

Strategic Implications

BRI in Bangladesh

Dr. Sujit Kumar Datta*

China's rapid engagement in the 21st Century international political arena and its growing influence is progressing tremendously. Its Belt and Road Initiative [BRI, originally One Belt One Road (OBOR)] is a strategic vision that is meant to influence investment through connectivity. The BRI is a global development strategy proposed by Chinese President Xi Jinping in September-October 2013 that focuses on connectivity and cooperation between countries in Europe and Asia.¹ It is estimated that the OBOR initiative will cover two-thirds of the world's population and one-third of global GDP. The multi-trillion-dollar project has two components: the Silk Route Economic Belt (SREB) and the Maritime Silk Road (MSR). The SREB, comprising 136 countries, focuses on uniting Asia and Europe, connecting China with the Persian

* Dr. Sujit Kumar Datta is Associate Professor in the Department of International Relations, University of Chittagong, Bangladesh. He can be reached at datta.ir@cu.ac.bd and dattaircu@gmail.com.

1 C. Nicola, "When all roads lead to Beijing. Assessing China's New Silk Road and its implications for Europe." *The International Spectator*, Volume 51, Number 4, 2016, p. 95-108.

Gulf and the Mediterranean through West Asia, and connecting Southeast Asia with South Asia and the Indian Ocean.²

The 20th Century MSR, on the other hand, is designed to take a loaf of bread from Europe to Africa via the South China Sea and the Indian Ocean and from the South China Sea to the South Pacific coast of China. BRI is significant in the present world of geo-economic, geo-strategic and geopolitical dimensions. BRI has six economic corridors. One of them is the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor. Bangladesh is connected with the BRI through this economic corridor which was formally endorsed during the first Bangladesh-China inter-governmental study group meeting in Kunming in December 2013. The corridor covers 1.65 million square kilometres, and includes about 440 million people. It is intended to connect China's Yunnan province, Bangladesh, Myanmar, and Kolkata in India through road, rail, water, and air linkages.³

SINO-BANGLADESH RELATIONS

The historical ties between China and Bengal predate the modern state-centric global order. Several historical accounts document close commercial, cultural and religious links between China and ancient Bengali Buddhist dynasties. Some Chinese chronicles have recorded the visits of Chinese travelers like Ma

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- 2 Larçon, Jean-Paul and Rold Jens Brunstad, "The Baltic Sea Region and China: Economic Environment and Strategy of the Firms" in Jean-Paul Larçon ed., *New Silk Road: China Meets Europe In The Baltic Sea Region The-A Business Perspective*. World Scientific, Singapore, 2017, pp. 47-63.
 - 3 Fahmida Khatun and Syed Yusuf Saadat, "How can Bangladesh benefit from the Belt and Road Initiative?", *Dhaka Tribune*, November 19, 2020, <https://www.dhakatribune.com/opinion/op-ed/2020/11/19/op-ed-how-can-bangladesh-benefit-from-the-belt-and-road-initiative>.

Huan, Fa Xian, and Zheng He to ancient Bengal.⁴ Presently, Bangladesh has no visible dispute with China. However, in a complex geopolitical competition in South Asia, China stood against Bangladesh during Bangladesh's Independence War in 1971.⁵ China, as a key ally of Pakistan, was hostile to the idea of an independent Bangladesh. It strongly backed Pakistan's military actions to crush the independence movement in present-day Bangladesh. Even after the military defeat of the Pakistani forces, China kept opposing the international recognition of Bangladesh by vetoing the latter's inclusion in the United Nations. Beijing was predominantly hostile to the government of Sheikh Mujibur Rahman, which, according to China, was an 'instrument of Indo-Soviet manipulation of subcontinental unrest as well as an impediment to the normalisation of relations between Dhaka and Islamabad'.⁶ Due to all these activities, the bilateral relations between Bangladesh and China did not go very well in the post-independence period.⁷ China used its veto between 1972-1974 to prevent Bangladesh's membership, but eventually, on September 17, 1974, Bangladesh became a full member of the United Nations. Sheikh Mujibur Rahman, gave a speech in Bengali at the General Assembly on September 24, 1974.⁸

4 M. Jashim Uddin and Mahbubur Rashid Bhuiyan, "Sino-Bangladesh Relations: An Appraisal", *Strategic Analysis*, Volume 32, Number 5, 2008, p. 770.

5 T. Maniruzzaman, "Bangladesh in 1975: The Fall of the Mujib Regime and Its Aftermath", *Asian Survey*, Volume 16, Number 2, 1976, p.119-129.

6 R. Chakrabarti, "China and Bangladesh", *China Report* Volume 30, Number 2, 1994, pp.149-59.

7 Sally Morphet, "China as a Permanent Member of the Security Council", *Security Dialogue*, Volume 31, Number 2, 2000, pp.151-166.

8 Dipanjan Roy Chaudhury, "How China blocked Bangladesh's entry in early 1970s stymieing efforts by Soviets & India", *The Economic Times*, August 11, 2020, <https://economictimes.indiatimes.com/news/international/world-news/how-china-blocked-bangladeshs-entry-in-early-1970s-stymieing-efforts-by-soviets-india/articleshow/77480733.cms>.

In 1975, China established diplomatic relations with independent Bangladesh. The state visit of President Zia-Ur-Rahman in 1977 marked a new era of bilateral relations between the two countries. His successor, President Hussain Muhammad Ershad, continued the policy of goodwill towards China, visiting the country five times in his eight-year presidency. Even after the return of democracy in the 1990s, the two large parties of the country, the Bangladesh Nationalist Party (BNP) and the Awami League, maintained cordial relations with China.⁹

Mutual trust and economic interest can be considered the foundational basis of Bangladesh-China relations. China is now a crucial partner in Bangladesh's development, and there is much to suggest that Bangladesh-China relations are growing without any constraint.

Bangladesh is part of the same Ganga-Brahmaputra basin in the north-eastern part of India and China. Bangladesh needs Chinese friendship for its economic development and security-related issues. On the other hand, China needs an alternative access route to the Indian Ocean through the Bay of Bengal for trade and energy supplies from the Middle East and Africa. China also needs a good amount of labour support from Bangladesh, since Beijing seeks to shift labour intensive manufacturing of its private institutions to countries with cheaper labour. These factors make a case for a genuine alliance between Bangladesh and China.

At present, Bangladesh maintains a strategically important bilateral partnership with China. Beijing and Dhaka collaborate on several aspects, ranging from trade to defence. In 2005, China became the largest exporter of goods to Bangladesh.

9 Prashant Kumar Singh, "China-Bangladesh Relations: Acquiring a Life of Their Own", *China Report*, Volume 46, Number 3, 2010, pp. 267-83.

It is also the principal supplier of armaments to Bangladesh's military. Dhaka is the second-largest purchaser of Chinese defence equipment after Pakistan.¹⁰

China has an enduring vision for South Asia, and Bangladesh appears to be entirely committed to it. During the Chinese President's visit in 2016, Bangladesh signed 27 treaties. Prime Minister Sheikh Hasina stated, "I had very fruitful discussions with President Xi on bilateral, regional and international issues of our common interests."¹¹ A 1,320 MW Payra Thermal power plant, several lanes of the tunnel under the Karnaphuli river, Dasherbandi Drainage Plant, Padma Bridge, and the National Data Center are already in existence. Two submarines and six warships have been bought for the Bangladesh Air force.¹² The year 2017 was also declared the Bangladesh-China friendship year.

Since the present government of Bangladesh is in a close relationship with its geographically large neighbour – India – a close relationship with another traditional and large neighbour can cause discomfort. In 2016, a Defense Deal was signed with India to cope with India's response just after Dhaka purchased two submarines from China.¹³ Bangladesh is now an investment-

10 Sultana, Yesmin "The Changing Dynamics of China-Bangladesh Relations", *The Daily Star*, November 11, 2018, <https://www.thedailystar.net/opinion/global-affairs/news/the-changing-dynamics-china-bangladesh-relations-1658695>.

11 Rezaul Karim and Shakhawat Liton, "Strategic Partners", *The Daily Star*, October 15, 2016, <https://www.thedailystar.net/frontpage/strategic-partners-1298923>.

12 Tekendra Parmar, "China's President Xi Jinping Makes 'Historic Visit' to Bangladesh", *Time*, October 14, 2016, <http://time.com/4530974/bangladesh-xi-jinping-visit-china/>.

13 Joyeeta Bhattacharjee, "What Can Be Expected From The India-Bangladesh Defence Deal?", *Outlook*, March 24, 2017, <https://www.outlookindia.com/website/story/what-can-be-expected-from-the-india-bangladesh-defence-deal/298328>.

hungry country and financing various projects is a big issue for the government. On the other hand, the transformation from a Least Developed Country (LDC) to a middle-income country will make it difficult for Bangladesh to secure debt relief. Increasing power outage; lack of gas and electricity in the industry, and limited employment opportunities for hundreds of thousands of educated youth are significant challenges for Bangladesh.

For China's Foreign Policy, multilateralism is one of the most important features. It is also vital to note that China always focuses on economic aspirations and the development process. It would not be wise for Dhaka to keep all its eggs in one basket. India's concerns are likely to be dealt with through balanced diplomacy, critical for Dhaka's economic and security perspectives. Bangladesh has decided to join the BRI, as this would provide a gateway to the wider Indian Ocean Region. However, involvement in China's initiative will also have to be seen in the light of other significant factors, as this process creates geopolitical risks.

On the other hand, Bangladesh's elevation to a middle-income country is very much related to China's policy.¹⁴ Bangladesh needs investment and international commercial communication infrastructure to transform its economy from the garment industry and foreign remittance-dependent economy, to an industrialised economy. Further, since China is moving to a higher level of industrialisation, it needs to relocate its industries and non-sophisticated technologies to developing countries. China has also pursued its industrialisation plans with Japan's second-tier technology and industry. The same

14 "Connecting to Compete 2016: Trade Logistics in the Global Economy-- The Logistics Performance Index and Its Indicators", *World Bank*, 2016, <https://openknowledge.worldbank.org/handle/10986/24598>.

model can also fit within the Bangladesh context. Bangladesh may consequently be the beneficiary of Chinese machine technology.

Due to the dispute with Japan and the United States in the South China Sea, China needs new waterways for maritime trade. The Bay of Bengal in the Indian Ocean is the most suitable for this. China has already built the Gwadar Port in Pakistan, Hambantota in Sri Lanka and the Doraleh Port in Africa's Djibouti. The Indian Ocean is going to be at the center stage of international trade in the 21st Century and it has densely populated countries, including India and Bangladesh. The Indian Ocean is the main waterway of international trade, and the world's most rapidly growing economies are on its shores.

THEORETICAL FRAMEWORK

Neoliberalism presents convincing challenges to neorealism, as it offers alternative explanations for state behaviour and the peaceful transformation of regional orders. Several versions of neoliberalism exist. Scholars like David Baldwin, Arthur A. Stein and Andrew Maitland Moravcsik have offered different classifications of neoliberalism that influence the state's preferences and influence foreign policy behaviour.¹⁵ Baldwin identified four varieties of neoliberalism, referring to theories of effects of democracy, economic interdependence, international institutions, and community as "republican liberalism", "commercial liberalism", "institutional liberalism" and "sociological liberalism", respectively. Sociological liberalism, which describes a community of

15 Moravcsik, A, "The new liberalism", in Robert E. Goodin ed., *The Oxford handbook of International Relations*, Oxford University Press, New York, 2010, p. 234.

nations with shared values and international norms, reaches the same conclusions as constructivism.¹⁶ J.R. Oneal and B. Russett see the three core assumptions as a continuation of the classic liberal tradition, which are accepted and described as three legs of a Kantian tripod: democracy, international institutions and economic interdependence, each attributed to peace.¹⁷ International institutions and economic cooperation are the best fit for neoliberalism in complex interdependence on Chinese BRI for Bangladesh.

The first factor – *international institutions* – serves as a mediator and provides information that could reduce fears of double-dealing.¹⁸ Moreover, international regimes potentially improve each side's information base, which reduces transaction costs and misunderstanding, thereby promoting international cooperation.¹⁹ Neoliberal institutionalism focuses on mutual interests that extend beyond economics. In particular, states have been compelled to address security concerns, such as terrorism, proliferation of weapons of mass destructions, and global financial crises; hence, regional and multilateral forums have been created to combat such non-traditional security threats. This approach may well account for the convergence of interests between China and Bangladesh on BRI, including bilateral relations on multidimensional aspects. However, international institutions only play a limited and peripheral

16 J. Sterling-Folker, “Competing paradigms or birds of a feather? Constructivism and neoliberal institutionalism compared”, *International Studies Quarterly*, Volume 4, Number 97, 2000, p. 119.

17 John R. Oneal and Bruce Russett. “The Kantian peace: The pacific benefits of democracy, interdependence, and international organizations, 1885–1992.” *World Politics*, Volume 52, Number 1, 1999, p.1-37.

18 R.O. Keohane, *After hegemony; Cooperation and discord in the world political economy*, Princeton University Press, New Jersey, 1984, p. 27.

19 S.D. Krasner, “State power and the structure of international trade”, *World Politics*, Volume 28, Issue 3, 1976, p. 28.

role, and they do not encroach on the security field, particularly when states are primarily concerned with relative gains.²⁰

Another factor – *economic interdependence* – makes states less likely to fight with each other, based on the principle that states cooperate to maximise their absolute gain.²¹ Some hold that economic linkages and interdependence between China and Bangladesh have increased exponentially, resulting in globalization and transformation.²² However, as Dale Copeland suggests, returning to a “realist” view, economic interdependence can also produce political friction.²³ Increasing economic cooperation and commercial openness have increased Sino-Bangladesh motivation for maintaining cordial relations, since these form a strong foundation for supporting their domestic legitimacy, but it was not an underlying cause of the transition to cold peace.²⁴

The relationship between Bangladesh and China is based on strong and deep economic ties. In addition, the links between Bangladesh and Chinese civil society have further accelerated Bangladesh-China relations. Bilateral relations between China and Bangladesh are based on interdependence.

20 J. Grieco, “Anarchy and the limits of cooperation: A realist critique of the newest liberal institution”, *International Organization*, Volume 42, 1988, pp. 485-507.

21 R.O. Keohane and J.S. Nye, *Power and Interdependence*, USA, Pearson, 2011. p. 67.

22 S. D. Sharma, *China and India in the Age of Globalization*, New York, Cambridge University Press, New York, 2009, p. 109.

23 D. Copeland, “Economic interdependence and war: A theory of trade expectations”, *International Security*, Volume 20, Number 4, 1996, pp. 5-41.

24 Fravel, M. T. “China views India’s rise: Deepening cooperation, managing differences”, in A.J. Tellis et. al. eds., *Asia Responds to Its Rising Powers-China and India*, The National Bureau of Asian Research, Seattle, 2011, pp. 127-131.

Due to this mutual economic interdependence, Bangladesh and China consider each other as friendly countries.

BRI AND BANGLADESH

The Belt and Road Initiative has pledged the development of the physical and soft infrastructure for communication and economic development across six corridors. The Belt and Road Initiative provides several benefits for Bangladesh that directly impact trade, investment, connectivity, education and tourism. Bangladesh joined the BRI as a signatory state in October 2016.²⁵ Two geo-economic incentives pushed Beijing to include Bangladesh in the BRI.²⁶ One of them was Bangladesh's strategic geographical location within the South Asian region and the possibility of accessing the largest markets in South Asia and the Bay of Bengal. Another was Bangladesh's growing economic and productive workforce. Bangladesh can export its industrial potential to help China develop much-needed infrastructure in Bangladesh, which will play an influential role in Bangladesh and China's economic development.²⁷

The successful implementation of the BRI in Bangladesh and its neighbouring states is expected to have some implications for Bangladesh's bilateral relations with its bordering states. For instance, China has offered almost USD 38 billion as investments and loans to Bangladesh.²⁸ Through these loans

25 K. C. Das, "The Making of One Belt, One Road and Dilemmas in South Asia", *China Report*, Volume 53, Number 2, 2017, pp. 125-142.

26 R. Saimum, "The Prospect of Belt and Road Initiative in the Context of Bangladesh", *China Report*, Volume 56, Number 4, 2020, pp. 1-20.

27 Ibid.

28 Anu 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/>.

and investments, China is trying to bring Bangladesh within its sphere of influence. As a regional rival of China, India also has offered loans to Bangladesh in reaction to Chinese loans to counter China's effort to bring Bangladesh within its orbit.²⁹ Bangladesh now has chances to improve its bilateral relations with both India and China, as BRI has implications for Bangladesh's relations with its neighbouring countries.

Bangladesh and China are part of the greater Asian region. Both the countries have promoted and maintained their political, economic, diplomatic, and military relations since China recognized Bangladesh in 1975.³⁰ The relationship between the two countries has improved over the years irrespective of the change of regimes in Dhaka, and in 2005 China overtook India as the primary source of imports.³¹ Currently, Bangladesh is the second-largest importer, after Pakistan, of Chinese military hardware and China also provides training to Bangladesh's military.³² China is also currently Bangladesh's largest trading partner. In the fiscal year 2017-18, bilateral trade between Bangladesh and China stood at USD 12.40 billion. In line with this, some economists believe that, if current trade trends continue, the bilateral trade between Bangladesh and China will reach about USD 18 billion in 2021. Note that in 2021, Bangladesh celebrates the golden jubilee of its independence.³³

29 B. Chakma, "The BRI and Sino-Indian Geo-Economic Competition in Bangladesh: Coping Strategy of a Small State", *Strategic Analysis*, Volume 43, Number 3, 2019, pp. 227-239.

30 M. J. Uddin and M.R. Bhuiyan, "Sino-Bangladesh Relations: An Appraisal", *BISS JOURNAL*, Volume 32, Number 1, 2011, pp. 1-24.

31 B. Chakma, *op. cit.*, p. 227-239.

32 *Ibid.*

33 Sabbir Rahman Khan "Sino-Bangladesh Relations: Mapping Sectoral Opportunities", *The Financial Express*, August 14, 2019, <https://www.thefinancialexpress.com.bd/views/reviews/sino-bangladesh-relations-mapping-sectoral-opportunities-1565793456>.

Bangladesh is connected with the BRI through the BCIM economic corridor, which was formally endorsed during the first inter-governmental study group meeting in Kunming held in December 2013. The corridor covers 1.65 million square kilometres, and about 440 million people. It connects China's Yunnan province, Bangladesh, Myanmar, and Kolkata in India through road, rail, water and air linkages. At the domestic level, Bangladesh's first toll road project was signed on December 6, 2018. The government of Bangladesh had signed a contract with a China-Bangladesh consortium to upgrade the 48-kilometre-long Dhaka Bypass Road to a dual carriageway. The objective was to improve connectivity between the north and northwest parts of Bangladesh and the Chittagong Port.³⁴ Moreover, Bangladesh's growing economy is also an essential motivation for Chinese investments in the country. The demand for infrastructures in developing economies like Bangladesh is a significant chance for Chinese state-owned and private companies to enlarge into foreign markets. As China is transitioning from an investment-driven economy to a consumption-driven one, contribution in overseas projects could help Chinese enterprises to become internationally competitive and would accelerate the 'internationalization' of the economy.³⁵

THE INDIA FACTOR IN SINO-BANGLADESH RELATIONS

India has cultural, social and economic ties with Bangladesh. Both countries have a shared heritage in terms of history, culture, language as well as traditional values and norms. In 1971, during the Liberation War of Bangladesh, both countries

34 Khatun and Saadat, op. cit.

35 Peter Ferdinand, "Westward ho—the China Dream and 'One Belt, One Road': Chinese Foreign Policy Under Xi Jinping", *International Affairs*, Volume 92, Number 4, 2016, pp. 941–57.

worked as close allies. Though India played a vital role in the Liberation War, Bangladesh has had disputes with India over land and maritime boundaries, river water sharing, the National Register of Citizens (NRC), the Citizenship Amendment Act (CAA), and border killings. All problems have been solved peacefully by Indian and Bangladeshi Government except for the water sharing, NRC, and CAA issues. India wants to maintain a close alliance with Bangladesh, especially for the following reasons:

- The geopolitical importance of Bangladesh
- Tackling China's dominance in Bangladesh
- Protecting the political and economic investments that India already has

Bangladesh and India are two neighbouring countries of the South Asian region and share more than a 4,000-kilometer-long international border – globally the fifth-longest land border. One fact that cannot be denied is India's significant contribution to the Bangladeshi independence movement. The role and assistance of India in then East Pakistan was very remarkable for the emergence of Bangladesh as a new nation, and it is also worth noting that India was the first country to recognise Bangladesh as a sovereign state.³⁶ Irrespective of the changing governments in both the countries, India and Bangladesh have always been trying to maintain good diplomatic and economic relations. These two neighbouring countries value their relationship very much, which is manifested in their cooperation in multiple sectors. Over the past few years, India and Bangladesh have made significant

36 M.A. Kashem and M.S. Islam, "Narendra Modi's Bangladesh policy and India-Bangladesh relations: Challenges and possible policy responses", *India Quarterly*, Volume 72, Number 3, 2016, pp. 250–267.

progress in maintaining and advancing bilateral trade. A multifaceted relationship is needed to enhance this trade and investment cooperation further. Connectivity, Border Management & Security, and People-to-People exchanges are vital in building this multifaceted relationship.³⁷

Nevertheless, in the economic arena, by inaugurating the BRI, China is getting closer to Bangladesh than India, through various pledges of loans and investments. However, as a very long-term trading partner of Bangladesh, India has a history of maintaining trade with Bangladesh to a greater extent than China until 2004. The declining tendency of Bangladesh's trade with India and increasing trade with China demonstrates the impact of Chinese influence in Bangladesh in the economic sector as more significant than India's. Also, as a member state of the BRI, Bangladesh is getting considerable amounts in loans and investments from China, which is unprecedented in Bangladesh's history.

The growing Chinese investments and influence in Bangladesh are a bit bothering for India given the fact that India once used to be the largest trading partner of Bangladesh. That kind of attitude shows how much China and its BRI will be a factor in the relationship between Bangladesh and India, especially in the economic sector.

Bangladesh is strategically crucial for India and China, and both the latter countries are trying to bring the former into their respective spheres of influence, principally through economic incentives. For example, Beijing offered USD 38 billion in aid to Bangladesh in 2016.³⁸ On the other hand, during Prime Minister Sheikh Hasina's visit to New Delhi in 2017, India's

37 H.V. Shringla, "India-Bangladesh relations: An Indian perspective", *Strategic Analysis*, Volume 42, Number 5, 2018, pp. 524-528.

38 B. Chakma, *op. cit.*, pp. 227-239.

Government offered Bangladesh a USD 5 billion line of credit and other economic assistance.³⁹

The increased level of China-Bangladesh cooperation is manifested in the steady progress of projects like the Padma Bridge Rail Link project, the Karnaphuli River Tunnel project, the Dhaka-Chittagong High-speed Railway project, and the Payra Power Plant project. The proper implementation of these projects will massively upgrade and develop Bangladesh's infrastructure level. It will possibly solve traffic congestion, outdated facilities and power shortages in the country.⁴⁰

These Chinese projects in Bangladesh are very much of concern for India because of its fear of losing control and influence over Bangladesh and the greater South Asian region. Like China, India is also offering Bangladesh several infrastructural, power development, and connectivity projects. For example, India and Bangladesh will enjoy better connectivity through a separate Akhaura-Agartala rail link. Two other collaborative rail connectivity projects, Chilahati-Haldibari and Khulna-Mongla rail links, will also be ready very soon.⁴¹ It can be argued that India's connectivity projects in Bangladesh, to some extent, are coming against the backdrop of the Chinese offer of connectivity to Bangladesh under the BRI. Moreover, India has offered assistance to Bangladesh to build power plants, ports, and nuclear power plants, as well as grants and loans for various medium and small-sized projects. It can be argued as well that one of the main objectives of New Delhi

39 Ibid.

40 X. Sun, "Bangladesh's Win-Win Cooperation With China And India", *The Rising Nepal*, July 7, 2020, <https://risingnepaldaily.com/opinion/bangladeshs-win-win-cooperation-with-china-and-india>.

41 A. Maitra, "Reshaping Indo-Bangladesh Relations", *Belt and Road News*, August 30, 2020, <https://www.beltandroad.news/2020/08/30/reshaping-indo-bangladesh-relations/>.

behind all these projects and assistance is to counter Beijing's more significant interference and influence in Bangladesh.⁴²

As Bangladesh is a participating state in the Chinese BRI, it is supposed to get some development opportunities from China. With respect to India, Dhaka will get opportunities because of the rivalry between India and China. The rivalry between these two neighbouring giants is presenting Bangladesh with many opportunities and challenges.

STRATEGIC OPTIONS FOR BANGLADESH

Trade facilitation reform is required to implement Bangladeshi BRI projects. To address the challenges associated with the BRI project, the Government of Bangladesh needs to implement the projects openly and transparently. Environmental and social impact assessments are essential for the implementation of BRI projects. Besides, meaningful participation and involvement of local people with the projects will play a vital role in implementation. Bangladesh needs to consider BRI as an excellent opportunity to achieve its vision of becoming a developed country by 2041. There are certain areas where Bangladesh and China can cooperate for the benefit of both parties.

China can help Bangladesh build its much-needed infrastructure, which will help Bangladesh achieve connectivity with other countries in the region. The BCIM Economic Corridor can play a vital role in this regard. However, there are still some doubts regarding this initiative's successful implementation, because India has refused to participate in this project. Some in the academia have suggested an alternative Bangladesh-China-Myanmar Economic Corridor for achieving the desired connectivity. One possibility is that China may

42 B. Chakma, *op. cit.*, p. 227-239.

seek to include Bangladesh in the CMEC (China-Myanmar Economic Corridor) by stretching it to the Bangladesh-Myanmar border, given India's opposition to the BRI.⁴³

- Bangladesh has a tremendous and comparatively cheaper labour force, which is an opportunity for China. If China decides to move its labour-intensive manufacturing units, such as textiles and clothing production to Bangladesh, this will create many job opportunities and help the country enhance its industrialisation process.⁴⁴
- Duty-free access of Bangladeshi products to the Chinese market is another example of cooperation between these two countries. The Government of China has given duty-free access to 5,161 Bangladeshi products in the Chinese market, along with 3,095 products that already have duty free access to the Chinese market under the Asia Pacific Trade Agreement (APTA). In total, 8,256 Bangladeshi products thus have duty free access to the Chinese market. This initiative will increase exports from Bangladesh to China in the future, consequently and significantly increasing future trade the two countries.⁴⁵

In October 2020, Chinese President Xi Jinping stated, “China wants to align its strategies with Bangladesh and jointly

43 R. Saimum, op.cit., p. 1-20

44 M. Guanqun, “China-Bangladesh Relations have enhance Since Belt & Road”, *Belt and Road News*, June 13, 2020, <https://www.beltandroad.news/2020/06/13/china-bangladesh-relations-have-enhanced-since-belt-road/>.

45 Staff Online Report, “China gives duty-free access to 5,161 more Bangladeshi products”, *The Daily Star*, June 19, 2020, <https://www.thedailystar.net/business/china-gives-97-percent-duty-free-access-bangladeshi-products-1917129>.

promote the ambitious BRI with Dhaka... China is keen to take the China-Bangladesh strategic partnership to new heights.”⁴⁶ One thing that is very clear from XI Jinping’s remarks is that China wants to work with Bangladesh to promote and implement the BRI. By working with China, Bangladesh will be able to achieve its desired economic development, which puts Bangladesh’s interests first. Though there will be specific challenges, Bangladesh needs to face and overcome those challenges to further its bilateral ties with China. Another positive outcome of better Sino-Bangladesh relations is that it will drastically reduce the historical tendency of Bangladesh’s dependence on India.

CHALLENGES FOR BANGLADESH

To enjoy the fruits of BRI, Bangladesh needs to face and overcome particular challenges in an efficient manner. In particular, massive loans have been pledged to Bangladesh by China as necessary for the economic and infrastructural development of Bangladesh are also a matter of concern. Bangladesh needs to handle these loans and investments very efficiently and adequately to avoid an unmanageable debt burden. Most of these Chinese loans are very commercial, with stiff interest rates, and for that, there cannot be any room for corrupt practices while implementing the BRI projects.⁴⁷

46 S. Patranobis, “China wants Bangladesh to align strategies, promote Belt and Road projects”, *Hindustan Times*, October 4, 2020, <https://www.hindustantimes.com/world-news/china-wants-bangladesh-to-align-strategies-promote-belt-and-road-projects/story-hPCBfNQ0hstvBcsSlxcluo.html>.

47 J.U. Ahmad, “China’s ‘One Belt One Road’ project - Risks and benefits for Bangladesh”, *The Asian Age*, March 9, 2020, <https://dailyasianage.com/news/221896/chinas-one-belt-one-road-project---risks-and-benefits-for-bangladesh>.

Another major challenge for Bangladesh is the Sino-Indian rivalry in the South Asian region. Both countries are crucial for Bangladesh. India is quite reluctant to get directly involved in the Chinese BRI projects due to various doubts, particularly on security dimensions. Many of the countries in South Asia, including Bangladesh, are more closely integrated with India than China, and that is why the absence of India's participation in the Chinese BRI makes the proper implementation of this initiative in the South Asian region quite problematic.⁴⁸

Bangladesh also needs to be very cautious while dealing with Chinese offers, because too much Chinese interference might bring Indian resentment, which might hamper the country's economic growth. Such a scenario could never be desirable for Bangladesh.⁴⁹

Another major challenge for Bangladesh will be to choose between the two neighbouring great powers, especially when both sides are offering development opportunities to Bangladesh. This will not be very easy.⁵⁰

It is essential to note that, sustainable finance is an essential part of the Chinese Belt and Road Initiative. It is visible that the Chinese government is creating a new debt trap by providing new loans to debt-ridden countries. Many countries cannot defend their sovereignty under such debt. The Paris Club is a group of officials from the borrowing countries, whose role is to find a comprehensive and sustainable solution for repayment problems. China is not a member of the Paris Club, but, only an observer. As an observer, China will not take practical steps to resolve the crisis in various debt-ridden countries. According to the International Monetary Fund (IMF), China provided

48 K.C. Das, *op. cit.*, pp. 125-142.

49 B. Chakma, *op. cit.*, pp. 227-239.

50 *Ibid.*

loans to 31 of the 36 Heavily Indebted Poor Countries (HIPC). For instance, China signed an USD 8 billion loan for Sri Lanka in July 2017 and a loan for an equity agreement for a 99-year lease to operate the Hambantota Port.⁵¹

Although BRI has the potential for positive economic development, it can cause irreparable damage to the environment in Bangladesh. This infrastructure can threaten the livelihood of the people who depend on the ecosystem and the environmental resources around them. Around 56 per cent of China's total investment in Bangladesh is in the energy sector – more precisely in coal. Such large investments in coal-based energy sector projects are likely to have an adverse environmental impact. BRI is partly responsible for the soaring investment in renewable energy worldwide. China could have made more BRI investment in renewable energy in Bangladesh, but chose not to.⁵²

Further, the lack of an open, transparent, and competitive procurement process can lead to lost timeline costs and poor performance of BRI projects in terms of construction services. However, several initiatives were taken at the Second Band Forum in Beijing in April 2019, in the wake of allegations of corruption and some projects contributing to environmental pollution. One of these initiatives is “The Beijing Initiative for Clean Silk Road”.

BRI-linked projects in Bangladesh are designed to build world-class infrastructures for transportation of goods and people. But this infrastructure will only pay dividends if Bangladesh can get more overseas investment in the export-oriented manufacturing sector. BRI-related investments could potentially avoid bureaucratic and political hurdles, as

51 Khatun and Saadat, *op. cit.*

52 *Ibid.*

most of the Chinese loans are provided on a government-to-government basis. But Bangladesh still needs to attract private sector investment to build a strong manufacturing base. The country needs to expand its export products and destinations, to enhance international trade. To achieve these goals, there is no other way but to bring major reforms in the administration and regulatory system of the country, and to remove bureaucratic barriers.⁵³

CONCLUSION

China inaugurated the BRI in 2013, and many countries from the greater Eurasian region were intrigued by it and started joining in one by one. Bangladesh also joined the BRI in 2016. The BRI offers its member states better and excellent connectivity, increased trade and businesses, along with overall economic development. The BRI is expected to have several implications for Bangladesh's relations with its neighbouring countries. As an emerging economy, Bangladesh considers BRI as significant for its economic development, and needs support for several aspects of its economic expansion. This is precisely what BRI offers to Bangladesh. China has offered loans and investments to Bangladesh, mostly in its infrastructural and power development sector, which are essential for Bangladesh to achieve its desired development. Bangladesh has considerable stakes in the BRI projects. Due to the dearth of economic incentives, Bangladesh has never been a major destination for foreign investment, and the BRI could significantly increase the flow of foreign investments.

Nevertheless, what is troublesome in this context for Bangladesh is that Chinese plans and interference are bothering Bangladesh's other neighbour, India. India has also offered

53 R. Saimum, *op. cit.*, 1-20.

loans and investments to Bangladesh to counter Chinese intervention in Bangladesh and the greater South Asian region. As an emerging country, Bangladesh cannot specifically choose between either of them, neither can it refuse either of these two great powers. This is certainly problematic for Bangladesh.

In terms of 21st-century international politics, Bangladesh could benefit the most from the India-China competition. But the Bangladesh government needs to formulate a more balanced policy, taking advantage of the opportunities presented by the Chinese BRI, even as it remains sensitive to India's core concerns.

Again, the ongoing Rohingya crisis also has several implications for Bangladesh's relations with its other neighbour, Myanmar. Any progress regarding Bangladesh-Myanmar bilateral ties is challenging, without solving the Rohingya crisis first. Bangladesh needs Myanmar's support, and Myanmar also needs Bangladesh's backing, for implementing several projects under the BRI in their respective countries. For that to happen, China needs to mediate between these two countries and play a more active role in solving the Rohingya crisis.

The BRI is a project that can change the fate of many countries, including Bangladesh. No matter what challenges it poses in Bangladesh's bilateral relations with its neighbours, Bangladesh needs to face and overcome these challenges, diplomatically and tactfully, to fully reap the benefits associated with the BRI.