low. Notwithstanding the remarkable progress achieved in poverty alleviation, the incidence of poverty remains quite high. Incidence of poverty by headcount ratio, on the basis of Cost of Basic Needs (CBN), reduced from 48.9 per cent in 2000 to 40.0 per cent in 2005. Even poverty headcount ratio at national poverty line that remains 32.6 per cent of the population in 2004 constitutes a high rate of poverty.

Meanwhile, the global recession already had a negative impact on the poverty situation. The impact of the crisis on poverty is likely to be more significant in 2010 than in 2009. In 2009, the country’s poverty rate (share of population below the upper poverty line) and extreme poverty rate (share below the lower poverty line) are estimated to be 0.5 and 0.4 percentage points higher, respectively, as a result of the crisis. In 2010, poverty and extreme poverty rates are projected to be 1.6 and 1.1 percentage point higher respectively as a result of the crisis. Prior to the crisis, Bangladesh was on target to cut poverty by nearly 11 percentage points between 2005 and 2010. With the impact of the crisis, the poverty rate is now projected to fall by about 9 percentage points. This translates to around 2.4 million additional poor people in 2010 due to the crisis. A significant point, most of the poor people are yet to be drawn to the modern economic activities.

On the other hand, economy, society and the polity are undergoing radical transformation. In this regard, one of the significant phenomena is the revolution in rising expectations. Over the years, exposure to modernisation coupled with the revolution in communication generated great expectations among mass population with regard to prosperity, freedom and good governance which the leadership could hardly fulfil. The country is, thus, posed with the formidable challenge of telescoping the socio-economic progress achieved in the relatively advanced countries over centuries within decades. 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 in
managing the economic challenges. Our attempts, therefore, would be made below to identify the economic tasks facing the country.

Bangladesh is rather a small country with 147,570 square kilometres of territory\(^8\) and a huge population of 160 million.\(^9\) With over 1,084 people per square kilometre, it is the most densely populated country in the world barring a few city states. Projected average annual growth of population for the period 2005-2015 is 1.6 per cent.\(^1\) Despite some improvements, with a Gross National Income (GNI) per capita of only US$520 in the 2008,\(^11\) Bangladesh remains one of the poorest countries of the world. During the last five years, however, Bangladesh’s GDP growth rate hovered around 6 per cent. According to the Poverty Reduction Strategy Paper’s (PRSP) projection, Bangladesh will be able to achieve the Millennium Development Goals (MDGs) if it achieves a GDP growth rate of 7 per cent or more. In the fiscal year 2006, real GDP growth rate was 6.6 per cent, the same in the fiscal year 2007, stood at 6.5 per cent,\(^12\) despite the tropical cyclone *Sidr* that left 3,406 people dead, 12,979 people injured and caused material damage worth US$2.188 billion.\(^13\) Bangladesh has weathered the negative effects of the global economic crisis so far, according to the World Bank’s latest Bangladesh Economic Update. The country’s annual GDP growth rate was 5.9 per cent in Fiscal Year 2009 (FY09), a slight drop from 6.2 per cent growth rate achieved in FY08. As on October 22, 2009, the country’s GDP per capita was US$621.\(^14\)

Notwithstanding some impacts of global recession, thanks to strong remittance inflows and declining import bill, the country’s foreign exchange reserves surged to a record high of nearly US$7.5 billion at the end-June 2009, and reached US$9.4 billion by mid-October. While total year-on-year exports grew by an average of 20 per cent in the first half of FY09, their growth fell to only 2.6 per cent in the second half. In fact, the fiscal year ended with a year-on-year decline of total exports of 3.2 per cent for the month of June 2009. Slower growth in exports and remittances in the second half of FY09 and a mixed private investment outlook are indicative of the fact that growth may slow further in FY10. While the World Bank study predicts GDP growth of 5.5 per cent, it could be as high as 6 per cent if a sustained global recovery leads to strong export performance and if the performance of the energy sector improves.\(^15\) Thus, the element of uncertainties with regard to the economy looms large.
Amidst all these, Bangladesh economy remains at a take-off position. Bangladesh is one of the “Next 11” countries identified by Goldman Sachs, which are to make great economic progress comparable to BRICs—Brazil, Russia, India and China. A more important point, according to the World Bank, Bangladesh could join the list of middle income countries by 2016 “if it raises per-capita growth to 6 per cent, implying GDP growth at a challenging but not impossible 7.5 per cent.” The same prediction has been upheld by the Forbes Magazine.

In the circumstances, from developmental point of view, Bangladesh is faced with both, difficult challenges as well as enormous opportunities. In this regard, achieving a higher growth is an imperative for the economy to build the capacity to effectively tackle Bangladesh's poverty problem. Increase in the overall growth of the economy would influence not only poverty alleviation and employment creation but it would also help bridge the gap between export and import, increase gross domestic savings and investment and, thus, reduce external dependency. Most of this increase needs to come from the private sector, domestic as well as foreign. It is also important that investment takes place in activities with the greatest potential for creating a dynamic and efficient economy in line with the country's comparative advantage and poverty alleviation needs. In this respect, export-based and labour-intensive growth is crucial to achieve sustained increase in growth and employment opportunities. This remains, perhaps, the most challenging task before the nation.

Foreign Policy and Economic Diplomacy: The Tasks Ahead

While the challenges outlined above are national in nature and should be faced primarily through domestic efforts, foreign policy of the country and its external relations could as well be of crucial importance. The world is becoming increasingly interdependent. No country, no economy—small or big—can survive in isolation in the face of the ever escalating process of globalisation. More important, external economic relations—foreign trade, investment, scientific and technological cooperation etc.—are increasingly becoming more and more powerful instruments of socio-economic advancement. For countries like Bangladesh, export of manpower is a crucial factor
contributing to the developmental process. The role of foreign policy in achieving socio-economic goals of the country, therefore, could hardly be overstated.

Thus, foreign policy is being increasingly used worldwide as a device of moulding and influencing the policies of other states with a view to maximising economic benefits. This dimension of diplomacy, more often regarded as 'economic diplomacy', is gaining more and more importance in attaining the broader economic goals of states at the global level. As it is evident from the policy statements of successive governments in Bangladesh, the potential role of diplomacy in the fulfilment of the country's socio-economic tasks is being increasingly realised. A host of domestic predicaments and constraints faced by the country set its agenda for economic diplomacy. These are: the inadequate domestic resources for economic development; scarcity of capital in international market; the need to diversify trade relations; to strengthen the position in the existing markets and to explore new markets for export; the necessity of exporting manpower; the need for appropriate technology to boost her industrialisation and modernisation efforts; and the need to make the developmental process environmentally safe. In more concrete terms, Bangladesh's economic diplomacy may concentrate its efforts on the following areas:

i) trade promotion, with particular emphasis on the promotion of export, and the diversification of trade relations;

ii) foreign investment and joint ventures;

iii) export of manpower;

iv) cooperation in the field of energy;

v) sustenance of the current flow of foreign aid, with particular emphasis on the diversification of the sources of aid and the removal of adverse conditionalities;

vi) enhanced scientific and technical cooperation;

vii) collaborative research in relevant fields;

viii) ensuring access to appropriate advanced technology, including training and technical know-how;

ix) protection of environment and managing the adverse impacts of climate change through cooperation at the regional and international levels; and finally;
x. maximising the benefits of globalisation while ameliorating its adverse impacts on Bangladesh.¹⁹

For Bangladesh, thus, it is an imperative to assign its diplomacy the task of promoting multifarious economic cooperation with individual countries, regional groupings as well as international organisations, with a view to taking the maximum advantage of the contemporary international division of labour.

1.2.2 Demarcation of Maritime Boundary: Maritime Diplomacy in Perspective

From the geographical and economic points of view, Bangladesh is an important maritime country. The demarcation of maritime boundary represents a major and multi-dimensional challenge for the country. This includes not only traditional maritime security, territorial disputes at the sea, maritime safety and freedom of navigation but also the protection and the harnessing of maritime resources. In this regard, ensuring maritime security is crucial for promoting the broader developmental purposes, particularly stimulating economic growth and foreign trade, harnessing energy, mineral and other marine resources, protecting the coastal ecosystem and environment to name a few. Thus, a comprehensive maritime security includes a host of tasks pertaining to both traditional as well as non-traditional security. In the circumstances, the main foreign policy concern regarding the demarcation of maritime boundary is how to address the issue keeping in mind the whole gamut of traditional as well as non-traditional security challenges.

The issue of maritime boundary between Bangladesh and its two neighbours, Myanmar and India, over time, has been a very complicated one. In this respect, Bangladesh has been facing the problem of 'starting point' on how to determine the frontier of Exclusive Economic Zone (EEZ) due to the funnel-type shape of the Bay of Bengal. In view of Bangladesh, it contains several exclusive features in the coastal areas that rationalise the argument for a depth method baseline including the justification of 1974 baseline.²⁰

On the other side, India has a counterclaim on a significant part of the sea blocks of Bangladesh. Put precisely, India is basing its claim considering the Swatch of No Ground as the natural dividing line.²¹ To substantiate its claim, the country is also drawing an imaginary line up to 650 km long from east to west. From its last
point, the country is drawing another imaginary angular straight line and sketching both the lines with the connecting line. Similar to India, Myanmar has claimed on offshore blocks and the west region of the Bay of Bengal drawing an artificial line overlapping the imaginary line of India. It is crucial to contemplate that the 28 sea blocks of Bangladesh, however, are endowed with huge mineral resources like natural gas and petroleum. The phenomenon of ‘overlapping claim’ has strained Bangladesh’s relations with its neighbouring countries. There have also been instances of confrontation. In this regard, one of the worst examples remains the intrusion of Myanmar vessels in November and December 2008 with a view to drilling oil and gas in Bangladesh’s territorial water.
It has already been mentioned that the positions of three parties with regard to possible solution of the dispute are diverse or rather, contradictory. To solve this long standing problem, Bangladesh has taken a host of initiatives. As envisaged by the Territorial Waters and Maritime Zones Act, 1974 (Act No. XXVI of 1974) and the Proclamation No. LT-I/3/74 of the Government of Bangladesh of 13 April 1974, Bangladesh has 12 nautical miles of maritime boundary (territorial sea), 18 nautical miles of Maritime claims (Contiguous Zone) and 200 nautical miles of Exclusive Economic Zone (EEZ). The Proclamation No. LT-I/3/74 as mentioned above also set the baselines from which territorial waters shall be measured seaward. These are eight straight lines linking successively the baseline points.\textsuperscript{24} Thus, Bangladesh articulated its maritime claim before signing the UNCLOS on 10 December 1982, along with the other 119 countries.

Bangladesh has been employing persistent efforts aimed at resolving the issue within the framework of UNCLOS as well as through negotiation with India and Myanmar bilaterally. In the whole process, Bangladesh's main objective is to reach a win-win solution based on equity considering the geographical peculiarities of its coast line. But, both India and Myanmar prefer equidistance method of delimitation which would put Bangladesh at a remarkably disadvantageous position. Due to this disagreement, bilateral negotiation with India and Myanmar virtually stagnated.

It is worth mentioning that since the negotiation between Bangladesh and Myanmar in 1986, no formal discussions took place for over two decades. The formal talks restarted in November 2008, wherein Myanmar continued to emphasise on equidistance. Only progress was the fact that it expressed its willingness to give a corridor to Bangladesh towards its EEZ. In January 2010, official talks were held in Chittagong between the two countries wherein Myanmar agreed to follow and balance both the principles of equidistance and equity methods.\textsuperscript{25} This agreement indeed, a very good start from Myanmar side as the country expressed its positive willingness moving away from its rigid mindset to solve the crisis. In case of India, Bangladesh had a technical level talk in 2008. During this time, it was agreed that UNCLOS would be followed and delimitation of 12 nm might be accepted based on equidistance method. Principally, India favoured the equidistance method
considering the low-tide elevations but Bangladesh preferred the equitable principle based on Articles 74 and 83 of UNCLOS taking into account all the relevant issues. With a view to materialising this, Bangladesh government went to the UN in 2009 and was hopeful to get a successful outcome within four or five years.26 During the visit of Prime Minister Sheikh Hasina in India in January 2010, both the Prime Ministers of the two countries agreed in the joint communiqué for an 'amicable demarcation of the maritime boundary'.27 Besides, both the countries appointed legal consultants/judges from each side for formal arbitration of maritime issues. Bangladesh government already started consulting with the experts for the preparation of 'memorial' for International Tribunal for the Law of the Sea (ITLOS), an autonomous judicial body in Germany, to delimit the maritime boundary.

It is crucial to mention that Jose Luis Jesus, President of ITLOS, fixed the particular time frame for Bangladesh to fill up the 'memorial' urging its claims by 1 June 2010. On the other side, Myanmar was requested for 'counter memorial' by December 2010.28 From Bangladesh Ministry of Foreign Affairs, it was expressed that the government wanted to solve the dispute within the particular time frame following the provision of ITLOS. Besides, as per the guidelines of UNCLOS, Bangladesh has to demarcate the boundary by 27 July 2011 to legalise its claim of territorial waters, EEZ up to 200 nm and Continental Shelf up to 350 nm from the base line. On the contrary, India and Myanmar were supposed to submit their claims formally by 29 June 2009 and 21 May 2009 respectively.

Despite these relevant progresses, one of the major concerns is Articles 74 and 83 of UNCLOS that are converse to the claims of Bangladesh and Myanmar. According to the agreements, the boundaries of EEZ as well as Continental Shelf have to be enclosed by an agreement to ensure equal distribution between the two countries. But, if the principle of equidistance method is applied, Bangladesh might lose around 48,025 sq km of maritime areas of the total 207,000 sq km claimed.29 Besides, there remain disengagements on policy frames, regulations and enforcement initiatives about maritime issues. There are other arrays of problems like lack of agreed boundaries and unresolved boundary issues that lead to mistrust as well as misunderstanding among the countries to make an effective regional cooperation in this regard.
Notwithstanding these setbacks, several initiatives might be taken into consideration to deal with this situation. Initially, an official device is required to cooperate among different users of the sea. In addition, different maritime related ministries and departments of the government could coordinate with a view to taking effective and time bounded initiatives in this regard. Also, Bangladesh needs to prepare itself to claim Continental Shelf before the deadline concludes in 2011. Apart from the above, some concrete measures should be taken about developing the legal and technical expertise, reforming the domestic laws and improving the capabilities of Bangladesh Navy. In addition to the UN assistance, diplomatic initiatives could be strengthened further within and beyond the region through international organisations such as the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) and Indian Ocean Marine Affairs Cooperation (IOMAC). Finally, a long term strategy is required to solve the 35 years old maritime disputes.

1.2.3 Environmental Threats to Security: The Role of Diplomacy

*Environmental Threats to Security: The Bangladesh Context*

Human being since its emergence on the planet had to learn to adapt itself to the prevailing environment of the globe. In the process of such adaptation, it began to gain knowledge about the nature and develop appropriate skills and instruments of influencing and controlling the nature. Thus, over long historical periods, the advances of science and technology endowed the mankind with overwhelming power over nature. This is to the extent that man sets the goal of conquering the nature. In the twentieth century, man pursued the goal with utmost aggressiveness and grandiose successes.

But the jubilation of conquering the nature is appearing to be somehow ephemeral. The delicate balance between man and environment maintained through millennia is being distorted rapidly and severely because of unrestrained and unplanned exploitation of the nature by man. In this regard, the main responsibility lies with the developed countries, while the developing nations also in their quest for telescoping the socio-economic progress made in the West over centuries within decades have
adopted the Western model of economic development that has essentially been unfriendly to the environment. While the potential devastating impacts of the development strategy have been highlighted by the academia and professionals systematically, it continued unabated.\textsuperscript{30} As a consequence, mankind is faced with a process of disastrous environmental degradation. It is resulting into the rise of mean temperature of the world, changed weather patterns, melting of polar ice cap, rise in the sea level, depletion of ozone layer, water and air pollution, desertification and soil erosion to name a few.

As a consequence, natural calamities became more frequent and more devastating. Potential disasters are of frightening magnitude. Such a state of affairs posed a severe threat to human being in its individual, social and corporate existence. The magnitude of the environmental threat is of national, regional as well as global proportion. Therefore, it often generates conflicts at the national as well as international levels on the one hand, and dictates the necessity of co-operation at all these levels, on the other.

In the circumstances, the whole notion of security as traditionally understood in terms of economic, political and military threats to national sovereignty as posed by other states is rapidly changing. In the changed context, while the state-centric security concerns did not disappear, the new security agenda came to include issues as diverse as intra-state conflict, ethno-religious violence, landmine, terrorism, democracy, human rights, gender, crime, consequences of under-development, poverty, hunger, deprivation, inequality, diseases and health hazards, human development, economic security, market, water, energy, emigration, environmental degradation and so on.\textsuperscript{31}

One of the most significant aspects of this change is the expansion of the scope of security studies to include the growing impacts of the degradation of environment—nationally, regionally as well as globally. Thus, in the late twentieth, and particularly in the twenty-first century, a wholly new dimension of security has emerged. Along with its traditional aspects—economic, social, political and military—now international security invariably encompasses environmental issues.

A number of countries, particularly in the Third World, along with the conventional tasks of attaining security through strengthening defence capability, political stability and socio-economic
development, are also facing the challenges of ensuring mere physical survival vis-à-vis natural calamities. Bangladesh is certainly one of those countries. Only a very few states are faced with security threats emanating from environmental degradation that could be compared with the ones faced by Bangladesh. The annually recurring devastating floods followed by severe droughts have already put the very survival of the nation at stake. Bangladesh is also one of the few countries which will be among the first victims of sea level rise. What follows is an attempt to explore the major environmental disasters that periodically strike Bangladesh.

**Major Types of Environmental Disasters in Bangladesh: An Overview**

As already mentioned, Bangladesh remains the most densely populated country in the world, barring a few city states. It is bounded between 20°34' to 26°38' N latitude and 88°01' to 92° 41' E longitude. With the Bay of Bengal to the south and the Himalayas to the north, Bangladesh is situated in between two contrasting environments. It is divided into three zones, namely hills, terraces and flood plain based on geomorphology and physiography. However, most of Bangladesh is flood plain. It is a lower riparian country of the three of the greatest rivers of the world—the Ganges, the Brahmaputra and the Meghna. The total catchments area of the Ganges-Brahmaputra-Meghna (commonly known as GBM) river system stands at 1.74 million km$^2$ covering areas of China, India, Nepal, Bhutan and Bangladesh of which only 8 per cent lies within Bangladesh.

The floodplain of the GBM river system covers about four-fifths of Bangladesh. The major part of Bangladesh is alluvial deltaic plain formed by more than 230 rivers, and their numerous tributaries and distributaries. These rivers carry an enormous discharge of water from the Himalayas heavily laden with sediments. The combined flows of these rivers discharges under the name of Meghna into the north-eastern corner of the Bay of Bengal. Being in the combined catchment area of the GBM river basin, it drains 92 per cent of the flow out into the Bay of Bengal, which is the major cause of flooding.$^{32}$ As a result of flat topography of the floodplain, between 30-70 per cent of the country is normally flooded each year$^{33}$ by overflowing rivers during monsoon when the rainfall within the
country is also very high. This annual phenomenon of river flooding plays a vital role in the floodplain eco-system. North-eastern corner of the Bay of Bengal is quite shallow and periodically witnesses strong tidal and wind action. Due to the funnel-shaped coast, Bangladesh often becomes the landing ground and breeding place of catastrophic cyclones formed in the Bay of Bengal.\textsuperscript{34} Thus, in addition to flood, Bangladesh remains constantly vulnerable to cyclones, tidal bores, storm surges and the likes, originated in the Bay of Bengal.\textsuperscript{35}

Thus, historically, Bangladesh remains a disaster-prone country. It is exposed to a wide variety of natural disasters, such as, tropical cyclones and storm surges, floods, tornadoes, river/coastal erosions, earthquakes, droughts, torrential rains, epidemics, arsenic contamination, salinity intrusion and various forms of natural and human induced hazards, from time to time, causing large-scale loss of lives and properties, and jeopardising the developmental activities and livelihood of a large number of people. In a country like Bangladesh, virtually no natural hazard goes without adversely affecting a large number of people. However, not all the natural disasters affect people’s life, their economic wellbeing and livelihood, environment and so on with equal ferocity.\textsuperscript{36} Hence, some of the natural calamities could be singled out as being the major types of disasters. The list of major types of disasters that strike Bangladesh periodically causing colossal loss of lives and/or properties would be long enough and would include: Tropical Cyclones and Storm Surges, Floods, Arsenic Contamination, Riverbank Erosion, Tornados and Earthquake.

Besides, Bangladesh remains vulnerable to a wide variety of hazards. These include drought, salinity intrusion, tsunami, fire, infrastructure collapse, landslide and others. Like flood, drought has been a part of life in Bangladesh from time immemorial. Arsenic contamination is a relatively new phenomenon and it is taking an ever deteriorating turn. While the Asian tsunami has spared Bangladesh, it also generated significant concern in the country. With rapid pace of industrialisation and urbanisation, hazards like fire and infrastructure collapse are increasing in terms of both number and ferocity. Thus, Bangladesh is faced with a wide variety of potential disasters.
There is a consensus within the scientific community that global warming is unequivocally the result of human activities and a stable situation is not likely to be achieved soon. This adds a new dimension to the country's risks and vulnerabilities to disasters. In the foreseeable future, Bangladesh is likely to be one of the most vulnerable countries of the world in the face of climate change. In more concrete terms, climate change could substantially increase the frequency and intensity of natural disasters mentioned above. Current indications are that floods, cyclones, storm surges and a host of other natural disasters are likely to become more severe, more frequent and affect more areas and people in Bangladesh. More ominous, they will also start to occur outside of their established seasons. In the World Disasters Report 2003 published by the International Federation of Red Cross and Red Crescent Societies, Bangladesh was identified as one of the top three most disaster-prone countries in the world. It has suffered 170 large scale disasters between 1970 and 1998. Based on the past experiences and future projections, in 2005, a World Bank study has ranked Bangladesh as the most climate-vulnerable country in the world.

**Mitigating Environmental Threats to Security: The Role of Diplomacy**

As evident from the foregoing discussions, Bangladesh has emerged as one of the most disaster-prone countries. By all indications, the situation is likely to be a long-standing phenomenon. In the circumstances, facing the environmental threats to its security, particularly recurrent natural disasters, would simply be impossible for Bangladesh without mobilising international assistance for the purpose. It is in this backdrop that cultivation of international support in facing the environmental threats to its security has emerged as one of the most significant tasks of the country's diplomacy. Over the years since the independence of Bangladesh, efforts at facing natural disasters of high magnitude have undergone a transformation wherein state emerged as the central figure, while Bangladesh's development partners came to play a significant role.

Bangladesh's development partners provide crucial assistance to the disaster management efforts of the country. During the emergency period, they provide bulk of the resources for relief and rehabilitation. The same implies to the long-term recovery phase.
Institutions that Bangladesh’s development partners channel their disaster management assistance through vary. First of all, most of the developed countries have their own agencies for development cooperation. These include, Australian Agency for International Development (AusAID), Canadian International Development Agency (CIDA), Danish International Development Agency (DANIDA), Japan International Cooperation Agency (JICA), Swedish International Development Cooperation Agency (SIDA), Department for International Development (DFID), UK, United States Agency for International Development (USAID) and others. Besides the developed countries of the Organisation for Economic Cooperation and Development (OECD), oil-rich countries of the Gulf Cooperation Council (GCC) are also a significant source of assistance for disaster management in Bangladesh. For instance, Saudi Arabia, a GCC country, made the highest donation of US$100 million for the victims of super cyclone Sidr.\textsuperscript{43} International and multilateral organisations like, United Nations Development Program (UNDP), Food and Agricultural Organisation (FAO), World Health Organisation (WHO), Asian Development Bank (ADB), World Bank, Islamic Development Bank (IDB) and others also play a vital role in the disaster management efforts of Bangladesh. These institutions provide crucial financial assistance for disaster management.

These countries and international/multilateral organisations have long-standing involvement in the process of development in Bangladesh including the mitigation of environmental threats to security. Therefore, the need for cultivating their assistance could hardly be overstated. However, the newer challenges to environmental security emanating from the fast-deteriorating process of climate change dictate us to devise new vistas of cooperation and new partners for cooperation. The same also dictate the country to reprioritise numerous agendas of cooperation with even old partners. In this regard, Bangladesh’s partners in the SAARC come to the forefront. As evidences suggest, other South Asian countries are also highly vulnerable to the ongoing process of climate change. According to the World Bank, three unique and crucial factors that make South Asia vulnerable to the impacts of climate change are:

i) Poverty and population increase;

ii) Threats to water supply and agriculture; and

iii) Vulnerability to natural disasters.\textsuperscript{44}
First, South Asia has the highest density of poverty in the world. With an estimated 600 million South Asians subsisting on less than US$1.25 a day, even small climate shocks can cause irreversible losses and tip a large number of people into destitution. Second, South Asia is endowed with great rivers, which are the lifelines of the regional economy. The ice mass covering the Himalayan-Hindu Kush mountain range is the source of the nine largest rivers of Asia, including the Ganges, the Brahmaputra, and the Indus. Glacial melt coupled with more variable precipitation could severely compromise livelihoods and the future prospects of agriculture. Third, South Asia is the victim of an exceptionally high number of natural disasters. Between 1990 and 2008, more than 750 million people—50 per cent of the region's population—were affected by a natural disaster, resulting in about US$45 billion in damages.\(^4\) As climate-related risks intensify, there will be a need to respond proactively to build resilience through prevention and preparedness rather than through relief and response.

Many of the most severe impacts of climate change are likely to be regional and will call for coordinated regional responses. The most important for Bangladesh, in this regard, remains the sharing of the waters of common rivers which constitute life arteries of the country. Bangladesh is the lower riparian of the common rivers shared by the Himalayan states viz., Bhutan, India and Nepal. The country is a flat alluvial plain with an average elevation above sea-level of only 10 meters into which flow no less than 57 cross-border rivers and of which 54 flow into the country through 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. Various development activities in the upper riparian states like, flood control and irrigation projects particularly, dams and barrages on the common rivers as well as a growing process of deforestation precipitated by the pressure of ever increasing population, poverty and energy deficiency are disrupting the natural equilibrium of regional environment rapidly and severely.

Such a process also generated a number of inter-state disputes. Specific mention may be made of Bangladesh-India dispute over the Farakka Barrage, which in course of time, turned to be the most stumbling block in the way of cooperation between the two
countries. The dispute persisted for about more than a quarter of a century and thwarted all efforts at cooperation between the two countries in managing and developing the common water resources of the Ganges and other fifty three rivers that flow from India through Bangladesh and empty into the Bay of Bengal. The dispute, by implications also hindered co-operation between the two countries in other areas as well.

However, the dispute was resolved in the environment of relative improvement of bilateral relations that followed in the wake of the change of governments in both the countries in 1996. The diplomatic initiative under taken by the new governments in two countries culminated in a Summit Meeting between the Prime Minister of Bangladesh, Sheikh Hasina, and her Indian counterpart Deve Gowda. During the Summit Meeting, the two leaders signed a Treaty on 12 December 1996 that envisages the sharing of Ganges water between the two countries for the next 30 years. Under the new agreement, Bangladesh will receive a 50 per cent share of the Ganges water when the water flow at Farakka is less than 70,000 cusecs. If the flow rises beyond that level, Bangladesh is guaranteed 35,000 cusecs; if it passes the 75,000-cusec mark, India is guaranteed 40,000 cusecs. The treaty marked an end to the oldest and, by far, the thorniest dispute between the two countries.

The Treaty generated hopes that the rest of the disputes between Bangladesh and India, including some over the distribution of the water of other rivers could also be settled amicably. Unfortunately, however, no progress was made since then. Bangladesh-India relations stagnated for a quite long period until the formation of government again by the Bangladesh Awami League in January 2009. In this regard, Prime Minister Sheikh Hasina’s state visit to India from 10-13 January 2010 at the invitation of Dr. Manmohan Singh, Prime Minister of India, constitutes a significant milestone. The Joint Communique issued at the end of the visit emphasised that the two Prime Ministers agreed to put in place a comprehensive framework of cooperation for development between the two countries, which would include cooperation in water resources. In practice, the Communique dealt with immediate issues like the lean season flows of the Teesta River as well as the long-standing issues like the management of common water resources, taking into account the totality of Bangladesh-India common rivers. Thus, the
two Prime Ministers expressed that the discussions on the sharing of the Teesta waters between India and Bangladesh should be concluded expeditiously. Furthermore, The Joint Rivers Commission will discuss issues relating to Feni, Manu, Muhuri, Khowai, Gumti, Dharla and Dudhkumar rivers. The Communique also envisaged following actions:

a) Dredging of Ichhamati; and  
b) River protection at Mahananda, Karatoa, Nagar, Kulik, Atrai, Dharla, and Feni.

The Prime Minister of India reiterated the assurance that India would not take steps on the Tipaimukh project that would adversely impact Bangladesh.

Thus, a process of conflict management and cooperation or rather a process of transforming the issues of conflict between Bangladesh and India into those of cooperation between the two countries is initiated. It has generated considerable hope that through substantive progress achieved in relation to the cooperative management of the waters of common rivers, Bangladesh-India relations would make a departure from conflict to a course of meaningful cooperation.

1.3 PURSUING DIPLOMACY: THE REGIONAL CONTEXT

One of the crucial foreign policy objectives of Bangladesh remains the development of cooperation at the regional level. Since its independence, Bangladesh has been active in maintaining diplomatic ties with different countries especially with the countries of South Asia and South East Asia. Also, the country has given much attention to its neighbouring countries namely Myanmar and India. As pursuing economic diplomacy is one of the foreign policy agendas of Bangladesh, the country has been relentlessly trying to solve the contentious issues with its neighbouring countries to boost bilateral trade. Besides, with a view to strengthening regional integration with the countries of those regions, Bangladesh has been keenly involved in different regional blocks such as South Asian Association for Regional Cooperation (SAARC) and Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC). The country is, however, lagging behind in terms of achieving its full potential from these regional blocks due to a number of critical factors, such as, lack of export diversification, power shortage,
regional mistrust, protected tariff regime, the surge of informal trade and so on. To uphold these, Bangladesh’s relations with the neighbouring countries and its position and achievements in different regional blocks have been discussed in this section.

1.3.1 Bangladesh-India Relations

In the foreign policy of Bangladesh, India occupies an important place as these two neighbouring countries share common values, history, culture and aspirations. Also, both nations share a common border of around 4,095 kms. However, the relations between the two countries have often suffered from occasional setbacks, thereby making the bilateral ties rather lukewarm and imbalanced. Various sticky issues in security, politics and economy marked the Bangladesh-India relations ever since the independence of the former. Recently, there has been a tectonic shift in bilateral relations between the two countries following a series of visits at high level. These exchanges of visits, in particular, produced some significant outcomes for Bangladesh in economic as well as in security arena.

Importantly, on 9 January 2009, the visit of Indian External Affairs Minister Pranab Mukherjee to Dhaka has been considered as a significant leap forward for improving the entire gamut of Bangladesh-India relations. The visit, nevertheless, has helped to reshape political, economic and security issues between the two countries. Principally, the tangible successes of the visit were signing of two agreements regarding trade and investment and discussions on various issues to enhance mutual cooperation. Of the two significant agreements, one was renewal of Bangladesh-India Trade Agreement and another one was related to Bilateral Investment Promotion and Protection Agreement (BIPA). The deals would allow both countries to use domestic land and water ways through one country to another. With this, the two countries would be able to save passage of transporting goods. From this arrangement, it is expected that Bangladesh might gain a huge economic boost if India allows its territory for exporting Bangladeshi goods to Nepal and Bhutan. The official talks resulted in a significant improvement regarding connectivity, as both the countries were willing to take several initiatives to improve infrastructure including customs stations, roads and railway routes. Apart from strengthening connectivity, a host of other issues such as the
formation of a regional anti-terrorism task force, peaceful means of border management and finalisation of the demarcation of maritime boundary were discussed. In addition, reducing trade gaps, increasing investment and enhancing economic relations were also received considerable attention.

Foreign Minister of Bangladesh, Dr. Dipu Moni, paid a 4-day official visit to India on 7 September 2009 to discuss the whole range of bilateral issues with the top leaders of India including Prime Minister Manmohan Singh. The visit got utmost importance as it was the first official visit of Bangladesh Foreign Minister after Awami League came to power in 2008. In essence, Bangladesh Foreign Minister's visit to India intended to create ground for a new beginning in bilateral ties between the two countries prior to the visit of Prime Minister Sheikh Hasina during 10-13 January 2010. During her visit, some contentious issues such as trade gaps, sharing of common river water, Tipaimukh dam, border demarcation, connectivity and security issues were discussed with high importance.

Considering the importance of regional connectivity, Bangladesh talked about allowing India to use Chittagong and Mongla ports and assigned Ashuganj as a new port of call for power plant transportation up to Tripura under the Inland Water Transit and Trade Agreement. On the other hand, India agreed to provide 100 MW of electricity on priority basis. Besides, both the governments agreed to solve the outstanding issues regarding Dahgram and Angarpota enclaves and Tin Bigha Corridor. To ensure water security, both sides identified the need to finalise the second water management treaty for Teesta River and agreed to initiate Joint Hydrological Observations on the river.

Apart from these, both sides agreed to re-open the Sabroom-Ramgarh trade point and a land route at Demagiri-Thegamukh on the Mizoram border to boost bilateral trade. They further decided to begin markets and haats on the Bangladesh-Meghalaya border and permit the movement of containers and cargos by rail and water ways. Besides, Bangladesh requested India to provide duty free access for her commodities, remove non-tariff and para-tariff barriers and develop infrastructure. Both countries agreed to finalise three Agreements on mutual legal assistance on criminal matters, transfer of sentenced persons and combating international terrorism,
organised crime and illegal trade’ during Prime Minister Sheikh Hasina’s visit to India.\textsuperscript{53}

From the agreements and joint discussions, Bangladesh might gain in several ways. Firstly, mutual understanding between the two nations about using the rail, sea and roadways to expand trade and economic development might be beneficial. It is hoped that the scope of trade flows would be enhanced. With this initiative, Bangladesh could earn huge taxes and create employment opportunities if the country allows India and other neighbouring countries to use Mongla and Chittagong ports.\textsuperscript{54} Similarly, with India allowing Nepal and Bhutan to export goods to Bangladesh as well as to use Mongla and Chittagong ports through India will further facilitate Bangladesh’s trade with those two countries. All these also may help Bangladesh to emerge as a ‘regional hub for trade’.\textsuperscript{55} As such, this venture might enhance overall regional connectivity and trade.

Secondly, the mutual discussion about the agreement on combating terrorism is immensely important in the area of security. Terrorism is the most intractable threat which makes South Asia a volatile region. Inadequate legal mechanism, lack of information sharing and absence of long term strategic planning are some of the major hurdles in the way of countering terrorism. Therefore, trans-border cooperation at bilateral level is essential to combat terrorism. It is expected that with this agreement, mutual mistrust between India and Bangladesh might reduce.\textsuperscript{56} Thus, with the wholehearted cooperation and actions against militants from both the nations, overall regional security conditions might improve.

Notwithstanding the positive outcomes of Bangladesh Foreign Minister’s visit, there remain a number of important issues, which did not receive adequate importance in the discussions. One of the prime concerns is existing huge trade gaps between the two countries. In 2009, India exported goods worth around US$3 billion to Bangladesh while the latter exported goods worth only US$280 million.\textsuperscript{57} It is more pressing that in spite of raising the question of reducing trade gap, the issues of removing non-tariff and tariff barriers on Bangladeshi goods and services have not yet been resolved.

Another concern was the sharing of the waters of Teesta River, which is of vital importance to the people in northern areas of Bangladesh. According to the Joint Rivers Commission (JRC),
Bangladesh was supposed to get 2700 cusec of water, though the country is receiving a very small amount during the dry season. Bangladesh has been endlessly claiming the equal share of Teesta River water since long. It is anticipated that in the Teesta River agreement, if the water is not shared proportionately and if India does not become generous, a number of districts (Nilphamari, Rangpur and Dinajpur etc.) of Bangladesh might turn into deserts. In case of Tipaimukh dam, India only gave assurance to Bangladesh that it would not take any steps which might be harmful for the latter. In fact, there was no clear-cut indication about this detrimental action.

Apparently, bilateral problems cannot be resolved without mutual cooperation. There is a host of confronting issues for which both countries need to work individually, bilaterally or regionally. India is Bangladesh’s neighbour, the third largest military power and one of the strongest economic powerhouses in the world. Without the cooperation of such kind of strong and powerful neighbour, it would be difficult for Bangladesh to resolve the common problems related to security, economy and environment. Thus, to move forward, the contentious issues should be solved on the basis of reciprocity, goodwill, cooperation and trust.

In that case, it is India which needs to work as an initiator with a view to improving Bangladesh-India relations and has to take the forwarding steps owing to its power position in South Asia. Bilaterally, both countries could take further steps in the following areas in order to make a balanced relationship:

- Setting up of a Water Commission at Ministerial levels with four neighbouring countries (Bangladesh-India-Nepal-Bhutan) to solve the water related issues. Before finalising the Teesta River Agreement, Bangladesh needs to assess the amount of water it requires during the dry seasons for its cultivable lands and the quantity of water India would agree to share;
- Finalising a definite proclamation of date and venue of Bangladesh-India land boundary agreement of 1974 to solve the issues of the Tin Bigha Corridor, enclaves and border demarcation;
- Arranging frequent joint meetings and outlining a clear political indication from Indian part to halt the violent activities by the BSF in border areas;
• Addressing the issues of improving the land customs stations on both sides of Bangladesh-India border to facilitate the movement of goods and people, prevent illegal trades/smuggling and help to narrow down the trade imbalance between the two countries;

• Considering all sorts of tariff, para-tariff and non-tariff barriers that are imposed on Bangladeshi goods and services to reduce the trade deficit;

• Increasing the security of Chittagong and Mongla ports and improving the infrastructure and new equipment for enhancing trade between the two countries;

• Increasing people to people connectivity through exchange of visits by the journalists to change the mindset and reduce distrust between the two countries. For this, relaxation of visa restriction is required for easy movement of people; and

• Following up the decisions based on the principles of equity and justice that have so far been taken during the visits.

1.3.2 Bangladesh-Pakistan Relations

Between Bangladesh and Pakistan, political understanding is important to enhance bilateral ties. However, to improve the relationship, the present Awami League government has been trying to resolve the unsettled issues including formal apology from Pakistan side for the atrocities in 1971, sharing of assets and repatriation of stranded Pakistanis. In mid-2009, it was reported that Bangladesh government has asked Pakistan to apologise for war crime committed during the War of Liberation in 1971.59 Besides, in a meeting between Bangladesh Foreign Minister and Pakistan High Commissioner in May 2009, the former emphasised on returning millions of stranded Pakistanis and reconciling the distribution of properties which have been pending for last 38 years. Though former Pakistan President General Parvez Musharraf apologised for ‘development in 1971’ during his Bangladesh visit in 2002, there were no significant progresses about formal apology and other outstanding issues since then.

Notwithstanding the persistence of outstanding issues as mentioned above, Bangladesh-Pakistan cooperation in the fields such as trade, commerce and culture developed remarkably. In trade
sector, Pakistan has been providing concessions to Bangladesh through duty free import of jute and tea up to 15,000 metric tons. Apart from the existing cooperative areas, both the countries can enhance their bilateral trade in other prospective areas as well. For example, readymade garments (RMG) industry has become the most dominant sector in Bangladesh in terms of foreign exchange earning. However, the lack of domestic source of raw materials is a major concern for the entrepreneurs. Bangladesh and Pakistan could cooperate in this area. With its abundant supply of cotton, Pakistan might assist Bangladesh in developing its spinning industry. The two countries can further develop their ties in other areas. Bangladesh, for instance, is urging for certain facilities such as zero tariff for exporting products to Pakistan, the abolition of visa system for persons with official and diplomatic passport and exchange of information to combat terrorism. In the area of connectivity, Bangladesh government in 2009 accentuated the need for commencing direct shipping services between Chittagong and Karachi ports to increase shipping ties. However, in other untapped areas like tourism and agriculture, both the countries could improve bilateral trade and investment. In this regard, people-to-people contact, frequent visits of trade delegations and joint seminars should be enhanced between the two countries.

1.3.3 Bangladesh-Myanmar Relations

One of the foreign policy objectives of Bangladesh is to resolve outstanding issues, make close friendship and build effective cooperation with all its neighbours. This strategic outlook is not only to achieve optimum political and economic benefits but also to ensure security and stability of the country. In this regard, Myanmar is very important for Bangladesh due to its geo-strategic location. At present, Myanmar’s inclusion policy, gradual economic upgradation, close links to China, submission to Association of Southeast Asian Nations (ASEAN) and BIMSTEC have added new strength as well as a greater negotiating status to the country in the region. In addition, Myanmar possesses huge untapped natural resources viz. minerals, oil, gas, forest resources and agricultural potentials in the region. Therefore, Bangladesh’s ‘Look East Policy’ to improve trade, commerce and diplomatic ties might be very promising to enhance cooperation with this country. On the other hand, Myanmar can be
an outlet for Bangladesh to expand its trade and investment ties with the rest of South East Asia. Despite some scopes of cooperation in trade and commerce, the relations between the two countries witnessed considerable difficulties owing to some outstanding issues such as Rohingya problem, illegal trade, maritime disputes, border conflicts and trade imbalance. In recent time, however, the relationship has moved ahead steadily because of profound changes in the domestic politics of Myanmar and exchange of several high level official visits.

**Bilateral Trade**

While discussing the entire gamut of bilateral relations, Myanmar Ambassador Phae Tham Oo made a number of proposals to Dilip Barua, Minister of Industry of Bangladesh, in December 2009. One of the schemes was to set up world-standard industries (such as textiles, ceramics, medicines and jute) and agricultural farms with joint ventures using Bangladeshi manpower and Myanmar’s plentiful land. The Ambassador also emphasised on the South-South cooperation for improving overall socio-economic conditions of both the countries. Immediately after that, from 28 December 2009, the 2 day official visit of five member delegations headed by U Maung Myint, the Deputy Secretary of Myanmar, was a step ahead to promote the important issues including direct road connections, repatriation of Rohingya refugees, maritime boundaries and relaxing visa problem. Though, issues related to direct air and road link were on the agenda, there was no significant progress in this regard.

At present, bilateral trade between the two countries is US$140 million which was expected to increase to US$500 million during the fiscal year 2009-2010. Apart from permissible trade, illegal small arms and drug trade are gradually increasing especially at the Bangladesh-Myanmar border areas. It is a great concern for Bangladesh that Myanmar is the second largest opium producer in the world. Due to the huge production of cocaine and heroin, drug trafficking might increase in Bangladesh-Myanmar border areas. In order to solve the issue, Bangladesh has been continuing its efforts at enhancing normal trade rather than border trade.

Notwithstanding some challenges in trade sector, there are different prospective areas where both the countries could cooperate in enhancing economic growth. First, Myanmar has huge potentials
in the areas of hydroelectricity. To meet the ever rising demand of electricity, Bangladesh already requested Myanmar to permit her setting up of Hydro-electric Power Project at any location of Saingdin, Lemro or Mi Chaung in Myanmar. In response, Myanmar government expressed her positive view to consider the proposal for exporting electricity to Bangladesh after meeting the needs of the Rakhine state. Second, in order to enhance cooperation in the area of communication, an Agreement on Direct Road Link was signed on 27 July 2007 between the two countries. According to the agreement, Bangladesh would provide financial support for construction of 23 km of roads between Taungbro and Bawlibazar of the total 25 km of roads between the two countries. In addition, Bangladesh gave a proposal to Myanmar for considering Teknaf-Maungdaw-Sittwe link road. If Myanmar government agrees for this route, both countries would be benefited in terms of trade, investment and tourism. Finally, apart from road links, Bangladesh government already gave consent to Myanmar authority to allow her for plying of 25 small capacity non-conventional vessels between Sittwe and Teknaf. From Bangladesh side, a proposal was also mooted to Myanmar authorities for establishing linkage between Chittagong and Yangon ports to boost trade and investment.67

Apart from the above mentioned sectors, Bangladesh could increase its investment in other potential areas such as air connection, setting up of fertiliser plant, energy and agricultural sectors. For these, a new strategy is required to rebuild the ties between the two countries. Also, the unsettled issues such as Rohingya refugees, maritime demarcation and border conflicts should be resolved without further delay so that these issues do not have adverse impacts on bilateral relationship between the two countries.

Rohingya Refugee

In recent times, Bangladesh has to experience the regular infiltration of Rohingya Refugees, the ethnic Muslim minorities of Myanmar. Although the situation was improved through returning of a large number of refugees in different times with the support and assistance of the UN High Commission for Refugees (UNHCR), the issue became complicated again when a huge number of Rohingya refugees intruded into Bangladesh in 2009. According to the New
York Times Report, during that year, more than a quarter-million Rohingya refugees from western Myanmar took shelter into the southern part of Bangladesh to get rid of hunger, thirst and other atrocities that they had been suffering in their own country. As a result, in 2009, the total number of refugees increased to 28,000 from 21,000 in 2008. To solve the problem, Bangladesh government handed a list of 28,000 Rohingya refugees mainly living in two camps in Cox’s Bazar. During the Foreign Secretary level talks in December 2009, Myanmar assured that its government would take back only 9,000 registered Rohingya refugees considered as Myanmar nationals out of the total number of refugees. Bangladesh government has been relentlessly trying to solve the push back factors with the cooperation of UNHCR and other international bodies. However, the situation did not improve much due to the non cooperative attitudes on the part of Myanmar regarding the repatriation of undocumented refugees.

Border Security Issues
Related to Rohingya refugee issues, the border security force of Myanmar known as NASAKA is a major security threat to Bangladesh. NASAKA’s activities such as human rights violation, involvement in illegal trading and abduction of Bangladeshi fishermen and wood cutters persistently disturb peace and tranquillity in the border areas. It is assumed that NASAKA group is actively involved in pushing Rohingya refugees into Bangladesh through opposite border of Naikhangchori. Since then, tension amounted along this border when Myanmar resumed border fencing and reinforced army deployment. However, to sustain peaceful relations with Myanmar and stop the push back factors, Bangladesh needs to take a host of measures with diplomatic efforts being on the top of the agenda.

1.3.4 Regional Cooperation within the Framework of SAARC
SAARC is a regional bloc to enhance economic, social as well as political cooperation among South Asian countries. Though this regional organisation could not bring significant progress in economic terms as the European Union (EU), the Association of South East Asian Nations (ASEAN) and the North American Free Trade Agreement (NAFTA), SAARC is not a story of total failure. In
14th SAARC Summit in 2007, SAARC formally included Afghanistan as a full member and involved seven other countries (China, Japan, Iran, Mauritius, South Korea, European Union and the United States) as observers from different parts of the world. In 2008, Myanmar and Australia were given observer status. It is appealing that in May 2008, Myanmar applied to SAARC Secretariat for its full membership status in SAARC. However, it is presumed that Myanmar’s proposal would be considered in the following SAARC Summits with utmost importance as Bangladesh and India have land borders with Myanmar. Also, the membership of Myanmar in ASEAN might invigorate cooperation between SAARC and ASEAN.

Apart from expanding its members, the organisation has been extending its cooperation in a number of significant areas such as agriculture, rural development, health, food, technology and human resource management. Though there are many issues under this regional framework, the issues of energy security, terrorism, trade, climate change and ICT cooperation were on top of the discussions in 2009.

To combat terrorism and strengthen anti-terrorist activities, SAARC member countries agreed to establish a ‘High Level Group of Eminent Experts’ in the 31st Meeting of the SAARC Council of Ministers held in Sri Lanka during 27-28 February 2009. In this deliberation, the Declaration on Cooperation in Combating Terrorism was put forward for taking necessary actions against “organising, instigating, facilitating, financing, fund raising, encouraging, tolerating and providing training for or otherwise supporting terrorist activities”. The Foreign Ministers of this region also put more emphasis on the quick ratification of SAARC Convention on Mutual Legal Assistance in Criminal Matters.

In case of cooperation on ICT, it was recognised that this sector could play an important role in poverty alleviation, unemployment problem, enhance communication, trade and educational management of the entire region. In a Seminar held in Dhaka in June 2009 along with various scientists and academics from SAARC countries, Bangladesh government put emphasis on increasing cooperation among the SAARC members on ICT. With the development of this sector, overall living standard of poor people in the entire region could be enhanced.
The establishment of SAARC Development Fund (SDF) is a positive effort of the SAARC members for the overall development of the region. In the continuation of the process, SAARC members regularly arrange seminars in different countries. In this regard, The Fifth Meeting of the SAARC Development Fund (SDF) was held on 1-2 September 2009 at the initiative of the Deputy Minister for Finance of the Islamic Republic of Afghanistan. The Seminar was important as it was the first high-level SAARC Meeting held in Kabul since the joining of Afghanistan in SAARC. Primarily, SDF was initiated with three Windows (Social, Economic and Infrastructure) in 2005 by the Heads of States as an inclusive regional funding device to conduct projects either regionally or sub-regionally.

Climate change has enormous social and economic implications and SAARC members are firmly committed to respond to the ongoing process of climate change. From 20-21 October 2009, the Eighth Meeting of the SAARC Environment Ministers was held in New Delhi. In the Meeting, the Ministers reiterated their commitment to materialise the components of the 1997 SAARC Action Plan on Environment. They also planned to prepare National Plans of Action for accomplishment of the Comprehensive Framework on Disaster Management and Disaster Prevention (2006-2015). The Ministers showed concern about a draft on "SAARC Treaty on Cooperation in the field of Environment" and finalised the text of the draft Treaty to approve this at the 16th SAARC Summit in April 2010. The issue was given the foremost importance as all the Ministers of South Asia accepted the proposal of Bhutan regarding "Climate Change" as the theme for the 16th SAARC Summit held in Bhutan. They also approved the Report of the Expert Group Meeting held from 5-6 February 2009 in New Delhi, the institutionalisation of the SAARC Natural Disaster Rapid Response Mechanism and finalised a draft Agreement on SAARC Natural Disaster Rapid Response Mechanism which could be ratified in 16th SAARC Summit. The Ministers also agreed to take a common stand on climate change at COP 15 Climate Change Conference held in Copenhagen in December 2009. The most outstanding outcomes of this meeting, however, were the preparation of a South Asia Environment Outlook (SAEO) 2009 and the declaration of 'Delhi Statement' with a view to enhancing cooperation in environment.
Apart from above mentioned ventures, the Third South Asian Free Trade Area (SAFTA) Ministerial Council Meeting was held at Kathmandu in Nepal on 28 October 2009.\textsuperscript{76} In the meeting, Trade Ministers were willing to accomplish the first track negotiations for liberalising the service markets and enhancing the investment in certain areas such as tourism, financial services and telecommunication in the region. SAARC Ministers furthermore decided to work on reducing the negative list of item which is not included within SAFTA framework to make this agreement more significant and meaningful. In the discussion, Indian Commerce and Industry Minister highlighted that his country already downsized the negative lists from 744 items to 500 items for least developed countries (LDCs) and has been reducing the negative lists for non-LDCs (such as Pakistan and Sri Lanka).\textsuperscript{77} In addition, India requested the non-LDC members to rethink about their individual negative lists so that intra-SAARC trade could be enhanced. In this Seminar, Sheel Kant Sharma, the SAARC Secretary General, emphasised the need for finalising the Agreement on Trade in Services before 16th SAARC Summit in 2010. In terms of reducing negative lists of SAARC member countries, the SAARC Secretary General stressed on the need for a fixed percentage of the whole regional trade and materialising this in the upcoming SAARC Summit. However, it needs to be mentioned that in first six months of 2009, intra-regional trade was US$377 billion which was more than in the year 2008.\textsuperscript{78} Though, the trade share of South Asian countries was only 4.31 per cent in 2008, it was 27.06 per cent in case of ASEAN countries. Thus, apart from the initiative of reducing the negative list, certain effective trade facilitation measures should be taken into consideration such as reducing tariff and non tariff-barriers; easing visa regime for cross-border movement; increasing strong communication linkages for regional integration; enhancing regional banking facilities for smooth business transaction; facilitating electronic data for interchanging save time and costs and expanding public-private partnership to boost trade.

### 1.3.5 Sub-regional Cooperation: SAGQ, BIMSTEC, Kunming Initiative

Since 1990's, the growth of regional blocs has become an importance vehicle of advancing social and economic cooperation in South and
South East Asia. Almost all the countries are coming forward to become the member of a regional bloc or more. In this regard, South Asian Growth Quadrangle (SAGQ), Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC) and Kunming Initiative are worth mentioning. The idea of forming a sub-regional cooperation first came in to force in 1996 with the establishment of SAGQ by Bangladesh, Bhutan, Nepal, and North east region of India and West Bengal. This bloc was consisted of 688.6 thousand sq. km areas with the population of more than 247 million. This sub-regional initiative was considered as an important cooperative framework as the member countries have geographical proximity, economic complementarities and socio-cultural resemblance. The main purposes of this bloc were to enhance the socio-economic growth and greater economic cooperation among the South Asian countries without having major policy transformation. Though, intra-sub regional trade in eastern South Asia (Bangladesh, Bhutan, India and Nepal) is very poor. It is estimated that only 2 per cent of transit trade is accomplished within this sub-region. Nevertheless, this bloc could be a source of strong economic centre as the four member countries are complementary and supplementary to each other. For instance, Nepal and Bhutan are landlocked countries which are solely dependent on the Kolkata port for their exports and imports. On the other hand, the north east states of India need Bangladesh territory to connect and boost trade with the rest of India and the outside world. It is agreed that Bangladesh will allow India to use Mongla and Chittagong ports. On the other hand, Bangladesh might have a huge economic boost with India allowing its territory for exporting Bangladeshi goods to Nepal and Bhutan. As such, this venture is likely to enhance regional connectivity and Bangladesh can emerge as a regional centre for trade.

Meanwhile, many studies showed that power trading within SAGQ region could be beneficial to four countries. Although the member states have huge energy resources to exploit and explore, persistent shortage of energy has contributed to lower economic growth. For example, a large number of people in this area do not have access to electricity. This could be considerably reduced by enhancing greater cooperation and coordination in the energy sector. It is estimated that interconnecting the power grids within SAGQ would immensely decrease the losses of transmission and
distribution up to 90 MW which would eventually save around US$79 million for further investment for new power generation. Furthermore, additional 50 MW losses could be reduced in the border areas by connecting those with the sub-stations of the neighbours. With this venture, it would help to increase the savings up to US$123.08 million.

However, to enhance economic growth in the sub-region, some trade facilitation measures need to be undertaken. For instance, the existing physical and non-physical barriers to trade among the four member countries need to be overcome. Some visible infrastructure measures such as multimodal corridors and terminals could be initiated. On the other side, invisible infrastructure including reformation of policies, procedures, and regulations could be introduced. For accessing adequate information regarding trade facilitation, special attention should be given on adequate research.

Besides the above mentioned regional schemes, Kunming initiative is another venture of road and rail network among Bangladesh, Myanmar North East India and China’s Yunan Province. In this proposal, Bangladesh’s geographical location is very important as the country is the entrance way between South Asia and Southeast Asia. It is considered that Chittagong-Kunming road and rail arrangement through Myanmar will foster trade, investment and technological cooperation between Bangladesh and China. Myanmar authorities have already, expressed their positive views about this road and rail network. On the other hand, Bangladesh wants its quick operationalisation to reduce the huge trade gap with China. At present, Bangladesh has around US$3.5 billion trade deficit with this country. Thus, with this arrangement, Bangladesh could enhance cooperation in certain areas such as gas, tourism, power supply, culture and communication.

On 6 June 1997, BIMSTEC popularly known as ‘Bangkok Declaration’ was formed in Bangkok, Thailand. Bangladesh is one of the founding members of BIMSTEC that also includes Bhutan, India, Nepal, and Sri Lanka from South Asia and Myanmar and Thailand from Southeast Asia. Initially, this regional bloc started its journey as Bangladesh-India-Sri Lanka-Thailand Economic Cooperation (BIST-EC) due to the geographical proximity and direct entrance of the Bay of Bengal Basin. The main objective of this regional bloc is to increase cooperation among the member countries.
in the 13 agreed areas such as trade, technology, transportation, communication, terrorism, energy and fisheries, etc.\textsuperscript{84}

At the outset, counter terrorism was not an agenda under BIMSTEC framework and not included in the 13 approved areas. Due to the gradual increase of terrorist activities in the region, the issue was identified as one of the prime concerns. In this regard, the First Summit on Counter-terrorism was held in Bangkok in 2004. In the Summit, the member countries set up a Joint Working Group to Counter Terrorism with four Sub-Groups on Legal and Law Enforcement Issues, Financing of Terrorism, Intelligence Sharing and Narcotic Drugs issues led by India, Thailand, Sri Lanka, and Myanmar. In April 2007, the Sub-Group on Legal and Law Enforcement Issues concluded a draft on BIMSTEC Convention on Counter Terrorism. Additionally, this group was planning to finalise a treaty on Mutual Legal Assistance Treaty (MLAT) on Criminal Matters following the MLAT of ASEAN. To find out the routes of terrorist financing, each member countries addressed distinct strategies. In this regard, Thailand’s collaboration with the UK and its establishment of Financial Intelligence Units (FIUs) in 2007 and Bangladesh Bank’s ratification of laws for creating FIUs in Bangladesh on 15 May 2007 are worth mentioning.

Along with the initiative of enhancing security, this regional bloc is on the way of implementing a Free Trade Agreement (FTA) to boost regional trade. In the Sixth Ministerial Meeting in 2004, the longstanding Framework Agreement for BIMSTEC FTA, however, was signed giving emphasis on the negotiations on trade in goods, services and investment. With this agreement, BIMSTEC received additional impetus to enhance deeper regional integration. In this regard, a Trade Negotiating Committee (TNC) was formed in association with the legislative bodies from member countries to wrap up the supporting agreements. Also, it was expected that the TNC would help to activate the Agreement on Trade in Goods by December 2005 for the successful implementation of the Agreement from July 2006. Regrettably, it could not accomplish the negotiations on time because of certain issues such as difference in negative lists and Rules of Origin. Soon after, on 4 June 2009, the agreement was concluded in the 18th TNC Meeting in Thailand. In this Meeting, however, the Rules of Origins and its Operational Certification Procedures, the Agreement on Cooperation and Mutual Assistance in
Customs matters for the FTA were accepted and finalised. The cooperation regarding the agreements on services and investment is going ahead and the negative lists of Bhutan and Thailand were already replaced. It is an important momentum that the FTA is planned to be initiated from July 2010.\(^8\)

In fact, BIMSTEC economy is growing gradually. In 2001, the growth of overall GDP and per capita GDP of BIMSTEC countries were 4.65 per cent and 2.89 per cent respectively.\(^6\) In view of the exports of goods and services, it is projected that after East Asia and the Pacific, BIMSTEC might be the next fastest growing region of the globe.\(^7\) The service sector has been the highest contributing sector in the BIMSTEC GDP since 1991. In 2007, this sector contributed half of GDP in Bangladesh, India, Nepal and Sri Lanka.\(^8\) Additional to this sector, agriculture and manufacturing have been contributing a lot to increase overall GDP among the member countries. In the same year, it was found that agriculture shared one fifth or more of GDP in Bangladesh, Bhutan, India and Nepal.

However, considering individual assessment of BIMSTEC members based on Average Annual Growth Rate in GDP and per capita GDP, India is going far ahead and there is a huge gap persisting among BIMSTEC members due to various levels of resource availabilities and the nature of products. In addition, the lack of sufficient multimodal transport system, inadequate technological progress and absence of modern port facilities impinge on the low trade flow among the BIMSTEC members. Therefore, to meet the trade barriers, certain initiatives are necessary. These include developing effective regional transportation system for lowering costs, cooperation in the development of technology, trade facilitation initiatives and a host of others.

1.4 PURSUING DIPLOMACY: THE GLOBAL CONTEXT

The global political, economic and security milieus are going through a gradual but radical transformation. This transformation has brought not only newer opportunities but also newer and non-traditional challenges, particularly for the countries like Bangladesh. In the contemporary world, states are faced with challenges more of economic in nature than the political one. Hence, economic diplomacy is assuming more and more importance at the bilateral
and multilateral levels. To maximise their economic advantages, the countries are creating new economic policies, strategies and forums in regional and international levels. Trade, FDI, remittances, and aid interests are increasingly giving the shape of a country’s relations with the others. Some of the concrete examples of the economic diplomacy can be found in the Asia-Pacific region.

The economy of Bangladesh extensively depends on export and remittances, the two prime sources of foreign currency earning in Bangladesh. The growth of Bangladesh’s economy heavily depends on its relations with the West, the East and Southeast Asia, and the Middle East (ME) as nearly all of the export earnings, remittances, FDI and aid are coming from those regions. Therefore, Bangladesh’s economic relations with the countries of those regions are vital and should be examined properly to pursue its economic goals. It is in this context that this section makes an attempt to explore Bangladesh's relations, particularly the economic relations, with the West, the East and South East Asia, and the ME countries.

1.4.1 The West
Bangladesh’s relations with the West are of crucial importance for the former. Collectively, the Western countries are the most powerful political, economic and military actors in the contemporary world. Thus, the influential role of the West has been noticeably observed in Bangladesh. They have greatly influenced the socio-economic values and political process of Bangladesh. Similarly, Bangladesh is also pursuing a policy in international arena that is bringing the country increasingly closer to the West.

In 2009, the Western countries continued to remain among the top donors to Bangladesh. The West including the EU and NAFTA countries also remain as the most important trading partners of Bangladesh. The Figure 1.2 shows that the EU and NAFTA countries account for almost 85 per cent of the total export of Bangladesh in FY2009. Apparels continued to occupy about four-fifths share of the export basket in FY2009. The destinational pattern of exports in FY2009 clearly indicated our continued dependence on European and North American markets. In FY2009, 55.6 per cent of total exports were destined for the EU countries while another 29.1 per cent entered into the NAFTA bloc (Figure 1.2). At the same time, the Western countries and the international/multilateral organisations
controlled by them have been the largest sources of FDI in Bangladesh. In the recent years, successive governments in Bangladesh have given more emphasis on trade and FDI rather than securing aid.

**Figure 1.2: Destination Patterns of Exports in FY2009**

![Graph showing destination patterns of exports in FY2009](http://www.bangladesh-bank.org/pub/annual/anreport/ar0607/chap9.pdf)

Among the Western countries, due to political, economic and strategic reasons, the US has been the single most important partner for Bangladesh. Although the US relations with Bangladesh were initially troubled because of strong US ties with Pakistan, US-Bangladesh friendship has developed quickly following Bangladesh's independence from Pakistan in 1971. Over the years, the US has emerged as one of the most important development partners contributing significantly to the socio-economic development of Bangladesh. As a single country, it remains, by far, the largest destination of our RMG products. Trade balance between Bangladesh and the US remains heavily tilted towards Bangladesh. In addition, the US has become the third largest source of remittances accounting for over 16.3 per cent of total remittances earned by Bangladesh in FY2009. In the previous fiscal year (FY2008), the country was the second largest source of remittances accounting for
Bangladesh as well has a significant position in the US policy towards South Asia. The geo-political location of Bangladesh is strategically important for the US as it is located between the two giant powers, China and India. In addition, Bangladesh is emerging as a vibrant democracy. Traditionally, Bangladesh has been a moderate and tolerant society with a secular culture. In many respects, thus, Bangladesh could be a good example of a liberal democracy in the Muslim world. It is in this backdrop that the US as well is showing considerable interest in the economic and political development of Bangladesh. Thus, a close cooperation between Bangladesh and the US is highly desired. It is argued that the relationship between the two countries are growing based on the “three Ds”, meaning Democracy, Development and Denial of space for terrorism. The US is closely working with Bangladesh in combating rising extremism and terrorism in Bangladesh and beyond. In February 2009, Richard Boucher, the US Assistant Secretary of State for South and Central Asian Affairs, came to Bangladesh for a three-day official visit. The Trade and Investment Framework Agreement (TIFA) and counter-terrorism issues were given priority during the official talks between Boucher and Bangladeshi officials, including the Prime Minister. However, since TIFA has been considered as a controversial issue, and signing of this agreement could lead to domestic political opposition in Bangladesh, the government of Bangladesh has been reluctant to sign the agreement. However, both the countries are working closely in fighting extremism and terrorism.

The EU is another crucial development partner of Bangladesh. As a group of countries, the EU remains the single-most important destination of the products of Bangladeshi RMG in FY2009 (Figure 1.2). The liberal trade policy of the EU for the Least Developed Countries (LDCs) has brought opportunities for increasing the export of Bangladeshi RMG and other products to the region. The EU also remains as one of the significant sources of remittances and the largest source of development assistance to Bangladesh. In addition to trade and economic development, the EU has extended its cooperation in the area of human rights, good governance and environmental issues.
Although Bangladesh has good relations with the Western countries, it needs to further intensify multifarious cooperation, particularly in the economic fields. The role of FDI is vital for the development of the economy of Bangladesh. The country needs to take strong measures to improve its economic performance and successfully attract the attention from the Western countries to receive more FDI.

1.4.2 The Middle East

Remittance is one of the life lines of Bangladesh economy. It is the second largest source of foreign currency in Bangladesh. According to Atiur Rahman, a prominent economist and the Governor of Bangladesh Bank, “Remittances are like a goldmine for Bangladesh, playing a key role for stability in the balance of payments and mitigating unemployment problems here.” He also argued “We will be in deep crisis if remittances are destroyed.” The largest segment of this goldmine is coming from the ME, the vital energy-producing region. Therefore, Bangladesh’s relations with the Muslim countries of the ME are vital. Although the geo-political location of Bangladesh does not have any significance to the countries of the region due to historical and religious bond, the countries of the region have extended their political, economic and diplomatic supports to Bangladesh since the establishment of their diplomatic relations with Bangladesh. In addition to the largest source of remittances, the oil rich Arab countries and the international agencies controlled by the Muslim countries have been the important sources of assistance for the socio-economic development of Bangladesh.

In FY2009, Bangladesh earned nearly 70 per cent of its total remittances from the ME. Saudi Arabia, the United Arab Emirates (UAE) and Kuwait, the three key destinations of Bangladeshi migrant workers in the ME, were the source of 29.5 per cent, 18.1 per cent and 10 per cent of the total remittances respectively in FY2009.

Although the earning of remittances increased, the drastic fall of the manpower export in 2009 has become an issue of significant concern for Bangladesh. The total manpower export in 2008 was 875,055 where as in 2009 this declined to 475,278. The Figure 1.3 indicates a drastic fall of manpower export from Bangladesh in 2009.
Saudi Arabia and the UAE are the two biggest sources of employment for our manpower. However, manpower export to Saudi Arabia and the UAE declined from 132,124 and 419,355 in 2008 to 14,666 and 258,348 in 2009. Despite the government’s hectic diplomatic efforts, the country’s manpower export witnessed a drastic fall by 58.80 per cent in the first eight months (July-February) of the current fiscal year of 2009-2010.

After the global economic meltdown in 2008, it was suspected that the labour market in the ME could be hit hard by the recession. The International Monetary Fund (IMF) predicted that the growth of the region would fall due to decline in the price of oil. Therefore, the flow of remittances from the ME may suffer a setback in the future. However, the prediction was not totally accurate as rate of growth in the region did not fall due to the decline in oil price. Rather, it is argued that with the ease of the recession, it is not clear why the manpower export from Bangladesh to the ME continued to decline in 2009. The government has often mentioned about the robust
remittances that has helped the country maintain a healthy balance of payment situation in the recent years. But the situation may not remain the same in future unless the declining trend that is now being noticed in manpower export is reversed.\textsuperscript{101} The recent statistics have showed that jobs for Bangladeshi workers have almost dried up in Saudi Arabia, the largest source of remittances. Between July and March FY2009-2010, only 602 got employment in Saudi Arabia, which is equivalent to a day's recruitment of Bangladeshis by that country in the past. The Figure 1.5 clearly reveals that compared to the previous years, the manpower export to Saudi Arabia drastically fall in 2009. In 2009, less then 15,000 migrant workers went to Saudi Arabia.

However, both oil-rich Arab and Southeast Asian economies are reluctant in taking Bangladeshi workers. Instead, they have started taking workers from other countries, including Nepal, Pakistan, India, Sri Lanka and the Philippines. Filipino workers, mostly being skilled and semi-skilled are preferred by many Arab countries. But Nepali workers who are mainly unskilled are on high demand in the
ME as well as in Malaysia. The number of Nepali migrant workers going to Saudi Arabia increased by a whopping 70.26 per cent in the first month of the current fiscal year.\textsuperscript{102} Therefore, it seems that the countries mentioned above are not that much willing to take unskilled Bangladeshi workers in large numbers.

The unwritten Saudi restriction on entry of new workers in 2009 has been an issue of high concern. Prime Minister Sheikh Hasina paid a five-day long state visit to Saudi Arabia in April 2009. It appeared then from media reports which was received after the visit that the Saudi position became fully cooperative.\textsuperscript{103} Since the visit, it has been expected that the Saudi authorities would ease the restriction on Bangladeshi workers.\textsuperscript{104}

Concerning the downturn of the manpower export to the ME, Engineer Khandker Mosharraf Hossain, Minister of Labour, Expatriates Welfare and Overseas Employment, said, "The decline in manpower export has been attributed to the impact of global recession, which slowed down development activities of many
countries that used to employ migrant workers." In addition, he added that, the ban imposed by Malaysia, Kuwait and Saudi Arabia has also contributed to the decline in manpower export in the recent months. The Minister also said that the government has already taken vigorous diplomatic efforts to promote manpower export to the potential job markets. To further boost manpower exports, the government has opened labour wings at its diplomatic missions in Riyadh and Medina in Saudi Arabia, and in Penang in Malaysia. Initiatives have also been taken to open such wings at the country's missions in Italy, Japan, Jordan, Sudan and Iraq. Steps have also been taken to legalise Bangladeshi workers who are staying illegally in the ME countries for a long time.

However, sources in the manpower sector blamed that the diplomatic efforts of the government are failing to bring fruitful results in most of the cases due to unwillingness from the officials in different Bangladesh missions abroad. Several factors contributed to the current drastic fall in the export of manpower from Bangladesh: (1) The impact of the global recession; (2) Lack of creating and exporting skilled workers; (3) Ban imposed by the major ME countries; (4) Fail to convince the leaders or authorities of the destination countries; (5) Lack of skilled negotiators in our foreign missions in the ME. (6) Exploiting the migrant workers by the greedy recruiting agencies; and (7) Lack of government control over the recruiting agencies.

To continue and promote the manpower export to the ME and other regions, the concerned authority should take into account the above factors. The employment market is increasingly becoming competitive and complex. In this regard, many developing nations like Nepal, the Philippines, Pakistan, Sri Lanka, India and some African countries are competing with Bangladesh. Therefore, a proper coordination between public and private initiatives and further inter-Ministerial cooperation are essential to overcome the emerging problems.

1.4.3 East and Southeast Asia
The countries of the East and Southeast Asia, particularly, China, Japan and the Newly Industrial Countries (NICs) that are experiencing dynamic economic growth, rapid technological development and the progressive socio-cultural transformation have
emerged as important economic, commercial and geo-strategic centres of the 21st century. All the major powers of the world have economic, security and strategic interests in these regions. Hence, these regions are assuming increasing importance in the conduct of Bangladesh’s foreign policy. For the convenience of our study, the section would focus primarily on China, Japan and the NICs of the region, which are assuming increasing importance in Bangladesh’s foreign policy.

**Bangladesh-China Relations**

China has already emerged as the second largest economic power in the world. It has been the fastest-growing nation for the past quarter of a century with an average annual GDP growth rate of around 10 per cent. According to another source, China has become the second largest exporting country in the world after Germany. China’s economy has grown to such an extent that it is now the second biggest loan giving country to America after Japan. Although China could not manage to escape the recent global recession, its exports in December 2009 increased from the exports in December 2008. China’s increased military ability stems from the nation’s emergence as an economic superpower. With a huge economic growth, the Chinese have been able to invest significantly in military modernisation. The geographic area encompassing South Asia and its contiguous maritime spaces are of growing strategic importance to China, as reflected in China’s web of partnerships and coalitions with states in the region.

Bangladesh and China have a long history of cooperation. They established formal diplomatic relations in 1975. Since then, cooperation between the two countries has grown to cover a wide spectrum of bilateral relations. As a partner, China has provided political, economic and diplomatic support to Bangladesh in the last 35 years. The frequent exchange of visits, including those at the highest level, is indicative of the place of China in Bangladesh’s foreign policy. The two countries have already concluded a number of important agreements in areas like agriculture, transport, communications, trade, energy, science and technology, and military cooperation since the mid of seventies. It can be argued that the most inspiring feature of Bangladesh-China relations is its relative stability and continuity. During their meeting on the sideline of the
UN Conference on the World Financial and Economic Crisis and Its Impact on Development in June 2009, Chinese Foreign Minister Yang Jiechi assured his Bangladeshi counterpart Dipu Moni that it was China's policy to "strengthen and develop the relations of friendship and cooperation with Bangladesh." For her part, Dipu Moni also said that "Bangladesh sees China as its close friend and cooperation partner."\(^{111}\)

China is one of the very few countries, which offers development assistance to Bangladesh in the form of grant, interest free loan and Interest Subsidized Preferential Loan (ISP Loan). Six friendship bridges and the Bangabandhu International Convention Centre built in Dhaka are the most significant visible symbols of Bangladesh-China development cooperation. China has been interested in playing a bigger role in the development of Bangladesh. It has already showed interest to involve itself in a large project like the Rooppur Nuclear Power Plant. In 2009, China expressed its interest to finance five projects involving more than US$1 billion as Bangladesh sought US$5.14 billion assistance for 28 projects.

Bangladesh-China military cooperation dates back to 1975-76. China is the largest and most important provider of military hardware and training to the Bangladesh Armed Forces. Army of Bangladesh has been equipped with Chinese tanks, its navy has Chinese frigates and missile boats and the Bangladesh Air Force flies Chinese fighter jets. China helped Bangladesh in building its only arms factory in Joydebpur. A defence agreement was signed between the two countries in 2002 to meet Bangladesh's defence requirements. It is reported that from artillery systems to missiles, combat aircraft to guns and ammunition, Dhaka tops China's list of weapons importers.\(^{112}\) The Bangladesh Navy is largely made up of Chinese-origin platforms. The BNS Khalid Bin Walid has been retrofitted with HQ-7 SAM from China. In 2008, BNS Osman successfully test fired a C-802 ASM in the presence of the Chinese Defence Attaché Senior Colonel Ju Dewu.\(^{113}\) In March 2006, China donated police equipment to Bangladesh. According to Chinese Foreign Minister Yang Jiechi, military to military cooperation is an important part of overall bilateral relations between Bangladesh and China.\(^{114}\)

China, on the other hand, has already emerged as one of the important trade partners of Bangladesh. In 2009, the trade volume
of Bangladesh and China increased to US$4.5 billion. However, the trade balance remains overwhelmingly in favour of China. As of June 2009, the trade gap between Bangladesh and China was US$4 billion. Under the Bangkok Agreement, in January 2006, China began to provide zero tariff access to 84 Bangladeshi products. However, it is argued that there is no demand for these items in the Chinese market. Dhaka needs to push China to provide duty free access to more products especially those have good demand in the Chinese markets for reducing the existing trade gap. Both countries have discussed various issues like China's possible investment in small and medium scale industries in Bangladesh and vowed to cut the trade gap. According to Zhang Lei, China will offer zero tariff to another 4721 products from Bangladesh in 2010. However, it is not clear how much Bangladesh will be benefited from the offer. Up to November 2009, the total Chinese foreign direct investment in Bangladesh was US$88 million. Chinese investment should be encouraged further. Chinese participation in the construction of a deep sea port in Bangladesh is already on the agenda. This could give China a stake in this mega project. Inviting China to build the Kunming-Chittagong road through Myanmar to access Chittagong port is another idea. The economies of China and Bangladesh are complementary to each other. Bangladesh has plenty of cheap labour and raw materials and China, on the other hand, has technology and can provide fund. There is enough room for both countries to fully tap the potential and make it a win-win situation.

**Bangladesh-Japan Relations**

Today, measured by official exchange rates, Japan is still the second largest economy in the world. Measured by purchasing power parity, however, Japan has become the third-largest economy in the world after the US and China. Japan has emerged as a major source of Overseas Development Assistance (ODA) and Foreign Direct Investment (FDI). It is the only member of G-8 in Asia and has been considered as a bridge between the Western developed countries and the Asian developing countries.

Japan has been an important development partner and one of the top donors to Bangladesh. Naturally, the country occupies an important place in the foreign policy of Bangladesh. Japan was among the countries that recognised Bangladesh soon after the
independence and established diplomatic relations on 10 February 1972. The first ever highest level visit from Bangladesh was undertaken by Bangabandhu Sheikh Mujibur Rahman, as the Prime Minister of a free and independent Bangladesh, in 1973. Since then, the two countries' relations have developed steadily. The past thirty eight years have witnessed a steady growth of close cooperation between the two countries. All heads of government of Bangladesh visited Japan to strengthen bilateral relations. High profile political visits were exchanged between Japan and Bangladesh in 2009. Hasan Mahmud, the then State Minister for Foreign Affairs of Bangladesh, visited Japan from 8 to 11 June 2009 to promote bilateral relations between the two countries.119 On the other hand, Seiko Hashimoto, the State Foreign Secretary of Japan, visited Bangladesh in 2009.

Bangladesh and Japan have shared views on many key international issues and work closely for the promotion of global peace and stability. Both countries have important contribution to the UN peace keeping operations. Bangladesh supports Japan’s claim for a permanent membership in the UN Security Council and appreciates its role as an observer of SAARC that anchors it to the region as a bona fide partner.120 Both countries are already engaged in exploiting the high potentials for further deepening and widening cooperation. Japan Bangladesh Parliamentary League actively promotes mutual friendship between the two countries. Japan has been greatly instrumental in the development of economic infrastructure, poverty alleviation efforts and human resources development in Bangladesh. Every year, more than a hundred Bangladeshi students receive Japanese Government Scholarships to study in Japan, and Bangladesh is one of the largest recipient countries of these scholarships in recent years.121

Japan’s ODA has three components—ODA loans, grant aid, and technical assistance. The Table 1.1 reveals that in FY2008, Japan provided ¥39,749 million (US$439 million) as ODA loan, ¥4271 million as Grant aid and ¥2190 million as Technical assistance. Japan has been extending Japanese ODA loans mainly in the area of infrastructure. The cumulative amount of Japanese ODA loans to date has reached ¥680.5 billion. The grant aid extended by Japan to Bangladesh is being mainly used in the fields of basic human needs, especially in the areas of agriculture, medical services and disaster
management. The collective amount of Japan's grant aid to Bangladesh has reached ¥494,489 billion, out of which ¥256,866 billion was given in the form of grant aid for the debt relief. Bangladesh is the largest receiving country of Japan's grant aid in the form of debt relief. The cumulative amount of Japanese technical cooperation to Bangladesh amounted to approximately ¥53,631 billion by the end of FY2008. Until the end of FY 2008, 5,621 trainees were received in Japan and 1,492 experts were dispatched to Bangladesh. The total Japanese ODA to Bangladesh reached to ¥46,210 million in 2008 compared to ¥47,154 million in 2007. Therefore, there is a slight decline of Japanese ODA in the FY2008. Although the amount of grant aid and technical assistance increased, the ODA loans decreased in FY2008. The projects under the loan provided in 2008 were: (i) New Haripur Power Plant (360 MW) Development Project (Part II); (ii) Central Zone Power Distribution Project; and (iii) Eastern Bangladesh Bridge Improvement Project. The conditions of the loans are very generous. The interest rate is 0.01 per cent per annum and the repayment period is 40 years inclusive of 10-year grace period for the three loans.

Table 1.1: Japanese ODA to Bangladesh from FY2004 to FY2008 (Million Yen)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Japanese ODA Loan</th>
<th>Grant Aid</th>
<th>Technical Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>11,345</td>
<td>2,113</td>
<td>2,252</td>
</tr>
<tr>
<td>2005</td>
<td>0</td>
<td>2828</td>
<td>1628</td>
</tr>
<tr>
<td>2006</td>
<td>24,906</td>
<td>2316</td>
<td>1612</td>
</tr>
<tr>
<td>2007</td>
<td>42,956</td>
<td>2557</td>
<td>1641</td>
</tr>
<tr>
<td>2008</td>
<td>39,749</td>
<td>4271</td>
<td>2190</td>
</tr>
</tbody>
</table>

Source: "Outline of Japan’s ODA to Bangladesh (September 2009)", ODA by Region (South West Asia), the Ministry of Foreign Affairs of Japan, URL: http://www.mofa.go.jp/policy/oda/region/sw_asia/bangla_o.pdf

Japan’s International Cooperation Agency (JICA) has proposed to provide Tk. 490 crore as budgetary support for the next three years, to cope with environment related disasters, and will cancel a debt of Tk. 700 crore from its Debt Cancellation Fund. The Meghna Bridge was built at the cost of US$7.9 billion with the Japanese assistance.
This appears to be the single largest project undertaken with Japanese assistance anywhere in the world. In 2009, Japan provided US$800,000 for technical assistance with regard to the construction of the 5.5 kilometre long Padma Bridge and the Japan Bank of International Cooperation has committed to provide funds of about US$300 million for the Padma Bridge.  

Japan is also an important trading partner and a source of FDI. However, the balance of payment in bilateral trade is tilted towards Japan. The trade deficit per year is US$500-700 million in favour of Japan. Bangladesh Economic Review 2009 indicated that in FY2008-2009 Bangladesh’s export to Japan reached US$202.60 million compared to US$172.56 million in the previous fiscal year. However, in FY2009, Bangladesh imported US$1015 million’s worth of goods from Japan. In 2007, the total export of Bangladesh to Japan was US$147.47 million, while import from Japan was US$690.36 million. The imported items from Japan are mostly raw materials, equipments, manufactured items and reconditioned vehicles. On the other hand, major exports from Bangladesh to Japan include tea, shrimps, leather, jute products, footwear, and RMG. RMG is a potential sector, which can reduce the existing trade gap between Japan and Bangladesh. Bangladeshi RMG has already got reputation in the EU and NAFTA markets. Japan can also be a big market for the products of Bangladeshi RMG. Currently, Japanese buyers are giving more attention to Bangladeshi RMG products because of their lower prices. Japan is the fourth largest knitwear importing nation in the world. It imported knitwear products worth US$10.37 billion in 2006 and its market has been growing at a pace of 11.73 per cent per year since 2002. Bangladesh is trying hard to penetrate the Japanese knitwear market. According to one account, Bangladeshi knitwear export to Japan could reach US$100 million in FY2010.

The rank of Japan in terms of FDI in Bangladesh is fourth. So far, about 146 projects with 100 per cent investment or joint ventures between Bangladeshi and Japanese companies have been registered with the BOI, with a figure amounting to US$1,193.769 million. In 2009, the KDDI, a Japanese telecom giant, has entered into Bangladesh market acquiring 50 per cent stakes of BracNet, a leading local ISP-internet service provider. Although the volume of bilateral trade and investment is yet to reach the full potentials, new
initiatives can raise the level for mutual gains. Bangladesh offers enhanced investment support services, incentives, large market, inexpensive workforce and quality export products as evidenced in JAPAN External Trade Organisation (JETRO) studies recognising the country with lowest cost of doing business and capable of supplying IT products for Japan. Big businesses like NTT Docomo, UNIQLO, SEIYU, Ito Yokado, NITORI, and Mitsubishi are planning to do business in Bangladesh. For further mutual benefits, one needs to identify the challenges confronting Japan and Bangladesh in their bilateral relationship.

**Bangladesh-NICs Relationship**

Bangladesh has friendly relations with the Newly Industrialised Countries (NICs) of East and Southeast Asia, namely, South Korea, Hong Kong, Malaysia, Singapore, Taiwan, Indonesia, and Thailand. These countries have received significant attention for their spectacular political, economic and technological development. In fact, the rapid development of these countries has transformed the region into one of the economic power houses of the contemporary world. These countries are important sources of industrial and construction raw materials, finished goods and also important labour markets for Bangladeshi manpower.

A rapid growth of bilateral cooperation between Bangladesh and Malaysia has been observed over the past years. Among the ASEAN countries, Malaysia has been the largest investor in Bangladesh. Malaysian companies have invested US$1.3 billion in 59 projects in 2007 in areas such as telecommunications, textiles and financial sectors. In addition to trade and investment relations, Malaysia has also provided economic and technical assistance to Bangladesh, Malaysia is an important destination of the expatriate workers of Bangladesh. However, the manpower export from Bangladesh to Malaysia significantly declined in 2009. Concerning the restriction on importing workers from Bangladesh, Engineer Khandker Mosharraf Hossain, Minister of Labour, Expatriates Welfare and Overseas Employment, said, “We are continuously communicating with the Malaysian government in this regard and we hope the problem will be resolved soon.”

Korea, Singapore and Brunei are also important destinations for Bangladeshi expatriate workers.
Some other ASEAN NICs like Indonesia, Singapore and Thailand remain important trading partners of Bangladesh. However, there is a huge trade gap between Bangladesh and ASEAN countries, and the trade balance heavily favours the ASEAN countries. In 2006, Bangladesh's export to ASEAN countries was US$229.58 million and import was US$2317.12 million. Bangladeshi RMG products, the key export item of Bangladesh, have little demand in the ASEAN market. In Bangladesh, usually the RMG is produced for the low-income customers in the developed countries. In some NICs, such products have very little demand. Besides, there has been a lack of communication between the business communities of both sides. Therefore, very little room is left for Bangladesh to access the ASEAN markets with its RMG. In FY2009, Bangladesh's export to the ASEAN+3 countries declined. In FY2008, Bangladesh's export to the ASEAN+3 countries constituted 2.9 per cent of its total export where as in FY2009, the export declined to 1.4 per cent. Over the years, the necessity of economic cooperation with the NICs is being increasingly realised. Although the government has undertaken a policy initiative called 'Look East Policy' aimed at exploring the prospects for mutually beneficial cooperation with the ASEAN+3 countries, very little has been achieved until now.

1.5 CONCLUSION

Global recession and efforts at overcoming its consequences continued to remain at the centre of international relations during 2009. Simultaneously, international community also remains preoccupied with a series of other challenges emanating from factors as diverse as intra- and inter-state conflicts, climate change and environmental degradation, trade and investment, terrorism and crime, cross-border migration and so on. In the process, Bangladesh, like many other countries, is undergoing radical transformation marked by difficult challenges as well as enormous opportunities. In the economic realm, the challenges continue to remain formidable. Global recession, particularly its continuing impact on the developed countries as well as the oil-rich Gulf countries and the NICs of Asia-Pacific region, has further complicated Bangladesh's predicaments. Export oriented garments industry and the export of manpower, the two most important pillars of the country's external economic relations, continued to remain under considerable strain during
In this regard, uncertainties continued to loom large. Hence, the challenges ahead are likely to be no less formidable. While the challenges are economic in nature, foreign policy of the country and its diplomacy are of crucial importance in facing them. In the circumstances, the significance of economic diplomacy became more crucial, while its tasks became more complicated due to the global recession and its impact on the world economy.

Defining the security challenges, particularly those of Bangladesh, is appearing more and more complex. For Bangladesh, threats to security hardly include a direct threat of military nature. In contrast, non-traditional threats, such as, environmental threats to security pose a severe challenge to diplomacy, in addition to complicating the developmental challenges. Nonetheless, over time, traditional security issues like the demarcation of maritime boundary come to the forefront of diplomatic agenda.

The process of globalisation and global interdependence poses a wide diversity of challenges to security and development. For Bangladesh, as already explained, developmental challenges and security challenges, both traditional and non-traditional, became interwoven and intertwined. The same also offers enormous opportunity for dealing with the country’s security predicaments as well as developmental challenges. It is in this backdrop that the importance of the role of foreign policy and diplomacy in facing the challenges to security and development remains of crucial importance. In this regard, the development of cooperation with individual countries as well as that at the sub-regional, regional and international levels remains the central point.

Developing friendly relations and fruitful cooperation with its neighbours is a cardinal task of Bangladesh diplomacy. In this regard, the two consecutive neighbours, India and Myanmar, are of utmost importance. However, with both the countries there are a number of outstanding issues. Bangladesh shares a common maritime boundary with both the countries. Due to the overlapping claim by all the three countries, the demarcation of maritime boundary remains an unresolved issue. Efforts at resolving the issue are continuing at the bilateral level as well as within the framework as prescribed by the UNCLOS.

Bangladesh-India relations, stagnated for a quite long period, began to witness a period of dynamism with the formation of
government by Bangladesh Awami League in January 2009. In this regard, Prime Minister Sheikh Hasina’s state visit to India from 10-13 January 2010 at the invitation of Manmohan Singh, Prime Minister of India, constitutes a significant milestone. The Joint Communiqué issued at the end of the visit emphasised that the two Prime Ministers agreed to put in place a comprehensive framework of cooperation for development between the two countries, which would include cooperation in water resources. In practice, the Communiqué dealt with immediate issues like the lean season flows of the Teesta River as well as the long-standing issues like the management of common water resources taking into account the totality of Bangladesh-India common rivers. Thus, a process of conflict management and cooperation or rather a process of transforming the issues of conflict between Bangladesh and India into those of cooperation between the two countries is initiated.

One of the foreign policy objectives of Bangladesh is to enhance cooperation with other South Asian and Southeast Asian countries. Thus, Bangladesh is actively involved in regional cooperation within the framework of SAARC and BIMSTEC. With these two regional bodies, Bangladesh is extending cooperation in certain areas such as agriculture, trade, climate change, terrorism, energy and so on. Besides, with the formation of SAGQ, the member countries are trying to establish a powerful economic hub within the sub-region through greater connectivity. Despite some positive outcomes and enormous opportunities, these sub-regional and regional blocs could not materialise enormous potentials due mainly to outstanding issues of political nature. This remains a challenging task for Bangladesh as well as its cooperative partners.

Global recession and its impact on the export of garments product and the export of manpower continued to remain as the main concern of Bangladesh diplomacy during the year under consideration and beyond. The export of garments product to Europe and North America did not suffer any blow that remains a national nightmare since the onset of the global recession. Gradually, however, Bangladesh has gained significant confidence that its export of RMG products to the West was not as vulnerable as it was initially feared. Nonetheless, certain degree of worry continues to remain and, hence, diplomatic efforts aimed at thwarting any possible setback regarding the export of RMG products to the West should continue unabated.
With regard to the export of manpower, the scenario is mixed, complex and also worrisome. There has been a rather dramatic decrease in the export of manpower. The export of manpower declined to 475,278 in 2009 from 875,055 in 2008. Notwithstanding such a decline in the export of manpower, the remittances increased by 22.4 per cent to US$9,689.3 million in FY2009 from US$7,914.8 million in FY2008. Such a flow of remittances significantly helped Bangladesh in facing the challenges emanating from the global recession and also project a positive image of the country in the global marketplace. Thus, Bangladesh’s ability to deal with the consequences of global recession boosted the self-confidence of Bangladesh as well as the confidence of the global community on the country with regard to its economic performance. This would remain a positive factor facilitating the country’s integration to the global economy.

Endnotes
6 Ibid.
7 Ibid.
Foreign Policy of Bangladesh

11 Centre for Policy Dialogue, op. cit., Table 1, p.4.


14 Ibid.


24 The Daily Star, 10 January 2010.
33 International Federation of Red Cross and Red Crescent Societies, op. cit.
37 See, International Federation of Red Cross and Red Crescent Societies, op. cit. 
Foreign Policy of Bangladesh


40 Bangladesh’s development partners are foreign countries and international/multilateral organisations which are involved in the process of development in Bangladesh as partners in development cooperation.

41 This has been highlighted in, “National Plan for Disaster Management 2008-2015” (Final Draft for Approval), op. cit.


44 Ibid.


46 A. K. M. Abdus Sabur and Mohammad Humayun Kabir, ibid., pp.82-83.


49 The Daily Star, 11 February 2009.

50 The Daily Star, 8 September 2009.


53 The Ittefaq, 7 February 2010.
It is important to note that, Myanmar is situated on the south east corner of Bangladesh and shares a common land border of about 283 kilometres with Naaf River. Strategically, Myanmar is a gateway between Southeast Asia and South Asia.


The Daily Star, 28 December 2009


The New Age, 19 October 2009.

Speech by the Foreign Minister of Bangladesh, delivered at the Seminar on "Bangladesh- Myanmar Relations", held in BISS, 11 June 2009.


The Naya Digonto (a Bengali Daily), 11 February 2009.


The Daily Star, 2 March 2009

The Daily Star 15 June 2009.


75 Nazmul Ahsan, "Sensitive Lists Downsizing, Frame Working Deal on Trade in Services to be High on Agenda", The Financial Express, 11 October 2009.


81 Ibid.


86 Ibid.

87 Mahfuz Kabir, op. cit.


90 "Trade, Terrorism to top the Agenda", The Daily Star, 3 February 2009.

91 Remittances as percentage of GDP increased by 0.89 percentage points to 10.84 in FY09 from 9.95 in FY08. See, Bangladesh Bank Annual Report FY2009.

Although manpower export was declined in 2009, the remittances increased by 22.4 per cent to US$9689.3 million in FY2009 from US$ 7,914.8 million in FY2008. The underlying reason was that Bangladesh Bank (BB) has simplified the approval policy of drawing arrangements between foreign exchange houses and domestic banks. As a result, 40 banks have been allowed for establishing 820 drawing arrangements with 280 exchange houses all over the world for collecting remittances. BB has been made vigorous efforts such as allowing establishment of exchange houses/branch offices abroad by local banks, the banks therefore are encouraged to have better control on the remittance collections. Under this arrangement, some banks have already established their offices abroad to collect remittances by their own. For enhancing distribution network, and accelerating and simplifying delivery process, some Microfinance Institutions (MFIs) have been involved for smooth delivery of remittances. See, *Bangladesh Bank Annual Report 2009*.

About three million Bangladeshis are living in the Middle East. Saudi Arabia that hosts 2 million Bangladeshi expatriate workers tops as source of remittances to Bangladesh.
Foreign Policy of Bangladesh


109 China’s support to Bangladesh’s membership in the UN Security Council (UNSC), and the World Health Organisation (WHO) are two good examples of Chinese political and diplomatic cooperation with Bangladesh.

110 Xinhua News Agency, 26 June 2009.


113 During an official visit to Bangladesh in April 2008, the Chinese Foreign Minister Yang Jiechi made the statement. The Financial Express, 26 April 2008.

114 Zhang Lei, Chief of Political Section of Embassy of China in Bangladesh mentioned the figure in his speech titled “Presentation on Chinese Perspective for Political and Economic Development of Bangladesh”, in a roundtable discussion organized by BIISS on 14 March 2010, URL: http://www.biiss.org/lei.pdf, accessed on 26 July 2010.


116 Zhang Lei, Chief of Political Section of the Embassy of China in Bangladesh, stated the figure in his speech titled “Presentation on Chinese Perspective for Political and Economic Development of Bangladesh”, in a roundtable discussion organized by BIISS on March 14, 2010, URL: http://www.biiss.org/lei.pdf, accessed on 24 July 2010.


119 Ibid.


122 Ibid.


124 Ibid.

125 Bangladesh Economic Review 2009, p. 86.

126 Harun ur Rashid, op. cit.
