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## **BANGLADESH'S RELATIONS WITH INDIA AND CHINA: THE REGIONAL CONTEXT AND STRATEGIES FOR BANGLADESH**

### **Abstract**

India and China are the key countries for Bangladesh given its intertwined national interests and foreign policy priorities. In the past one and half decades Bangladesh-India relations has experienced an unprecedented bonhomie although criticisms were also there regarding lack of reciprocity and ardent effort to resolve some of the outstanding issues most prominently border killing and Teesta water sharing. In the post-2024 revolution period, the relationship is going through a revisionary phase. Bangladesh-China relations, on the other hand, has grown steadily in the past five decades and poised towards a new height. However, Bangladesh faces constraints in advancing its relationship with both the countries as enhanced relationship with one is conceived by another (especially India) as detrimental to its strategic objectives in the region. India-China disputes and their geopolitical and strategic competition in the South Asian region for influence and clout are engendering such constraining situation for Bangladesh. In this context, the present paper intends to raise and answer the question what strategies should Bangladesh follow to achieve its own national interests of maintaining best relationships with both the countries. Majority argues for “balancing strategy”. It is to be noted that, from IR perspective, balancing strategy has specific connotations which are not commensurate with Bangladesh’s foreign policy principles. Rather, it is suggested in the paper that, Bangladesh as a small state and to some extent as a rising middle power needs to adopt the “hedging strategy”. Subsequently, the paper lays out the components and criteria of the hedging strategy for Bangladesh. It is to be noted that hedging strategy in IR scholarship is still an evolving concept hence, further research is warranted to devise a more appropriate and fitting strategy for Bangladesh.

**Keywords:** balancing strategy, bandwagoning, hedging strategy, equi-proximity

### **1. Introduction**

India and China are arguably the two most pivotal nations for Bangladesh, given its intertwined national interests and foreign policy priorities. Historically, Bangladesh shares profound socio-cultural and civilisational linkages with both the

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countries. India, as the immediate neighbour encompassing Bangladesh on three sides, has assumed a centre-stage position in Bangladesh's strategic considerations and foreign policy imperatives. Conversely, China, as the most proximate global power, also occupies a position of prominence in the foreign policy manoeuvres of Bangladesh. The contemporary relationships between Bangladesh and India, as well as between Bangladesh and China, have however, evolved into diverse and multifaceted partnerships.

Over the years, Bangladesh-India relationship has expanded to include all aspects of a bilateral relationship—economic, political, socio-cultural, security and strategic. Economically, India stands as one of the largest trading partners of Bangladesh and among many other priority areas, building a strong relationship based on equality, mutual respect and mutual reciprocity remains a major focus of the bilateral relationship. Over the last one and a half decades, Bangladesh-India relationship has widened and deepened to incorporate novel avenues of cooperation and collaboration. Politically, the two nations have experienced an unprecedented bonhomie over the last fifteen years during the Sheikh Hasina regime, often characterised as the model relationship between the two closed-door neighbours,<sup>1</sup> although criticisms were also abound. This bonhomie abruptly shifted into a dimmed<sup>2</sup> relationship in the post-July 2024 student-led revolution period that ousted Sheikh Hasina and installed an interim government under the leadership of Professor Muhammad Yunus.

The July 2024 revolution in Bangladesh has not been perceived well in India and to a large extent, it has been misconstrued by both the Indian leadership as well as the Indian media. They have failed to grasp that it was a mass uprising that forced Sheikh Hasina to flee along with her cabinet members and party leaders.<sup>3</sup> Following this, Bangladesh-India relations deteriorated. India suspended giving tourist visas as well as medical visas, causing severe difficulties for the common people and medical patients. Later in late March of 2025, India also declared to cancel the transshipment facility for Bangladeshi cargoes.<sup>4</sup> Not only this, India's harbouring of Sheikh Hasina

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<sup>1</sup> See Sreeradha Datta (ed.), *India-Bangladesh Bonhomie at 50: 1971 and the Present*, New Delhi: Vivekananda International Foundation, 2022.

<sup>2</sup> See, IISS, "The dimming of Bangladesh-India relations," *IISS Strategic Comments*, February, 2025, <https://www.iiss.org/publications/strategic-comments/2025/02/the-dimming-of-bangladeshindia-relations/>

<sup>3</sup> "Modi-Yunus meeting: India needs to recognise that the July Revolution in Bangladesh was not just a change of guard. It was an aspiration for a return to democracy," *The Indian Express Opinion*, April 08, 2025, <https://indianexpress.com/article/opinion/columns/modi-yunus-meeting-india-july-revolution-bangladesh-change-guard-aspiration-democracy-9931505/>

<sup>4</sup> "India cancels transshipment facility for Bangladesh's export cargo," *The Daily Star*, April 09, 2025, <https://www.thedailystar.net/business/news/india-cancels-transshipment-facility-bangladeshs-export-cargo-3867266>

and numerous prominent leaders of the Awami League is engendering profound grievances and fostering anti-India sentiment among the mass people of Bangladesh.<sup>5</sup> India's regional media's unrelenting, but also at times mainstream media's unwarranted campaigns of misinformation and disinformation, coupled with the conspicuous silence from the central government leadership, are exacerbating the grievances of the masses toward India.<sup>6</sup>

Bangladesh-China relations, on the other hand, over the last decade have transformed from a heightened relationship to a 'closer comprehensive partnership' to a 'strategic partnership for cooperation' as declared during the maiden visit of Xi Jinping in the year of 2016 and, eventually to "Comprehensive Strategic Cooperative Partnership" in the year 2024<sup>7</sup>. In contemporary times, China has emerged as the largest trading partner as well as an indispensable development partner of Bangladesh especially, for infrastructural development of the country. Numerous infrastructures - roads, expressways, bridges, power plants, etc., are being built in Bangladesh with Chinese assistance. Both countries also have long-standing defence and security cooperation. There are also socio-cultural exchanges and people-to-people connectivity between the two countries.

Certain changes are also visible in Bangladesh-China relations in the post-July revolution period, albeit in a positive direction. New areas of cooperation have been explored, such as medical tourism for Bangladeshi patients to China, as well as human resource development for Bangladesh by providing more educational and training facilities to Bangladeshi students. It is to be noted that, in this year of 2025, Bangladesh and China are celebrating five decades of bilateral relations, and this year has been declared the "Bangladesh-China People-to-People Exchange Year."<sup>8</sup>

Therefore, Bangladesh enjoys beneficial bilateral relations with both India and China that serve its national and strategic interests. Nevertheless, Bangladesh often faces constraints and challenges in maintaining its relationships with both India and

<sup>5</sup> "India is responsible for instigating India-hatred in Bangladesh," *Prothom Alo English*, December 08, 2024, <https://en.prothomalo.com/opinion/op-ed/bss3xquvxn>

<sup>6</sup> "Misinformation campaigns and the future of Bangladesh-India relations," *The Daily Star*, August 11, 2024, <https://www.thedailystar.net/opinion/views/news/misinformation-campaigns-and-the-future-bangladesh-india-relations-3674626>

<sup>7</sup> See, the "Joint Statement between the People's Republic of China and The People's Republic of Bangladesh on the Establishment of Comprehensive Strategic Cooperative Partnership," July 10, 2024, Beijing, China. [https://www.fmprc.gov.cn/eng/gjhdq\\_665435/2675\\_665437/2681\\_663366/2683\\_663370/202407/t202407111451963.html](https://www.fmprc.gov.cn/eng/gjhdq_665435/2675_665437/2681_663366/2683_663370/202407/t202407111451963.html)

<sup>8</sup> See "Vice Foreign Minister Sun Weidong Meets with New Ambassador of Bangladesh to China Nazmul Islam," February 21, 2025, *Ministry of Foreign Affairs*, The People's Republic of China, [https://www.fmprc.gov.cn/eng/gjhdq\\_665435/2675\\_665437/2681\\_663366/2683\\_663370/202502/t20250221\\_11560342.html](https://www.fmprc.gov.cn/eng/gjhdq_665435/2675_665437/2681_663366/2683_663370/202502/t20250221_11560342.html)

China. It is the regional context that plays a stringent constraining role in curbing Bangladesh's efforts to further strengthen bilateral relations with India and China. The regional context has two major aspects. Firstly, the long-standing rivalry between India and China. The two countries fought a War in 1962 over land borders and since then, border disputes between the two giant neighbours are still continuing. Secondly, and more importantly, the increasing geopolitical and strategic competition between India and China in the South Asian region. Both are trying to secure their dominance and influence, while also vying for various resources such as energy resources, trade routes, marine resources etc. Both the countries are vying for influence and making efforts to draw other smaller nations of the regions closer to them, in the process, creating severe stress on other relatively smaller states for taking sides. In this scenario, further enhancing bilateral relations with one country is essentially viewed by another within a zero-sum framework. This has put relatively smaller countries like Bangladesh in a challenging position to advance its bilateral relations with both India and China, as an effort to advance its relations with one country is viewed by another especially, India and by many political observers as Bangladesh falling into the sphere of influence of the other i.e., China. This has become crucial for Bangladesh in achieving its national interests and foreign policy priorities. And it is even more crucial to delve into the analysis of what strategies Bangladesh should undertake to advance its relationship with both the countries to fulfil its own national interests.

Three sets of literature are currently available on Bangladesh's relations with India and China. There is a plethora of literature<sup>9</sup> available on Bangladesh-India relations. And quite a substantial amount of literature exists on Bangladesh-China relations.<sup>10</sup> However, few studies are there that focus on the dynamics of the triangular

<sup>9</sup> To highlight some of the significant research: Sreeradha Datta (2009), "The Changing Bilateral Contours of Indo-Bangladesh Relations," *Maritime Affairs: Journal of the National Maritime Foundation of India* 5, no. 1, 115-136, DOI: 10.1080/09733150903122099; Partha S. Ghosh, "Changing Frontiers: Making Deeper Sense of India-Bangladesh Relations," *South Asia Research* 31, no. 3 (2011): 195-211; Veena Sikri, "India-Bangladesh Relations: The Way Ahead," *India Quarterly: A Journal of International Affairs* 65, no. 2 (2009): 153-165; Biru Paksha Paul, "Output Relationships in South Asia: Are Bangladesh and India Different from Neighbours?" *South Asia Economic Journal* 14, no. 1 (2013): 35-57; B Chakma, "Bangladesh-India Relations: Sheikh Hasina's India-positive Policy Approach," *RSIS Working Paper*, no. 252 (Singapore: Nanyang Technological University, 2012); M H Chowdhury, "Asymmetry in Indo-Bangladesh Relations," *Asian Affairs: An American Review* 40 no. 2 (2013): 83-103; D Hossain, "The dynamics of Bangladesh-India relations: From a paradigm shift to a challenging era?" In A. Ranjan (Ed.), *India in South Asia: Challenges and management*, (2019): 133-152; D Hossain and M S Islam, "Unfolding Bangladesh-India maritime connectivity in the Bay of Bengal region: A Bangladesh perspective," *Journal of the Indian Ocean Region* 15 no. 3 (2019): 346-355.

<sup>10</sup> To mention some of the studies: Roksana Islam Sujana, "Bangladesh-China Relations: From Closer Comprehensive Partnership to Strategic Partnership," *BIISS Journal* 38, no. 2 (Dhaka: 2017); Shamima Nasrin, "China-Bangladesh Relations: Need for Economic Partnership," *Journal of International Affairs* 5,

relationship between Bangladesh, India and China. Sreeradha Datta carried out a comparative analysis of the triangular relationship in the context of circumstances that existed in 2008 and, sought answers to a question: why Bangladesh had much better relations with China at the time instead of India, with which Bangladesh has closer socio-cultural affinities.<sup>11</sup> She however, did not mention anything about strategies that Bangladesh should follow to manage its relationships with both India and China.

Hossain and Islam (2021)<sup>12</sup> also discussed Bangladesh's relations with India and China and highlighted the problematique of Bangladesh maintaining its relations with India and China in the context of their rivalry and geopolitical competition in the region of South Asia and adjacent region. However, while analysing what strategies Bangladesh needs to follow, they used the conceptual framework of Lee<sup>13</sup> i.e., Bangladesh can play the role of either a catalyst, facilitator or a manager.

Pravakar Sahoo (2013)<sup>14</sup> in his article deliberated mainly on the economic relations between Bangladesh and India, and between Bangladesh and China. However, given the context of 2013, the main focus of the article has been on seeking and addressing the reasons for China's ascent in trade and investments with Bangladesh while the position of India declined. The study came up with a suggestion that a strategy needs to be devised to counter India's declining economic influence in Bangladesh.

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no. 3 (2001); S M Ahmed, "Bangladesh-China Relations: Scopes for Attaining New Heights," *BIISS Journal* 34, no. 4 (Dhaka: 2013): 273-292; Singh, P K, "China-Bangladesh Relations: Acquiring a Life of their Own," *China Report* 46, no. 3 (2010): 267-283; Niloufar Baghernia and Ebrahim Meraji, "Understanding China's Relationship with Bangladesh," *CenRaPs Journal of Social Sciences* 2, no. 3 (2020): 345-353; M A Azim, "Bangladesh-China economic relations: Opportunities and challenges," in D Hossain (ed.), *Bangladesh-East Asia relations: Changing Scenarios and Evolving Linkages*, (Dhaka: East Asia Study Center, 2019): 119-141; M A Mannan, "Bangladesh-China relations: Mapping geopolitical and security interests," in D. Hossain (Ed.), *Bangladesh-East Asia Relations: Changing Scenarios and Evolving Linkages*, (Dhaka: East Asia Study Center, 2019):81- 118.

<sup>11</sup> Sreeradha Datta, "Bangladesh's Relations with China and India: A Comparative Study," *Strategic Analysis* 32, no. 5 (2008): 755 - 772, DOI: 10.1080/09700160802309134

<sup>12</sup> Delwar Hossain & Md. Shariful Islam, "Understanding Bangladesh's relations with India and China: dilemmas and responses," *Journal of the Indian Ocean Region* 17, no. 1 (2021): 42-59. DOI: 10.1080/19480881.2021.1878582

<sup>13</sup> S J Lee, "South Korea aiming to be an innovative middle power," in S. J. Lee (Ed.), *Transforming global governance with middle power diplomacy: South Korea's role in the 21st century*, (Palgrave Macmillan,2016): 1-13

<sup>14</sup> Sahoo Pravakar "Economic Relations with Bangladesh: China's Ascent and India's Decline," *South Asia Research* 33, no. 2 (2013), DOI: 10.1177/0262728013487632

In his paper, Sujit K Datta (2021)<sup>15</sup>, using the “strategic triangle” framework of L Dittmer<sup>16</sup>, also discussed and analysed the problematique of triangular relationships among Bangladesh, India and China, given the Sino-Indian increasing geopolitical competition in the region. However, while suggesting how Bangladesh can manage the situation and reap most of the benefits, he proposed “triangular relationship” between Bangladesh, India and China as a new paradigm of cooperation which needs to be understood within the framework of a transactional game among three variable players.

In her article, Lailufar Yasmin (2019)<sup>17</sup>, focused on the changing international order and in that context deliberated on India and China’s relations with smaller countries of South Asia especially, Bangladesh. She highlighted the fact that it is not only in the interests of Bangladesh, that it maintains good relations with India and China, but both India and China need to uphold better relations with Bangladesh due to its geopolitical and strategic significance.<sup>18</sup> However, while suggesting what strategies Bangladesh should follow, she noted about other scholars’ opinions favouring either “balancing”, “bandwagoning” and “hedging” strategy for Bangladesh. Nevertheless, she discarded these strategies for Bangladesh although, without providing detailed discussion on these, and recommended that Bangladesh should play the role of a ‘game changer’ in South Asia by drawing both the countries instead of being a stage of rivalry for them.

This brief literature review demonstrates that a research gap still exists in terms of analysing in detail Bangladesh’s strategy vis-à-vis India and China, and especially, within the realist understanding of ‘balance of power’ at the ‘sub-systemic level’. As mentioned earlier, due to the bilateral rivalry and geopolitical and geostrategic competition, both India and China are vying for enhanced influence and engagement in the South Asia region. And very often India views other regional countries’ enhanced relationship with China as detrimental to its security and strategic interests. This has put countries like Bangladesh in a disarray as there have been a number of instances where India expresses its displeasure regarding Bangladesh-China enhanced cooperation, especially in the infrastructure development of Bangladesh but also in other areas such as economic and defence cooperation. Bangladesh is a developing country that needs to follow its foreign policy dictum “friendship to all, malice

<sup>15</sup> Sujit Kumar Datta, “China-Bangladesh-India Triangular Cooperation: Options for Bangladesh,” *Journal of Indian Research* 9 (2021):1-2

<sup>16</sup> L Dittmer, “The Strategic Triangle: An Elementary Game-Theoretical Analysis”, *World Politics* 33, no. 4 (1981): 485-515

<sup>17</sup> LYasmin, “India and China in South Asia: Bangladesh’s Opportunities and Challenges”, *Millennial Asia* 10, no. 03, (2019): 322-336, DOI: 10.1177/0976399619879864.

<sup>18</sup> Yasmin, “India and China”.

towards none", hence, having amicable relationships with all regional and global powers. It is the core national interest of Bangladesh to continue and enhance its relationships with both India and China. This is also the developmental need of Bangladesh.

However, when it comes to what strategies Bangladesh should follow to strengthen its relations with both India and China, most of the scholars are of the opinion that Bangladesh should follow a 'balancing' strategy between India and China.<sup>19</sup> Such construction is flawed from International Relations (IR) perspective. From a realist worldview of IR theory and within the "balance of power" theory, 'balancing' strategy has specific connotations with varying options such as 'hard balancing', 'soft balancing' and 'bandwagoning'. It needs to be highlighted that Bangladesh can never adopt 'balancing' or 'bandwagoning' strategy as they are inherently contradictory to its foreign policy principle of non-alliance. What Bangladesh needs, is to follow a 'balanced' foreign policy or "a balancing act" where cooperation, collaboration and engagement are the hallmarks of such strategy. From a theoretical perspective, this strategy of cooperation and engagement is more akin to 'hedging' strategy.

Against this, the present research has three main objectives. It intends to identify: a) what are the challenges/constraints Bangladesh is facing in maintaining and advancing its relations with both India and China against their regional geopolitical and geostrategic competition as well as rivalry for influence; b) what strategy/strategies Bangladesh should follow with regards to "balance of power" theory at the sub-systemic level; and c) what would be the components and ramifications of that strategy/strategies. As for methodology, the research is qualitative in nature based mainly on secondary literature but also complemented with primary data and information. Books, Journals, documents, online resources, newspaper op. eds., reports, archival documents etc., are consulted to generate information and analysis. To complement the findings of the desk research, key informant interviews (KIIs) of scholars and experts have also been carried out. The paper has six sections including introduction and conclusion. Sections two and three delineate the bilateral relations between Bangladesh and India and, between

<sup>19</sup> See R Bhatia, "Bangladesh's India-China balancing strategy," *Gateway House*, March 7, 2019, <https://www.gatewayhouse.in/bangladesh-foreign-policy/>; A Bodetti, "Bangladesh's China-India balance," *The Diplomat*, May 6, 2019, <https://thediplomat.com/2019/05/bangladeshs-china-india-balance/>; I Hossain, "Bangladesh balances between big brothers China and India," *EAST ASIA FORUM*, June 6, 2018, <https://www.eastasiaforum.org/2018/06/06/bangladesh-balances-between-big-brothers-china-and-india/>; Scholar like Anu Anwar also fallaciously talked about 'bandwagoning' as a strategy for Bangladesh. See A Anwar, "How Bangladesh is benefiting from the China-India rivalry," *The Diplomat*, July 12, 2019, <https://thediplomat.com/2019/07/how-bangladesh-is-benefiting-from-the-china-india-rivalry/>



Bangladesh and China respectively. Section four lays out the regional context of geopolitical and geostrategic rivalry between India and China and how it is engendering hurdles for Bangladesh. What strategy Bangladesh should follow to overcome these hurdles as well as maintaining and enhancing its relations with both India and China has been deliberated in section five. What specific tools and techniques Bangladesh needs to follow are also discussed in this section. Section six is the conclusion of the paper.

## 2. Contemporary Bangladesh-India Relations: An Era of Inequity and Non-reciprocity

Bangladesh's relations with India constitute the most important cornerstone of Bangladesh's external relations architecture. Geographical imperatives, socio-cultural affinities, historical ties and the shared South Asian civilisational heritages have created a natural bond of inter-dependence between the two close-door neighbours.<sup>20</sup> In the last one and a half decades, during the Sheikh Hasina regime, relationship between the two countries has subsumed every conceivable engagement that two neighbouring countries can have in modern times. There seems to be a general agreement among observers, researchers and policymakers that Bangladesh and India were having the best of their relationships during this period. This phase has been termed by many as the "*Shonali Oddhai*" i.e., the golden time of all times.<sup>21</sup> In many discussions, both the Indian and Bangladeshi sides said that the kind of relationship both countries are having is a sort of role model for bilateral and regional cooperation. However, criticisms have also existed as many observers have pointed out that the relationship has been characterised by inequity and non-reciprocity, often skewed in favour of India.

Bangladesh-India relations have significantly flourished since Sheikh Hasina assumed power in January 2009. The 2009–2010 Annual Report of Ministry of External Affairs, India, articulated that "Bilateral relations between India and Bangladesh acquired new momentum, following formation of the Grand Alliance

<sup>20</sup> M Ashique Rahman, "Rising India and Bangladesh-India Relations: Mutual Perceptions and Expectations", in Vishal Chandra (ed.), *India and South Asia: Exploring Regional Perceptions*, (New Delhi: Pentagon Press, 2015): 93.

<sup>21</sup> See for example, "It is 'Sonali Adhyay' in India-Bangladesh relations: Modi tells Sheikh Hasina", *Business Standard*, October 05, 2019, <https://www.business-standard.com/article/news-ani/it-is-sonali-adhyay-in-india-bangladesh-relations-modi-tells-sheikh-hasina-119100500782.1.html>; Also see Anasua Basu Ray Chaudhury, "The 'Golden Chapter' of India-Bangladesh diplomacy," *Expert Speak*, Observer Research Foundation, September 04, 2022, <https://www.orfonline.org/expert-speak/the-golden-chapter-of-india-bangladesh-diplomacy>.



Government, led by Prime Minister Sheikh Hasina in January 2009.”<sup>22</sup> During the maiden visit of Sheikh Hasina to New Delhi in January 2010, several pivotal agreements were concluded to bolster cooperation. Noteworthy initiatives included the construction of the Agartala-Akhaura rail link, mutual accord on the utilisation of Chittagong and Mongla ports, and a substantial Indian line of credit amounting to US\$ 1 billion aimed at supporting infrastructural advancement. Furthermore, India had also committed to supplying 250 MW of electricity to Bangladesh as a measure to mitigate its energy insecurity.

The return visit of Indian Prime Minister Manmohan Singh to Bangladesh in September 2011 also marked a significant milestone in Bangladesh-India relations, culminating in a series of important agreements and Memoranda of Understanding (MoUs). These included the Framework Agreement on Cooperation for Development, the Protocol to the Agreement Concerning the Demarcation of the Land Boundary between India and Bangladesh and Related Matters, and the Addendum to the Memorandum of Understanding between India and Bangladesh to Facilitate Overland Transit Traffic between Bangladesh and Nepal. The protracted issue of maritime boundary delimitation was amicably resolved in 2014, and the Land Boundary Agreement was ratified in 2015, heralding a new chapter in Bangladesh–India relations. Consequently, concepts such as ‘development partnership,’ ‘security and strategic partnership,’ and ‘connectivity’ have emerged as defining hallmarks of Bangladesh–India relations during the Hasina regime.<sup>23</sup>

Bangladesh and India have also entered into agreements encompassing investments, security cooperation, development cooperation, connectivity and border management, among others. Bangladesh occupies a vital position in the realisation of India’s ‘Act East’ and ‘Neighbourhood First’ policies. The volume of bilateral trade has experienced substantial growth, with Bangladesh emerging as India’s largest trading partner in South Asia and India as the second largest trading partner of Bangladesh in Asia. In one decade, during fiscal years 2013-2022, Bangladesh-India bilateral trade has expanded threefold from US\$ 5.3 billion to US\$ 15.93 billion albeit with concomitant widening of trade gap from US\$ 4.17 billion to US\$ 11.94 billion in favour of India.<sup>24</sup> In the year 2023, India’s exports to Bangladesh amounted to US\$

<sup>22</sup> Quoted in Delwar Hossain & Md. Shariful Islam, “Understanding Bangladesh’s relations with India and China: dilemmas and responses,” *Journal of the Indian Ocean Region* 17, no. 1 (2021): 46, DOI: 10.1080/19480881.2021.1878582

<sup>23</sup> Hossain & Islam, “Understanding Bangladesh’s relations with India”.

<sup>24</sup> “Bangladesh-India trade triples in a decade to \$16b,” *The Business Post*, September 03, 2022, <https://businesspostbd.com/trade/bangladesh-india-trade-triples-in-a-decade-to-16b-2022-09-03#:~:text=According%20to%20data%20from%20the,trade%20between%20the%20two%20countries>

11.3 billion, while imports from Bangladesh reached US\$ 1.89 billion totalling bilateral trade to US\$ 13.19 billion, less than the previous year.<sup>25</sup>

Bangladesh and India have also formalised an MoU pertaining to defence cooperation, and subsequently, Bangladesh engages in bilateral frameworks for defence and strategic collaboration with India. Noteworthy is the inaugural bilateral naval exercise, dubbed ‘Bongosagar,’ which took place in October 2019. The second iteration of this naval exercise was conducted from 03 to 05 October, 2020. The primary objective of the exercise is to enhance interoperability and joint operational capabilities through a comprehensive range of maritime activities and operations.<sup>26</sup> It is to be noted that, the latest edition of exercise ‘Bongosagar’ has been conducted in March 2025.<sup>27</sup> During Sheikh Hasina’s visit in October 2019, seven MoUs and agreements, including a pivotal agreement on the Standard Operating Procedure (SOP) for the utilisation of the Chattogram and Mongla ports were concluded.

However, this heightened relationship or the bonhomie between the two countries during the Hasina regime has encountered various criticisms, especially, on the ground that the relationship benefited India more than Bangladesh. Many identify the relationship during this period as one of non-reciprocity and inequity. Examples can be cited such as Bangladesh giving India transit and transshipment facilities through land and waterways as well as addressing India’s security concern for its Northeastern states, whereas India has been remiss in reciprocating on critical issues of concern to Bangladesh, including water sharing, trade imbalances, and border fatalities.<sup>28</sup> These matters persist as significant irritants in Bangladesh-India relations and serve as constraining factors in further advancing bilateral ties especially based on equality, reciprocity and mutual trust.<sup>29</sup> Furthermore, India’s strategic apprehensions regarding the burgeoning Bangladesh-China relationship have also emerged as a formidable constraint for Bangladesh in enhancing its affiliations with both nations.

<sup>25</sup> See Observatory of Economic Complexity (OEC) website at <https://oec.world/en/profile/bilateral-country/ind/partner/bgd>, accessed 15 March 2025

<sup>26</sup> “Bangladesh, India begin naval exercise today,” *The Business Standard*, October 03, 2020, <https://www.tbsnews.net/bangladesh/bangladesh-india-begin-naval-exercise-today-140581>

<sup>27</sup> “India, Bangladesh conduct naval exercise and patrol despite strained ties,” *The Business Standard*, [https://www.business-standard.com/external-affairs-defence-security/news/india-bangladesh-conduct-naval-exercise-and-patrol-despite-strained-ties-125031400475\\_1.html](https://www.business-standard.com/external-affairs-defence-security/news/india-bangladesh-conduct-naval-exercise-and-patrol-despite-strained-ties-125031400475_1.html), accessed on 15 March 2025.

<sup>28</sup> M S Islam, “Hasina’s vision and Indian failures,” *New Age*, July 26, 2020, <https://www.newagebd.net/article/112095/hasinas-vision-and-indian-failures>

<sup>29</sup> These irritants have also been emphasised by renowned scholar Abul Kalam Azad, PhD, Professor of International Relations at the Bangladesh University of Professionals (BUP) and Retired Professor of Jahangirnagar University, during the Key Informant Interview (KII) with the author. It has been noted that these irritants need to be addressed to create conducive people’s perception which in turn will contribute in advancing bilateral relations further.

The faultlines of Bangladesh-India relations become visible in the post-2024 revolution era. The ousting of Prime Minister Sheikh Hasina heralded a new era of Bangladesh-India relations where people are asking for an equitable and reciprocal relationship based on mutual trust and mutual respect. Bangladesh-China relations, on the other hand, continue to grow and new areas of cooperation are conceived by both the countries to further enhance their relations.

### 3. Bangladesh-China Relations in the Twenty-First Century: Moving towards a New Height

Since the establishment of diplomatic relations in the mid-1970s, the relationship between Bangladesh and China has significantly deepened and broadened. Over the past five decades this partnership has evolved from ‘Closer Comprehensive Partnership of Cooperation’<sup>30</sup> to “Comprehensive Strategic Cooperative Partnership”<sup>31</sup> characterised by its enduring and dynamic nature. Throughout the years, the two nations have entered into a multitude of bilateral agreements encompassing economic collaborations, concessional loans, social initiatives, cultural exchanges, academic partnerships, infrastructure development and military procurements at advantageous terms. Furthermore, the political rapport between the two countries has been cultivated over the last fifty years through a series of high-level visits by the leadership of both nations. Every successive Head of Government of Bangladesh has journeyed to China, with many making multiple trips to facilitate extensive cooperation. Former Prime Minister Sheikh Hasina visited China four times since 2009: first in March 2010, subsequently in June 2014, July 2019 and, most recently in July 2024. With each visit, the Bangladesh-China relationship has progressed incrementally. However, the most significant advancement occurred during the visit of Chinese President Xi Jinping to Bangladesh in October 2016, during which media reports indicated that agreements were established for over US\$ 24 billion in Chinese assistance for 27 developmental projects in Bangladesh.<sup>32</sup>

China has also emerged as the preeminent source of imports for Bangladesh since 2004, surpassing India in this regard. Presently, China stands as Bangladesh's largest

<sup>30</sup> During the maiden visit of Prime Minister Sheikh Hasina to China in March 2010, Dhaka and Beijing made an announcement about the ‘Closer Comprehensive Partnership of Cooperation’ and also signed an agreement for US\$ 2.2 billion in infrastructure investments.

<sup>31</sup> See, the “Joint Statement between the People’s Republic of China and The People’s Republic of Bangladesh on the Establishment of Comprehensive Strategic Cooperative Partnership,” July 10, 2024, Beijing, China. [https://www.fmprc.gov.cn/eng/gjhdq\\_665435/2675\\_665437/2681\\_663366/2683\\_663370/202407/t20240711\\_11451963.html](https://www.fmprc.gov.cn/eng/gjhdq_665435/2675_665437/2681_663366/2683_663370/202407/t20240711_11451963.html)

<sup>32</sup> Johannes Plagemann, “Small States and Competing Connectivity Strategies: What Explains Bangladesh’s Success in Relations with Asia’s Major Powers?” *The Pacific Review* 35, no. 4 (2022): 745.

trading partner, with bilateral trade volume between the two nations amounting to US\$ 17.34 billion during the FY2024. However, it was higher in FY2022 at US\$ 20.02 billion.<sup>33</sup> However, Bangladesh experiences a trade deficit, which is anticipated to diminish gradually, particularly following China's provision of generous full duty-free access to Bangladeshi products, including ready-made garments, in September 2024.<sup>34</sup> In terms of Foreign Direct Investment (FDI), China also plays a pivotal role as a partner to Bangladesh. By 2018, China had ascended to the position of the largest foreign investor in Bangladesh.<sup>35</sup> As of March 2021, the aggregate value of FDIs in Bangladesh reached approximately US\$ 20 billion, with China contributing around US\$ 1.4 billion.<sup>36</sup>

Moreover, with respect to investments in infrastructure, as well as grants and loans, China's involvement in infrastructure development and various developmental projects has surged significantly, particularly following its commitment under the Belt and Road Initiative (BRI). The Bangladesh government has devised numerous projects for funding from China under the BRI framework. Whilst some of these projects are yet to commence, several initiatives, including major undertakings, have been completed with Chinese assistance. In this context, China occupies a dominant position in the infrastructure development of Bangladesh. Beyond trade and investment, other domains of cooperation encompass water resource management, renewable energy, technology transfer, connectivity, maritime security, electricity generation, and the capacity-building of Bangladesh.

China has consistently stood as Bangladesh's foremost partner in military and defence cooperation. It has emerged as the principal and most significant supplier of military hardware and training to Bangladesh's armed forces.<sup>37</sup> China serves as the predominant source of defence procurement for Bangladesh, while Bangladesh ranks as the second-largest export destination for China, commanding a 20 per cent market share. According to an estimate by the Stockholm International Peace Research Institute (SIPRI), the total arms trade between Bangladesh and China during the period from 2013 to 2019 amounted to an impressive US\$ 2.37 billion. This figure encompasses a diverse array of military equipment, including tanks, fighter jets,

<sup>33</sup> "Bangladesh underperforms in zero-duty trade with China," *The Daily Star*, March 25, 2025, <https://www.thedailystar.net/business/news/bangladesh-underperforms-zero-duty-trade-china-3856831>

<sup>34</sup> "China gives duty-free access to all products of Bangladesh," *The Daily Star*, September 13, 2024, <https://www.thedailystar.net/business/news/china-gives-duty-free-access-all-products-bangladesh-3701946>

<sup>35</sup> Rahul Nath Choudhury, *Mapping Chinese Investment in South Asia*, (Singapore: Palgrave Macmillan, 2023): 3

<sup>36</sup> "Chinese FDI sees huge jump in Bangladesh," *The Daily Star*, <https://www.thedailystar.net/business/global-economy/news/chinese-fdi-bangladesh-sees-huge-jump-2186406> accessed on 15 October 2023.

<sup>37</sup> Rahman and Islam, "Bangladesh-China defence cooperation in the twenty first century and beyond," *Bangladesh Defence Journal* (2010): 11

submarines, frigates, anti-ship missiles and a substantial assortment of small arms. Beyond defence trade, the two nations have routinely engaged in the exchange of high-level military delegations and have conducted joint defence training and exercises.

It is to be noted that there exist no visible disputes between Bangladesh and China. Given the long-standing friendly relationship, observers and scholars have assigned Bangladesh-China friendship such nomenclatures as 'trusted' and 'tested' friendship. However, two factors contributed to the cementing of this relationship. First, the two countries do not share borders, hence typical neighbourly irritants<sup>38</sup> do not exist between Bangladesh and China. Secondly, as noted by Chesham and Mahabubur, the small state syndrome does not prevail in the case of Bangladesh as China refrains from showing any "kind of high-handedness in her dealing with Bangladesh."<sup>39</sup> However, it is the regional context, the India-China disputes and their geopolitical competition for greater influence in the region that plays a constraining role for Bangladesh.

#### 4. The Regional Contexts and Challenges for Bangladesh

The relationship between China and India is widely regarded as one of the central concerns of contemporary world politics. While China-US relations will be determinative of global security, governance and even prosperity, the interactions between India and China could emerge as the second most consequential bilateral relationship in international politics. As Bajpai, Ho and Miller astutely observed, "China-India relations will influence China-US relations, diplomacy across Asia, Africa, the Middle East, Europe and the Americas, the future of global and regional institutions, and the world economy."<sup>40</sup> They further asserted that China-India relations must be comprehended as a complex, "mixed-motive game" propelled by a multitude of forces—international and regional developments, bilateral and domestic imperatives, economic and functional opportunities, historical and cultural frameworks, symbolic and social psychological needs and, of course, geopolitical and security considerations. Nevertheless, within the South Asian context, two dimensions of India-China relations: (a) their bilateral disputes and (b) their

<sup>38</sup> Typical irritants between neighbours can be referred to border disputes, cross-border illicit activities and also transnational incursions.

<sup>39</sup> Dr. Kazi Chesham and Mohammad Mahabubur, "Sino-Bangla relations and Bangladesh's Look East policy," *The Daily Star*, May 23, 2005.

<sup>40</sup> Kanti Bajpai, Selina Ho and Manjari C Miller, "Introduction: Taking Stock – a multi-disciplinary view of China-India Relations," in Kanti Bajpai, Selina Ho and Manjari C Miller (eds.), *Routledge Handbook of China-India Relations*, (London: Routledge, 2020): 1.

geopolitical and geostrategic competition are engendering significant challenges for other regional nations, such as Bangladesh.

#### **4.1 India-China Rivalry due to Border Disputes**

The longstanding rivalry between India and China is predominantly underpinned by a protracted border dispute between these two colossal neighbours. This contentious territorial disagreement primarily revolves around two key regions: Aksai Chin in the western Himalayas, which is administered by China yet claimed by India (with the Galwan Valley situated on the periphery of Aksai Chin and the Indian state of Ladakh), and in the eastern Himalayas, where China asserts dominion over at least half of India's Arunachal Pradesh. Additionally, several other minor territories remain subjects of contention.

The protracted nature of the dispute can be attributed to the divergent perspectives of the two states regarding the significance of the two principal contested regions. New Delhi has prioritised the retention of Arunachal Pradesh over the reclamation of Aksai Chin, primarily due to Arunachal's dense population, fertile landscape, and its strategic proximity to the Siliguri Corridor, often referred to as the 'Chicken's Neck'—a narrow passage approximately 22 kilometres long that connects the North Eastern Region to the rest of India. In stark contrast, Aksai Chin is characterised as a virtually uninhabited, high-altitude cold desert, possessing few valuable resources beyond its limited water supply. Conversely, from China's viewpoint, Aksai Chin has been deemed crucial for decades as it harbours the sole year-round roadway linking Tibet's capital, Lhasa, to Xinjiang Province. While alternative routes have since emerged, that particular road continues to hold significant importance.

This appears to indicate that a 'grand bargain' should be relatively straightforward to attain. Indeed, in 1960, China formally proffered a sort of 'without prejudice' agreement, which was, however, rebuffed by Nehru. The predominant rationale typically cited for this rejection is his apprehension regarding domestic political adversaries accusing him of capitulation.<sup>41</sup> Regrettably, the prospect of resolving the dispute through a singular grand bargain has not materialised since, partly due to China's acute sensitivity regarding its control over Tibet, and partly as a consequence of Indian public sentiment. Consequently, the border dispute likely persists as the most contentious issue in Sino-Indian relations, and it will probably continue to do so

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<sup>41</sup> S Kulkarni, "LAC has little meaning. Can India-China reimagine contours of a new Boundary of Assured Control?" *Indian Express*, June 19, 2020, <https://indianexpress.com/article/opinion/columns/india-china-stand-off-line-of-actual-control-galwan-valley-sudheendra-kulkarni-6465585/>

given the myriad obstacles obstructing its resolution. Moreover, there are numerous additional sources of Sino-Indian rivalry.

## 4.2 *India-China Geopolitical and Geostrategic Competition*

A number of factors are augmenting India-China geopolitical and geostrategic competition in South Asia. To mention a few: the Chinese alliance with Pakistan and as a response or as an overall foreign priority India's growing alignment with the US; water disputes; nuclear weapons; China's BRI; and maritime rivalry, especially in the Indian Ocean region. To elaborate on some of these points, Pakistan plays a pivotal role in the discourse surrounding various strategic issues; however, the crux of the matter lies in the fact that Beijing has, since the 1960s, been augmenting Pakistan's position as a means to counterbalance or restrain India within South Asia, thereby thwarting New Delhi's aspirations for great-power status.<sup>42</sup> On the contrary, as India and the United States forge closer ties, China becomes increasingly apprehensive. China perceives India's strengthening relations with nations such as Japan, Australia, and the United States as a formidable threat—evidence of a containment strategy—and consequently, it routinely condemns the Quadrilateral Security Dialogue (Quad) as emblematic of a 'Cold War mentality.'

China's Belt and Road Initiative (BRI) has emerged as a significant concern for India. India has gradually evolved from a disillusioned observer to a vocal opponent of the BRI. A chief catalyst for this transformation is the China–Pakistan Economic Corridor (CPEC), which stands as the largest BRI-related project to date. India vehemently objects to the proposed road and rail connections traversing Pakistan-administered Kashmir. Furthermore, India was incensed by the transfer of management of Hambantota port in Sri Lanka to a Chinese state-owned enterprise in 2017, a move ostensibly aimed at averting formal default by Colombo. Broadly speaking, India perceives the BRI as a strategic maneuver by China to encircle it, thereby converting BRI-recipient nations in South Asia into indebted Chinese vassals, while simultaneously seeking to physically circumvent India, potentially relegating it to a global backwater for trade.

In the maritime domain, the geostrategic rivalry is predominantly concentrated in the Indian Ocean and the South China Sea. India harbours escalating apprehensions regarding China's purported 'string of pearls' strategy; significant commercial ports are being constructed or have already been established (typically financed through the Belt and Road Initiative) at Hambantota in Sri Lanka and Gwadar in Pakistan,

<sup>42</sup> Bloomfield, "Indian foreign policy and Extra-regional powers," In A. Ranjan (Ed.), *India in South Asia* (Springer, 2018): 254.



alongside various smaller facilities in Myanmar, Sudan, the Seychelles and Kenya. New Delhi contends that these developments represent a subtle yet insidious encroachment through which China aims to assert hegemonic influence in what New Delhi perceives as 'India's Ocean,' ultimately coaxing its neighbours into China's strategic orbit.

As a response, India is progressively asserting its presence in the South China Sea dispute. For instance, India has augmented its naval exercises with its Quad partners, as well as with nations such as Indonesia and Singapore, in addition to the provision of Akash and BrahMos missiles to Vietnam. Furthermore, the Indian Navy deployed a 'frontline warship' to the South China Sea following the Galwan Valley incident in late June 2020, which has been 'continuously maintaining contact with American counterparts.' Another task force was dispatched to India's Andaman and Nicobar Islands, strategically positioned along crucial trade routes upon which China relies. Collectively, these actions have engendered a volatile and intense geopolitical and geostrategic environment that poses significant challenges for countries like Bangladesh.

#### ***4.3 Challenges for Bangladesh***

In South Asia, India is particularly apprehensive of growing Bangladesh-China relations. Two narratives have particularly been put forward as far as China's relations with Bangladesh in particular and with other smaller South Asian Countries vis-à-vis India are concerned. A very small group of scholars uphold the view that China's engagements with the South Asian countries are pursued independently without any regard to India and with the sole purpose of serving its own national interests.<sup>43</sup> The other group of Indian Scholars, who are in fact in large majority, maintain that China is actually pursuing its "string of pearls" policy in the backyard of India as well as affirming its stronghold in the Indian Ocean region.

Given India's paramount security, political, economic, and foreign policy interests in Bangladesh, New Delhi has historically exercised vigilant oversight over Chinese activities within the country. This scrutiny intensified with the advent of China's Belt and Road Initiative (BRI) and its subsequent investment ventures in Bangladesh. In an effort to mitigate China's burgeoning influence, New Delhi has adopted a multifaceted strategy towards Dhaka, encompassing security collaboration, political endorsement of the Awami League regime, and substantial economic assistance. Notably, in 2017, New Delhi extended a \$5 billion line of credit to

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<sup>43</sup> S D Muni, 2012

Bangladesh, marking India's most significant loan offer to a single nation. Furthermore, India has proffered support for the construction of power plants, ports and nuclear facilities, alongside grants and loans for various medium- and small-scale projects. A principal objective behind these initiatives is to counteract China's expanding footprint in Bangladesh. While these Indian endeavours are advantageous to Bangladesh, challenges emerge when there are objections to specific projects and infrastructures, or even in other realms of cooperation. Four such instances warrant discussion here.

India has expressed its opposition to numerous Belt and Road Initiative (BRI) projects in Bangladesh, perceiving them as detrimental to its long-term geo-strategic interests. Consequently, Bangladesh has been compelled to either cancel or significantly delay the implementation of certain initiatives due to pressure from India and other influential entities, notably Japan and the United States.<sup>44</sup> Particularly significant in this context are the port development projects that have faced Indian opposition. Even prior to the inception of the BRI, Beijing demonstrated a keen interest in port development within Bangladesh, offering substantial funding. In 2010, China committed to financing the construction of the Sonadia Sea Port; however, this funding was rescinded in February 2016. Similarly, China has exhibited interest in the Teesta River development initiative and, according to media reports, extended a loan of US\$ 1 billion to Bangladesh in August 2020 for the implementation of the Teesta River Comprehensive Management and Restoration Project. As of now, the project has yet to commence.

India has also voiced its concern regarding Bangladesh's defence procurement from China. To some scholars, India has legitimate interests in preventing Chinese growing influence in South Asia in general and in Bangladesh in particular.<sup>45</sup> Therefore, in March 2017, when Bangladesh received two refurbished Chinese Ming-class submarines, India raised serious concerns. Even India expressed concern when, in August 2020, Bangladesh received 97 per cent duty-free access to the Chinese market. Whether these are valid concerns from the Indian side or not, that is not the main focus here; rather, the argument here is that these concerns of India creating challenges for Bangladesh, limiting its manoeuvrability and also limiting its autonomy. Bangladesh's priority is to fulfil its national interests of development, and

<sup>44</sup> Bhumitra Chakma, "The BRI and Sino-Indian Geo-Economic Competition in Bangladesh: Coping Strategy of a Small State," *Strategic Analysis* 43, no. 3 (2019): 227-239, DOI: 10.1080/09700161.2019.1599567

<sup>45</sup> A statement made by a Key Informant Interviewee, a Ministry of Foreign Affairs of Bangladesh official, who wished to remain anonymous.

to achieve that, Bangladesh must maintain and enhance its relationship with both China and India. Hence, there is a need for an appropriate strategy or strategies.

## 5. Strategies for Bangladesh for Overcoming the Challenges

Given the necessity and to a great extent the indispensability of both India and China, Bangladesh must adopt a foreign policy strategy to maintain very good relations with both India and China. Many scholars and policymakers alike (knowingly but in most cases unknowingly or at least casually) are of the opinion that Bangladesh should follow a ‘balancing’ strategy to maintain its best relationship with both the countries and exploit the opportunities offered by both of them. As mentioned earlier in the paper, ‘balancing’ strategy has specific connotations in international relations theory, especially within the realist traditions of ‘balance of power’ theory. Moreover, as already noted, Bangladesh as a country upholding the foreign policy dictum of “friendship to all, malice towards none” cannot adopt ‘balancing’ or ‘bandwagoning’ as either of the two essentially involve alliance formation, especially in terms of ‘external balancing’.<sup>46</sup> Similar argument goes for ‘soft balancing’ as well. Given the number of countries involved (Bangladesh-India-China), the viable options that Bangladesh needs to follow fall in the alternative category of ‘hedging’ strategy. Now, before we try to explore the nature and various components of Bangladesh’s ‘hedging’ strategy, a cursory discussion of the ‘balance of power’ theory and its concomitant strategies would be of value for clarity and to grasp a proper understanding of the theory.

### 5.1 *‘Balance of Power’ Theory and the Strategies of ‘Balancing’, ‘Bandwagoning’ and ‘Hedging’*

As Mila Larionova has observed, for the past four centuries, the ‘balance of power’ has served as the cornerstone of international politics and (neo)realist international relations theory.<sup>47</sup> Balance of power theory is predicated on the premise that states endeavour to survive as sovereign entities; consequently, they strive for power within the anarchic global system. Anarchy thus compels states to augment

<sup>46</sup> Scholar like Dr Raymond Kwun-Sun Lau, Assistant Professor, Department of Political Science, North South University, during the Key Informant Interview with the author, has a counterposition regarding Bangladesh’s foreign policy principle of “friendship to all”. They rather prefer Bangladesh take a concrete position given its developing status and increasing geopolitical competition in the region. This would give greater clarity and decisiveness in Bangladesh’s policy formulation. The author, however, contradicts the key informant interviewee that the existing foreign policy principle is better suited for Bangladesh as the country at its present stage of development requires the support of all development partners.

<sup>47</sup> Mila Larionova, “Conceptualizing Soft Balancing Beyond Cold War: What’s Changed, What Remains the Same?” *Central European Journal of International and Security Studies* 14, no. 3, (2019): 80.

their power. The ensuing competition for power becomes an inherent aspect of international politics. However, when a singular state or coalition of states attains pre-eminence, it will inevitably seek to impose its will upon others. Confronted with the spectre of domination and potential obliteration, weaker actors coalesce to form balancing coalitions, “for it is the stronger side that threatens them.”<sup>48</sup> Threatened states may also adopt the internal balancing strategy of armament accumulation, thereby acquiring countervailing capabilities in an attempt to equilibrate the burgeoning military strength of the rising power. The concept of balance of power encompasses both global (systemic) and regional (subsystemic) dimensions. The dynamics of balance of power that influence great powers and global politics are equally pertinent to regional subsystems. Within these regions, the ascendant power of a regional state or coalition can precipitate significant challenges. When one actor or a coalition of actors amasses excessive military power within a region, that entity may engage in aggressive and predatory behaviour toward neighbouring states. To counteract such peril, coalitions of regional states may form balances, with or without the involvement of extra-regional great-power states.

In the post-Cold War era, alongside ‘hard balancing’, concepts such as ‘soft balancing’ and ‘asymmetric balancing’ have emerged for discussion. Hard balancing constitutes a strategy frequently adopted by states embroiled in acute interstate rivalries. Consequently, these states endeavour to augment and refine their military capabilities while simultaneously forging and sustaining formal alliances and counter-alliances to equate the capabilities of their principal adversaries. Traditional realist and neorealist frameworks predominantly focus on hard balancing.

Conversely, soft balancing encompasses tacit measures that fall short of formal alliances. It manifests when states cultivate ententes or limited security understandings with one another to counterbalance a potentially menacing state or an ascendant power. Soft balancing typically relies on a restrained arms buildup, ad hoc cooperative exercises, or collaboration within regional or international institutions; these strategies may be transitioned into overt, hard-balancing tactics should security competition escalate and the dominant state becomes increasingly threatening.

Asymmetric balancing pertains to the endeavours of nation-states to counterbalance and contain indirect threats posed by subnational actors, such as terrorist organisations, which lack the capacity to confront key states through conventional military means or strategies. Additionally, asymmetric balancing also refers to the reciprocal aspect, wherein subnational entities and their state sponsors

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<sup>48</sup> Kenneth N Waltz, *Theory of International Politics*, (New York: Random House, 1979): 127.

endeavour to challenge and undermine established states through asymmetric tactics, including terrorism.<sup>49</sup>

Stephen Walt refines the balance of power theory by accentuating the significance of threat perceptions in catalysing balancing behaviour among states. Walt posits that states are inclined to balance against perceived threats rather than merely against power itself. Consequently, weaker actors may discern the power of an existing or ascendant state as benign, opting not to counterbalance it with opposing power. In his examination of alliance formation in the Middle East, Walt empirically tests his theory and concludes that balancing against power is infrequent, whereas balancing against threats is markedly more prevalent within regional subsystems.<sup>50</sup> According to Walt's framework, states occasionally choose to bandwagon with a dominant power, particularly when that power proffers security and economic advantages.

However, as elucidated by Alexander Korolev, the term 'hedging' has emerged as an alternative to the concepts of 'balancing' and 'bandwagoning' within the contemporary International Relations (IR) discourse. This term aptly characterises the post-Cold War behavioural patterns exhibited by smaller Southeast Asian states, India, and prominent European powers, as well as by major global actors such as China, Russia, and the United States. One of the principal characteristics of 'hedging' is its function in counteracting policies. It embodies an 'engage-and-resist strategy' that simultaneously amalgamates 'balancing/containment and engagement'; 'cooperation and competition'; 'risk contingency', which may manifest as indirect balancing; and 'return maximisation', which may evolve into constrained bandwagoning.

Hedging, therefore, entails inherently contradictory or opposing actions. This obfuscates meaningful distinctions between hedging and other forms of state behaviour, rendering hedging a quintessential example of conceptual stretching. At present, hedging can most accurately be regarded as an 'umbrella concept' encompassing multiple dimensions, susceptible to a variety of interpretations and understandings. Nevertheless, Goh endeavours to elucidate this notion by asserting that hedging comprises a set of strategies that 'cultivate a middle position that forestalls or avoids the necessity of choosing one side at the obvious expense of another'.<sup>51</sup> Similarly, Tessman and Wolfe conceptualise strategic hedging as an approach that facilitates the engagement of a broader spectrum of strategies beyond

<sup>49</sup> T V Paul, *Balance of Power: Theory and Practice in the 21<sup>st</sup> Century*, (California: Stanford University Press, 2004): 4.

<sup>50</sup> Stephen M. Walt, *The Origins of Alliances* (Ithaca: Cornell University Press, 1987).

<sup>51</sup> Evelyn Goh, "Understanding "hedging" in Asia-Pacific security," *PacNet* 43, no. 31, 1

mere hard balancing, while simultaneously maintaining a robust connection to the structure of the international system. According to their perspective, balancing, in essence, represents an 'upper limit' for hedging, whereas its lower limit is characterised simply by behaviour that is 'strategic'.<sup>52</sup>

## 5.2 Hedging as a Strategy for Bangladesh: Parameters and Ramifications

As already noted, Bangladesh being committed to its foreign policy dictum is unable to adopt either 'balancing' or 'bandwagoning' strategy. 'Hard balancing', 'soft balancing' are the two variants of 'balancing' strategy. 'Buck passing' is situational and 'asymmetric balancing' can be adopted mostly against non-state actors. Hence, 'strategic hedging' is the most prolific options for Bangladesh. As Alfred Gerstl noted,<sup>53</sup> it is an eclectic strategy meticulously crafted primarily for smaller states and middle powers to capitalise on the benefits derived from their cooperation with greater powers without overtly aligning with either. The predominant reason for the allure of hedging lies in the inherent uncertainties and risks characterising the international system—whether it is structured around a bipolar or multilateral order—stemming from the current and anticipated behaviours of the two superpowers, the United States and China, as well as other influential nations. Hedging provides smaller nations with an additional strategic avenue, alongside balancing and bandwagoning, to navigate these challenges while simultaneously seizing opportunities that emerge from the international landscape. Consequently, hedging transcends mere theoretical discourse; it is a pragmatic strategy employed in diverse forms by political decision-makers.

However, it is important to identify the parameters and ramifications of the hedging strategy for Bangladesh. As shown in Table 1, hedging strategies may include: (a) political-diplomatic engagement; (b) economic engagement; (c) limited balancing; and (d) limited bandwagoning. However, a few more components can be added for Bangladesh. Hence, Table 2 has been produced for Bangladesh based on Gerstl's articulation. It is shown that hedging strategies for Bangladesh might include all the four strategies of Gerstl's articulation but extended to include two more strategies viz., equi-proximity at sub-systemic level and maintaining strategic ambiguity for reaping greater advantages while avoiding conflict and contradiction. All the strategies for Bangladesh are discussed here briefly.

<sup>52</sup> Brock Tessman and Wojtek Wolfe, "Great Powers and Strategic Hedging: The Case of Chinese Energy Security Strategy," *International Studies Review* 13, no. 2 (2011): 214–240, <https://doi.org/10.1111/j.1468-2486.2011.01022.x>

<sup>53</sup> Alfred Gerstl, *Hedging Strategies in Southeast Asia: ASEAN, Malaysia, the Philippines, and Vietnam and their Relations with China*, (London: Routledge, 2022): 15

5.2.1 Political-diplomatic Engagement

Political-diplomatic engagement represents the intricate interplay of statecraft and diplomacy, wherein nations navigate the complexities of mutual interests and aspirations. This engagement encompasses a myriad of strategies aimed at fostering constructive dialogue, enhancing bilateral relations, and ultimately achieving harmonious coexistence on the global stage. Through these adept negotiations and collaborations, states aspire to confront pressing challenges, establish strategic alliances, and foster an environment of trust and understanding amid diverse cultural and political landscapes. For Bangladesh, this strategy essentially involves state-level visits by high leaderships as well as having agreements and MoUs with pivotal countries, in this case both India and China.

Table 1: Hedging – Components and Criteria

Components	Criteria
<i>Why does a state hedge?</i> (1a) Perception of risks and opportunities related to the hedging target	Risks: security (sovereignty and territorial integrity), economics (dependency), domestic politics (autonomous decision-making) Opportunities: security (increase), economics (increased exchange), domestic politics (increased regime legitimacy due to socioeconomic development)
(1b) Perception of the strategic value of other great powers and international organizations	Politics, security and economics (i.e., their strategic value as potential balancing partners)
<i>How does a state hedge?</i> (2) Political-diplomatic engagement	Depth of political-diplomatic relations (political visits, number and depth of agreements)
(3) Economic engagement	Depth of economic relations (trade, FDI, infrastructure collaboration, tourism...)
(4) Limited balancing	Status of security relations (1) – cooperation (internal balancing: economic and military capacity building: and soft balancing: bi- and multilateral non-military partnerships)
(5) Limited bandwagoning	Status of security relations (2) – cooperation (security and related political agreements with hedging target)



Source: Alfred Gerstl, *Hedging Strategies in Southeast Asia: ASEAN, Malaysia, the Philippines, and Vietnam and their Relations with China*, London: Routledge, 2022, p. 21

### 5.2.2 Economic Engagement

Economic engagement as a strategy encompasses a myriad of interactions, including trade, investment and collaborative ventures, that collectively enhance mutual growth and development. Through strategic partnerships and shared initiatives, countries can leverage their unique strengths, thereby generating increased opportunities and fostering innovation. Moreover, the intricacies of economic engagement transcend mere transactions; they encapsulate a comprehensive framework for diplomatic relations and cultural exchange. As nations manoeuvre through the complexities of globalisation, the imperative of cultivating robust economic ties becomes increasingly apparent, serving as a cornerstone for stability and collaboration in a perpetually evolving geopolitical landscape. For Bangladesh, economic engagement as a strategy must include advancement of trade with both India and China as well as support and assistance for infrastructural development. It might also include receiving foreign direct investment from both the countries and promoting tourism for greater people-to-people connectivity. The significance of economic engagement for Bangladesh vis-a-vis India and China cannot be overstated, as it is instrumental in shaping sustainable progress and fostering an environment ripe for advancement and collaboration on both bilateral and regional scales.

**Table 2: Bangladesh's Hedging Strategy – Component and Criteria**

<i>Components</i>	<i>Criteria</i>
<b>(1) Political-diplomatic engagement;</b>	a) Political visits b) Agreements, MoUs c) Multilateralism
<b>(2) Economic engagement;</b>	a) Trade b) FDI c) Infrastructure collaboration, tourism...
<b>(3) Limited balancing;</b>	a) Internal balancing: economic and military capacity building b) bi- and multilateral non-military partnerships
<b>(4) Limited bandwagoning.</b>	a) Security and related political agreements [no defence pact]

	b) Setting hedging target
<b>(5) Equiproximity at sub-systemic level</b>	a) Not equidistance b) Extensive engagement with major regional powers c) Avoiding confrontation both at the systemic and sub-systemic levels
<b>(6) Maintaining strategic ambiguity</b>	a) Keeping ambiguity in strategic interests b) Keeping vast array of strategic tools

Source: Author’s articulation of hedging strategies for Bangladesh

5.2.3 *Limited Balancing:*

Limited balancing pertains to a circumstance wherein states undertake partial or restrained measures to counteract the power or influence of a dominant actor—typically a burgeoning or hegemonic power—without fully committing to a comprehensive balancing coalition or direct confrontation. Bangladesh’s hedging strategy should preferably subsume limited balancing manifested through (a) internal balancing i.e., economic and military capacity building; and (b) bilateral and multilateral non-military partnerships. Moreover, pursuing limited balancing might also benefit Bangladesh in avoiding direct confrontation as well as risk aversion of being seen as falling into the orbit of a particular country.

5.2.4 *Limited Bandwagoning:*

Limited bandwagoning denotes a state’s selective or conditional alignment with a more formidable actor (often a preeminent or ascendant power) without fully committing to its agenda or formalising an alliance. Unlike full bandwagoning—where a state fully subordinates its policies to a stronger power—limited bandwagoning involves selective cooperation, often for pragmatic gains while maintaining some autonomy, hence, becoming a hallmark of hedging strategy. However, within the purview of this limited bandwagoning, Bangladesh needs to pursue security and related political agreements but certainly no defence pact, especially with a binding clause of obligatory support during war.

### 5.2.5 *Equi-Proximity at the Sub-Systemic Level:*

Equi-proximity, particularly at the sub-systemic level, should arguably serve as the cornerstone of Bangladesh's hedging strategy. For an extended period, equidistance has been the hallmark of the foreign policy strategies of small states. However, this approach is rooted in the Cold War era and has persisted into the post-Cold War landscape as well. In this age of globalisation and interdependence, equi-proximity ought to be the principal strategy employed by smaller states and aspiring middle-powers. Equi-proximity denotes a state's endeavour to sustain relatively balanced diplomatic, economic, and strategic relations with competing major powers within a distinct regional subsystem, thereby circumventing overt alignment with any singular actor. At the sub-systemic level, this strategy enables smaller or middle powers to optimise their range of choices while alleviating the risks of domination or entanglement in great power rivalries.

Bangladesh's hedging strategy should prioritise equi-proximity over equidistance,<sup>54</sup> alongside fostering extensive engagement with major regional powers through often issue-based alignments (for instance, security with one power, trade with another, and energy with yet another). Nevertheless, it must also encompass the imperative of avoiding confrontation at both the systemic and sub-systemic levels.

### 5.2.6 *Maintaining Strategic Ambiguity*

Strategic ambiguity refers to a calculated policy of intentionally leaving critical facets of a state's commitments, intentions, or redlines indistinct, thereby serving to deter adversaries, manage alliances, and circumvent premature escalation. Instead of unequivocally articulating its stance, a state fosters uncertainty to keep rivals in suspense and preserve operational flexibility. **Key Features of Strategic Ambiguity include: deliberate vagueness** i.e., intentional lack of clarity on critical issues (e.g., security guarantees, military responses, or diplomatic recognition); **dual signalling** i.e., messages are crafted to simultaneously reassure allies and deter adversaries without overcommitting; and **flexibility in crises** that allows for adaptive responses based on evolving circumstances rather than being locked into a predefined stance.

Given Bangladesh's inescapable need for maintaining the best possible relations with neighbouring countries as well as with all regional and global powers, the country needs to maintain strategic ambiguity in its foreign policy strategy. This

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<sup>54</sup> This strategy has particularly been stressed by Professor Abul Kalam Azad during the key informant interview with the author.

should entail keeping ambiguity in strategic interests as far as neighbouring and regional countries are concerned but also for global powers as well. Moreover, a strategically ambiguous position may also entail keeping a vast array of strategic tools readily available such as diplomacy, economic leverage through trade and aid, institutional leverage through the UN and other international organisations and even coercion through economic and military means.

## 6. Conclusion

Bangladesh is a developing nation that must leverage the advantages offered by its partner countries to secure its progress. Under the Hasina administration, the country has experienced unprecedented relations with its immediate neighbour, India, often characterised by a lack of equity and reciprocity. Simultaneously, Bangladesh has cultivated a favourable rapport with China, a significant regional power. However, due to the bilateral rivalry and escalating geopolitical and geostrategic competition between India and China, relatively smaller states like Bangladesh must formulate appropriate strategies to navigate the complexities of this 'triangular relationship.' Some erroneously advocate for a 'balancing' strategy for Bangladesh. From the perspective of the 'balance of power' theory, 'balancing' as a strategic approach carries specific implications. Bangladesh should persist in fostering its extensive relationships with both India and China. As a nation on the path to achieving its current developmental objectives, Bangladesh must eschew taking sides, a stance that is also in alignment with its foundational foreign policy principles.

Hence, the alternative strategy proposed by scholars of international relations during the post-Cold War era, particularly for small and middle power nations, namely the hedging strategy, is most aptly suited for Bangladesh. Nonetheless, in light of the prevailing ambiguity and lack of consensus, there exists considerable opportunity for country-specific modifications. While there is a general consensus on what 'hedging' does not entail, it is imperative that we formulate our own distinctive components and criteria. This paper endeavours to identify several specific elements tailored for Bangladesh: (a) political-diplomatic engagement; (b) economic interaction; (c) limited balancing; (d) restrained bandwagoning; (e) equi-proximity at the sub-systemic level; and (f) the maintaining of strategic ambiguity. It is anticipated that this discourse, albeit at a rudimentary level, will serve to enlighten both academics and policymakers, not necessarily by prescribing definitive actions that is "what to do", but rather by elucidating what should be avoided that is "what not to do". Furthermore, additional research is also warranted to refine and adapt the 'hedging strategy' into a more fitting and nuanced framework for Bangladesh.