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**Change in Bangladesh, the  
Challenges For India**

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## CHANGE IN BANGLADESH, THE CHALLENGES FOR INDIA

### Context

- Recent crisis in Bangladesh could jeopardise its relations with India and affect growing trade ties, restricting the movement of people and goods, and stalling a potential free trade agreement (FTA) between the two countries.

### Background (India-Bangladesh Ties)

- Beginning:** India's relationship with Bangladesh is anchored in common history, heritage, culture and geographical proximity, the foundation of which was laid in the **1971 Bangladesh Liberation War**.
- India provided critical military and material support to assist Bangladesh in its fight for independence from Pakistan.
  - It became a primary factor in shaping the newly independent nation's policy, as acknowledged by 'Bangabandhu' Sheikh Mujibur Rahman: '**Friendship with India is a cornerstone of the foreign policy of Bangladesh**'.
- But There was a rise in anti-India sentiment in the mid-1970s over issues ranging from boundary disputes and insurgency to the sharing of water.
- Back in **February 2009**, then-Prime Minister Sheikh Hasina faced a significant crisis within just two months of taking office.
- The mutiny of the **Bangladesh Rifles (BDR)**, a paramilitary force, resulted in a loss of lives and posed a direct threat to the newly elected government.
- Fast forward to 2024, and we find Bangladesh facing a different set of challenges.
- Sheikh Hasina, who has been a key ally to India since coming to power in 2009, has played a crucial role in fostering a healthy relationship between New Delhi and Dhaka.
- During her tenure, efforts were made to eradicate anti-India terrorist groups that operated from safe havens in Bangladesh.
- Additionally, economic, social, and cultural ties between the two countries flourished.
- However, her recent resignation as Bangladesh's Prime Minister introduces uncertainties that could affect bilateral relations in several ways.

### Bilateral Trade

- Significance:** Bangladesh is India's largest trading partner in the subcontinent, while India ranks as Bangladesh's second-largest partner in Asia after China.
- Trade Volume:** In the financial year 2023-24, their total bilateral trade amounted to \$13 billion.

### Exports and Imports:

- Bangladesh is the biggest export destination for India's cotton, accounting for 34.9% of India's total cotton exports (some \$2.4 billion in FY24). Other major Indian exports to Bangladesh are petroleum products and cereals.
- India's top import from Bangladesh are readymade garments, amounting to \$391 million in FY24.

### Recent Developments

- Elections and Disconnect:** The 2024 elections in Bangladesh were marked by the Opposition's boycott, limited democratic space, erosion of human rights, economic downturn, and high youth unemployment.
  - These factors contributed to a growing disconnect between the government and its people, especially the youth who had previously benefited from economic growth under Prime Minister Hasina.
- Student Protests:** When students' protests erupted, the government's handling of the situation—almost treating protesters as enemies of the state—sealed Prime Minister Hasina's fate. The use of violence further exacerbated tensions.

## Bangladesh Army's Role

- **Changing Landscape:** Unlike in 2007, when the army intervened to restore order, the situation in 2024 is different.
  - ♦ The army now appears to be facilitating the will of the people by removing a beleaguered Prime Minister and restoring democratic processes.
- **Vulnerability and Responsiveness:** This shift has made the army more vulnerable and responsive to public opinion. General Waker-uz-Zaman, the current Bangladesh Army chief, faces a delicate balancing act.

## India's Stakes

- **Historic Ties:** India and Bangladesh share deep-rooted bonds of history, language, and culture. Their bilateral relations have evolved into a model for the entire region.
- **Recent Interactions:** In 2024, there were several high-level interactions between the two countries. Prime Minister Modi reaffirmed people-centric cooperation, and Bangladesh's Foreign Minister Dr. Hasan Mahmud visited India.
  - ♦ Both leaders participated in virtual summits and inaugurated the India-Bangladesh Friendship Pipeline.
- **Vaccine Cooperation:** India assured Bangladesh of vaccine availability as soon as they are produced domestically.

## Free Trade Agreement (FTA) Discussions

- In October 2023, India and Bangladesh initiated discussions on a FTA during a meeting of the Joint Working Group on Trade in Dhaka. An FTA would reduce or eliminate customs duties, promote further trade, and facilitate investments.
  - ♦ **A 2012 working paper published by the World Bank** estimated that a full FTA for goods would increase Bangladesh's exports to India by 182%, whereas a partial FTA could lead to a 134% increase.
  - ♦ However, an FTA accompanied with improved transport infrastructure and better connectivity could see Bangladesh's exports rise to 297%.
  - ♦ India, too, would see an increase to its exports by as much as 172% in this scenario.
- **Potential Impact:** Sheikh Hasina's departure could stall progress on the FTA, affecting market access and economic ties between the two nations.

## Infrastructure and Connectivity

- **Growing Ties:** Infrastructure development and connectivity have been crucial aspects of India-Bangladesh relations.
- **Lines of Credit:** India extended three lines of credit to Bangladesh since 2016, totaling \$8 billion. These funds were earmarked for **road, rail, shipping, and port infrastructure development**.
  - ♦ The **Akhaura-Agartala rail link** was inaugurated that connects Bangladesh and the northeast through Tripura.
  - ♦ It is likely to boost **small-scale industries and develop Assam and Tripura**.
  - ♦ The **Maitree Express** connecting Kolkata with Dhaka was started in 2008 after a hiatus of over 40 years.
  - ♦ Bangladesh is also part of the **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)** which has its headquarters in Dhaka.
- **Uncertainty:** With an interim Bangladeshi government in place, the continuity of these infrastructure projects remains uncertain.
- **Regional Stability:** Stable infrastructure and connectivity contribute to regional stability and economic growth.
  - ♦ A disruption in Indo-Bangladesh ties could thus restrict India's access to the Northeast, which will be connected to mainland India only through the narrow '**Chicken's Neck**' — only 22 km at its narrowest — between **West Bengal and Assam**.

## Challenges for India

- **Stability and Fundamentalism:** Bangladesh's escalating protests, financial crisis, and rising fundamentalist forces pose challenges for regional stability. India must closely monitor these developments.

- **Refugee Crisis:** Any instability in Bangladesh could spill over into India, affecting border security and potentially leading to a refugee crisis.

### Conclusion

- India needs to navigate this changing landscape in Bangladesh carefully. Strengthening bilateral ties, supporting stability, and addressing shared challenges are crucial for both nations.
- As the situation unfolds, both countries will need to navigate this transition carefully to maintain their positive trajectory of cooperation and friendship.

Source: TH



### Mains Practice Question

**[Q]** To what extent does India's national security and economic interests converge or diverge with the rapid socio-economic and political changes in Bangladesh?

