

# Two elections, one new government: India-Bangladesh relations in 2014

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*The India-Bangladesh relationship has slowly been changing for the better in recent years. **David Lewis** writes that although the new government lacks the established relationship of its predecessor, Modi has a strong incentive to work with Dhaka around the themes of economic cooperation and joint interests in containing Islamist militant groups.*



In spite of India's role as midwife to the new country in 1971, it has tended not to pay much attention to Bangladesh. When it does, India's main concerns have centred on the problem of illegal immigration (including the concern that increased numbers of Muslims from Bangladesh could alter the religious composition of India's border territories). India also fears that Bangladesh offers safe havens for militant Muslim separatist groups operating on India's borders, which remain highly porous. In addition, small numbers of citizens from both countries remain trapped in border area enclaves unresolved since Partition in 1947, often living in miserable conditions.

The relationship has slowly been changing for the better. Indian investors are becoming more interested in Bangladesh, given the lower labour costs and historical-cultural continuities. India also would like to gain road and rail transit routes through Bangladesh that could improve communications with its North Eastern states. More recently, China's increased focus on Bangladesh – including plans to provide billions of dollars of aid to construct a road link through Burma to China, and to improve deep water port facilities in Chittagong – has also become a matter for India's concern.

On the Bangladesh side, greater attention gets paid to its far more powerful neighbour. Encircled (as they see it) by a regional superpower, Bangladeshis have always felt vulnerable. The border is 2500 miles long and is the world's sixth largest, around which India has partially erected a two and a half metre high steel fence. A 'shoot on sight' policy followed by India's border guards has led to hundreds of Bangladeshi civilian deaths. In keeping with his election pledge, Modi has already moved quickly on illegal migration and placed new restrictions on the entry of Bangladeshi nationals through the visa on arrival system.



There is also a \$4 billion trade surplus in favour of India. The imbalance of power in the relationship has regular

practical consequences for many Bangladeshis, since India controls the upstream water supplies upon which the country depends for its agriculture and flood control. In a country lacking much in the way of natural resources, the discovery of precious natural gas reserves has generated much public debate and contestation over how to exploit these potentially game changing assets in the interest of future generations without triggering the resource curse.

Indian business increasingly wants to get more involved, yet national sentiments have usually made it difficult for Bangladesh governments to win support for the idea of large-scale Indian investments, particularly in relation to the exploitation of the country's natural resources. A major (estimated US\$3 billion) Tata investment plan foundered at the last minute in 2005, for example. At the same time, the Bangladesh government now increasingly seeks to exploit its strategic geographical position as a potential bridge between South, Southeast and East Asia, and sees closer links with China as important to balance the relationship with India. From India, Bangladesh also seeks better communication links with Bhutan and Nepal through Indian territory, with which closer economic ties are being fostered.

Bangladesh's Awami League (AL) government, now well into its second term after the January 2014 general election (which controversially took place without the participation of the main opposition Bangladesh Nationalist Party, BNP) had made some useful progress with India's previous Congress government (including a [2011 boundary accord](#), an access route for heavy equipment to be transported to Palatana in India's Tripura state for a power project, and an agreement to export 500MW of Indian electricity a day into Bangladesh's national grid) but had failed to make progress on the [Teesta river water dispute](#) (due in part to the complications of New Delhi's relations with the West Bengal government) or on implementing the exchanges of enclave citizens. The AL has always seen Congress as a natural negotiating partner – but how will things work with India's new government?

An early meeting at Home Secretary level between the two countries restated commitment from both countries to improve cooperation around terrorism and human trafficking, and the Indian government has referred the land boundary deal to a Parliamentary Committee. India's Minister for External Affairs visited Bangladesh on August 16 and emphasised better ties between Bangladesh and India's NE states. Modi also placed an early emphasis on regional cooperation, inviting [SAARC](#) leaders to attend his swearing in ceremony.

But Bangladeshis have generally been disappointed that once again Bangladesh is receiving low priority. After visits to Bhutan and Nepal, Modi's [first meeting with Prime Minister Sheikh Hasina](#) took place informally when both leaders attended the UN General Assembly during late September 2014. Reports suggest that Bangladesh was given Indian assurances that it would continue to support Bangladesh's overall growth strategy, while Hasina received encouraging responses on Bangladesh's two key priorities – the Teesta water sharing treaty and the resolution of boundary issues. There have also been agreements to provide more electricity from India, and a Bajaj Group plan to invest in motorcycle production in Bangladesh.

When it comes to water, things still remain complicated. The [2011 Framework Agreement on Cooperation for Development](#) potentially provides the basis for a more equitable approach, but India's own river-linking project (that formed part of the BJP's election manifesto) may create serious obstacles to the challenge of concluding a viable water sharing treaty. However, India has accepted a UN Convention on the Law of the Sea decision that [ruled in Bangladesh's favour](#) in relation to disputed maritime boundaries between the two countries.

While the new Indian government lacks the established relationship with the Bangladesh government that Congress had enjoyed, Modi has a strong incentive to maintain stable relations with Dhaka around the themes of economic cooperation and joint interests in ensuring the containment of Islamist militant groups. It remains too early to say for sure how far new elements in this complex relationship may develop, but it is safe to say that improved relations offer potential benefits to both countries.

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