

# Geopolitics of the pandemic: The Bangladesh scene

Ali Riaz



**FRIEDRICH  
EBERT**   
**STIFTUNG**



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## Executive Summary

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Despite the unprecedented scale of the pandemic, predictions that the COVID-19 crisis will usher in a new era and dramatic changes in the global order is imminent but have not yet come to pass. However, the COVID-19 crisis has accelerated the ongoing incremental changes in global geopolitics, which reflects the shift of the centre of gravity of power—both economic and political—towards China and Asia.

Access to the COVID-19 vaccine will be a key issue of global geopolitics, determined by the distribution of power and interests.

Bangladesh's efforts to address the impacts of the pandemic—both in terms of public health and economically—have been largely ineffective, although 23 stimulus packages have been declared to date. The Bangladesh government's non-inclusive governance, endemic corruption and absence of a long-term perspective on economic recovery continues to hinder the efforts to combat the pandemic.

In the past decade, Bangladesh's geostrategic importance has increased significantly, thanks to the Sino-Indian rivalry in South Asia and the United States-China contestation in the Indian Ocean region. These have placed Bangladesh in both a precarious and advantageous position. Bangladesh has increasingly adopted a hedging posture in its foreign policy in relationship with India and

China, although the reliance of the current regime on India for its political fortune and geographical imperatives makes it difficult for the country to adopt a radical realignment path.

Multilateral organizations, such as the World Bank, the Asian Development Bank, the International Monetary Fund, and development partners, for example, Japan and the European Union, will have an important role in Bangladesh's economic recovery in the wake of the pandemic and future trajectory of the country. They should leverage influence for an inclusive political and economic system.

The United States has remained conspicuously absent in the region for a long time and relied on India to do its bidding, which has weakened its influence. The Trump administration's policies of unilateralism and disengagement from the global stage exacerbated the situation. The Biden administration will re-engage and focus on the Asia-Pacific region. Bangladesh should avail the opportunity to break away from the binary choice of China and India and increase its manoeuvrability.

Bangladesh has four alternatives in moving ahead in the post-COVID-19 global political environment: status quo, muddling through, revising the course or a radical realignment.

# Introduction

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Impacts of the COVID-19 crisis on Bangladesh must be explored within two broad contexts: the global developments since the pandemic began and the regional implications of these developments. Both the political and economic aspects of these two contexts warrant attention.

These contexts interplay with the political and economic milieus of Bangladesh. The political environment of the country, especially its system of governance, and its economic policies, particularly pertaining to the economic recovery from the adverse impacts of the pandemic, are shaping the nature and scope of the impacts of these extramural developments. The growing penchant of the incumbent government for authoritarianism, the changing political landscape within the country, its relationship with neighbouring India and the future role of the United States under the Biden administration in the region have implications for the trajectory of the country's domestic and foreign policy. The global economic recovery also has a bearing on the pathway of the country.

The export-oriented ready-made garment industry and remittances from short-term migrants are the keys to Bangladesh's integration with the global economy, but its interaction with the global economy is not limited to these two sectors. Multilateral organizations' involvement in Bangladesh's economy, particularly

financing development projects, remain vital to its growth. The reciprocal engagements between multilateral organizations and Bangladesh are expected to grow further because Bangladesh has leaned on these organizations for recovery from the COVID-19 crisis. The long-term impacts, however, remain to be seen. A critical issue is the source of vaccines and the explicit and implicit conditions agreed upon between the suppliers and Bangladesh. The country will not be able to escape the geopolitics of access to vaccines, on two counts—first, its resource constraints will impede its access to the vaccines and distribution to citizens, and second, the growing rivalry between India and China in the region in the race to provide a vaccine has political strings attached.

These disparate elements are the pieces of the puzzle, and an illuminating picture will emerge when they come together. In this paper, I discuss these pieces in four broad sections: context, actors, policies and trajectory.

## Context

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While COVID-19 continues to ravage many parts of the world, especially the Western world including the United States, many Asian countries seem to have brought it under control in recent months. Since onset of the global pandemic in March 2020, its impacts on East and Southeast Asian countries have largely defied the dire predictions. Life has either already returned to normal or increasingly become normal, and economic activities have resumed in many countries in the region, providing much needed hope. International financial organizations have forecasted a healthy growth for the Chinese economy and revised their forecasts of potential adverse impacts on growth for many Asian countries—at a time when the United States and other large economies are facing contractions. Various strict measures adopted by the governments in Asian countries and heightened awareness among citizens reflected in the widespread use of masks, maintaining social distance and practising hand hygiene, along with robust contact tracing, have kept the pandemic largely under control. In contrast, the second wave of the pandemic has once again brought many countries in Europe to a halt, and the bitter politicization of the use of masks in the United States in the wake of the presidential election has put the country on a perilous path.

The experience of South Asian countries has been somewhat different from the rest of Asia and is confounding, to say the least. As of mid-November, India had the second-largest number of coronavirus cases in the world, even after the first long wave seemed to be ebbing. With the low incidence of testing in many South Asian countries, some below the World Health Organization's (WHO) benchmark of 10–30 tests per confirmed case, the extent of infection has remained largely unknown, while governments continue to claim success of stopping the spread. India has barely made the benchmark threshold regarding testing.

Bangladesh's performance in this regard is abysmal. As of mid-November, it had remained at the bottom of the list of countries in the region in terms of testing, hovering around 10,000–14,000 tests a day.<sup>1</sup> The reported cases of death have remained remarkably low, according to government statistics, but the veracity remains under a cloud of suspicion. The government has forecast a quick turnaround of the economy, with GDP growth between 7.2 per cent and 8.1 per cent.<sup>2</sup> The Asian Development Bank forecasts 5.2 per cent GDP growth for 2020,<sup>3</sup> while the International Monetary Fund predicts 4.4 per cent 2021 fiscal year.<sup>4</sup> The World Bank provides a sombre picture of 1.6 per cent GDP growth.<sup>5</sup> The stark differences in these forecasts are a matter of concern.

Although the World Health Organization and several countries had authorized several coronavirus vaccines by February 2021 for emergency use, the distribution has remained a serious challenge. The COVID-19 Vaccine Global Access (COVAX) facility, a global alliance, which was established to provide vaccines to 92 low- and middle-income countries, has remained severely underfunded. The reversal of US policy to remain away from the effort and provide \$4 billion by the Biden administration is a positive development. China, which joined COVAX in October 2020, promised this past January that it will deliver 10 million doses of vaccine. The inequality of distribution and administering the vaccine prompted WHO Director-General Tedros Adhanom Ghebreyesus to warn of a “catastrophic moral failure” of the world.<sup>6</sup> The healthy younger populations in wealthier nations reportedly are receiving the vaccine while vulnerable populations in poorer nations are waiting.<sup>7</sup> The United States, as of late March, was holding millions of doses of the Oxford-AstraZeneca vaccine even before it was approved for emergency use in its territory. The global COVAX rollout began in February 2021, with Ghana the first recipient. The COVAX facility intends to distribute more than two

<sup>1</sup> See <https://bd.ambafrance.org/COVID-19-Bangladesh-Update-13-November-2020-2365>.

<sup>2</sup> Ibid.

<sup>3</sup> See <https://bdnews24.com/economy/2020/06/18/bangladesh-economy-expected-to-grow-7.5-in-fy2021-after-pandemic-induced-slowdown-adb>.

<sup>4</sup> See <https://www.dhakatribune.com/business/economy/2020/10/13/imf-bangladesh-s-gdp-to-grow-3-4-in-2020>.

<sup>5</sup> See <https://www.dhakatribune.com/business/economy/2020/06/09/wb-estimates-gdp-growth-to-be-1-6>.

<sup>6</sup> See <https://www.bbc.com/news/world-55709428>

<sup>7</sup> Ibid.

billion doses by the end of the year to the governments of countries that need them the most. Fortunately, the vaccine cold chain issue associated with at least two of the vaccines is avoided with the Oxford-AstraZeneca vaccine, which can be stored and transported under usual refrigerator temperature.

China and Russia have already exhibited their predilection for using the vaccine as a tool to expand their sphere of influence. Regionally, India has taken the same path and launched “vaccine diplomacy” by providing “priority access” to Bangladesh and delivering the vaccine to other countries in the region. The Serum Institute of India, one of the world’s largest manufacturers of vaccines by volume, has produced the Oxford-AstraZeneca vaccine and is under contract to produce the Novavax vaccine. The demand for the vaccine has outpaced the production capacity of the Serum Institute. In late March, it put a hold on delivery to Nepal and the United Kingdom.

The vaccine production and distribution are taking place in the background of changes in the global political arena. The concerns and, for some, the optimism expressed in the early days of the pandemic, that COVID-19 would upend the global order, is increasingly becoming an unlikely scenario. The anticipated and/or expected changes with serious geopolitical implications were based on the understanding that as the pandemic laid bare some of the inherent weaknesses of the global political order and global economy, efforts would be made to remedy them. For example, the pace of the spread of the virus raised questions about the nature of globalization; the dramatic disruption of the supply chain raised questions on whether a new mode of integration is necessary; the failure of public health systems to address the pandemic highlighted the need for overhauling the national public health systems; and the economic costs borne and continued to be borne by the middle class and poorer segments of populations raised questions about neoliberal economic policies. These discussions were neither premature nor utopian, yet we have not seen any dramatic departure from the pre-COVID landscape. The prediction that this “once-in-a-century global catastrophe” will be the rupture point of our time has not come to pass—yet. Instead, the distribution of power and interests remain almost similar to 2019, before the pandemic arrived.

This is not to suggest that the pandemic has not engendered some rethinking or that the current mode of globalization has not come under serious scrutiny. Nor that the disruption of the global supply chain, easily discernible and deeply influential, has not been discussed in the boardrooms of the large corporations and small companies alike. Nor that a proactive mitigation strategy is not on the agenda. But definite changes are not forthcoming. What has happened so far, is not a “discontinuous shift” but a slight acceleration of previous trends. This is most vividly demonstrated in the discourse on the global role of China and the proliferation of authoritarian regimes. Both were in the public discourse before the pandemic.

The absence of a global leader, which became evident during this global crisis, is not a result of the pandemic. Instead, the pandemic brought it to the attention of the world. The process was in the making for quite some time, and the pandemic expedited that process to some extent. The failure of Western countries, particularly the United States, to provide clear direction boosted discussion on the ability of the United States to remain the global hegemon. “The end of the Pax-Americana” paradigm has been discussed for decades. The pandemic has only rephrased the question on whether this is a “temporary disruption” or an “epochal moment”. The reality, however, stands somewhere between these two extremes. The United States’ leadership on the global stage was waning well before COVID-19, but thanks to Donald Trump’s unilateralist foreign policy since 2017, its pace had accelerated. President Joe Biden’s bold proclamation that “America is back” will require concrete steps to back it up, including bringing order to America’s own house. The threat to its democracy was on display on 6 January 2021 when hundreds of people attacked the Capitol building.

The second point that warrants our attention is the rise of China as a global power. In the past decade, it quietly made its way to the global stage and situated itself as one of the key movers of the global economy. One critical factor is its location at the heart of the global supply chain. China’s Belt and Road Initiative is now augmented by the Regional Comprehensive Economic Partnership (RCEP), arguably the largest free trade agreement in history. China’s aggressive initiative in the past years has

resulted in success, but there are two other factors that contributed to that success: first, Donald Trump's decision to withdraw from the Trans-Pacific Partnership and the RCEP and, second, the reality that the centre of gravity of power—economic and strategic—has shifted to Asia. While China has become a topic of our daily discourse, for the pandemic (in terms of its reported origin and “success” in containing it) and the trade war with the United States, its anti-liberal global order model is what demands more attention of the international community. The model offers a hierarchically organized but loose and malleable hegemony wherein it remains at the centre of the circle. Most importantly, the supposed model insists on “efficient” governance instead of inclusivity, thus undermining the importance of democracy. While the model is not articulated in any specific document, the growing influence of China and trying to bring more countries within its ambit is a testimony to its endeavour.

The third point that warrants our attention is whether we are witnessing the acceleration of the rise of regional powers. Although it is more evident in the Middle East, other regions may see a similar trend in the future. For now, India's move to gain prominence and exert influence should be considered within this framework. Despite its global aspiration, India is not yet ready to claim a place on that stage. Its newfound strength in the region is largely tied to the idea that it is the bulwark against China, and thus it receives the unqualified support of the United States.

The Bangladesh–China relationship has warmed up quite significantly in recent years; it is now described as a “strategic partnership for cooperation”.<sup>8</sup> Bangladesh joined the Belt and Road Initiative in 2016,<sup>9</sup> signed 27 memoranda of understanding valued at \$24.45 billion,<sup>10</sup> asked China for a loan of nearly \$1 billion for a

comprehensive management and restoration project on the Teesta River<sup>11</sup> as well as \$16 billion for 26 projects in the midst of the pandemic.<sup>12</sup> China, which is the largest trading partner of Bangladesh, has also reduced tariffs for 97 per cent of Bangladeshi imported products under its Preferential Tariff Programme.<sup>13</sup> There was an agreement to conduct trials of the Chinese vaccine, but it was later rescinded.<sup>14</sup> Notwithstanding the economic aspect of the relationship, the ruling party's quest for non-inclusive but performance-driven legitimacy is bringing it closer to China.

The United States–Bangladesh relationship has remained steady for years, and cooperation on a wide range of issues, such as security and trade, have increased. Several rounds of partnership dialogue have taken place on security and economic cooperation. The United States has repeatedly underscored that it would like to see Bangladesh as a partner within its Indo–Pacific Strategy. Bangladesh has remained shy of making any firm commitment, while renewed effort to convince Bangladesh became visible at the far end of the Trump administration, with several visits from Washington. Whether these efforts are indicative of a shift of the approach, which is moving away from viewing Bangladesh through the New Delhi lens, and whether the current approach will continue under the Biden administration, is an open question.

A triangular power contestation in South Asia—between China, India and the United States—is already in play and will influence the policy choices of the government in Dhaka. The domestic political and economic environment will have serious bearings on the options as well. Despite some early signs of economic recovery due to high volumes of foreign remittance and exports in the ready-made garment sector, the economic policy that guided the contours and priorities of the stimulus packages have not

<sup>8</sup> See <https://bdnews24.com/bangladesh/2016/10/14/bangladesh-china-begin-strategic-partnership-for-cooperation-to-work-together-on-international-issues>

<sup>9</sup> See <https://bdnews24.com/bangladesh/2016/10/15/bangladesh-formally-joins-chinas-flagship-one-belt-one-road-initiative>

<sup>10</sup> Ibid.

<sup>11</sup> See <https://www.indiatoday.in/world/story/china-to-lend-bangladesh-almost-1-billion-for-teesta-river-project-reports-bangladeshi-media-1712284-2020-08-17>

<sup>12</sup> See <https://thefinancialexpress.com.bd/economy/bd-seeks-64b-chinese-fund-for-new-projects-1593400758>

<sup>13</sup> See <https://www.china-briefing.com/news/opportunities-for-bangladesh-exporters-as-china-reduces-tariffs-to-zero-on-97-of-all-products/>

<sup>14</sup> See <https://health.economicstimes.indiatimes.com/news/industry/bangladesh-rejects-chinese-covid-vaccine-trials/78637612>

been successful and will further restrict the government's choices. The stimulus packages, 19 altogether, have reached only 8 per cent of total employment, according to a report by the Centre for Policy Dialogues and Oxfam. Although small and medium-sized enterprises are the country's economic backbone because they generate almost 87 per cent of jobs, the stimulus packages have not been helpful to them due to the bureaucratic process and policy priorities. According to media reports, as of late March 2021, more than a third of the stimulus funds had yet to be disbursed. Large borrowers with political connections have benefited immensely, while corruption has permeated various levels. These issues will increase the need of the government to seek more loans from multilateral organizations.

At the political level, the government is increasingly adopting more authoritarian measures to silence its critics and limit the space for dissent. Rampant use of the draconian Digital Security Act by the government and the supporters of the ruling party testifies to this strategy. These measures are contributing to the simmering discontent and periodic outbursts on social issues. In trying to demonstrate that it has not limited the space for protest and freedom of expression, the government has allowed conservative Islamists to demonstrate on sociopolitical issues. The goal of the government is also to

garner support by playing on Islamic sentiments. However, unlike earlier days, the demands of the conservative Islamists will not remain on domestic issues. Recent demonstrations against the French government by the Islamists in Bangladesh, which pushed the government to send a letter critical of President Macron's comments regarding Prophet Muhammad's cartoon after the killing of teacher, is a case in point.

The shadow of the Rohingya refugee crisis looms large on the foreign policy of the country. In 2017, more than a million members of the Rohingya community from the Rakhine State of Myanmar fled to Bangladesh after facing ethnic cleansing and genocide. While Western States have provided support for relief, there has not been any progress in the repatriation of them. A bilateral agreement between Bangladesh and Myanmar, ostensibly signed at the prodding of China in 2017, failed to offer any solution. China and India, two of Bangladesh's close allies, have sided with Myanmar for strategic and economic reasons. Bangladesh's diplomatic initiatives have not succeeded in ensuring support from its South Asian neighbours or its Asian economic partners, such as Japan. The military coup in Myanmar in February and the ongoing prodemocracy movement are likely to complicate the situation further.

## Actors

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The actors in determining the course of events and trajectories, in the current geopolitical scene laid out here, are domestic, regional and international. Among the domestic actors, the principal element is the government. The government faces several challenges, including managing the ongoing pandemic and ensuring access to vaccines when they are available. As it is globally, the economic fallout of the pandemic is ongoing in Bangladesh. Despite several large-scale stimulus packages, the fundamental aspects of the economy—skewed towards a few sectors, producing jobless growth and marked by lack of inclusivity and growing disparity—have not received due attention. The run-of-the-mill

budget, passed in June by the parliament, fails to address the gravity of the situation.

The non-inclusive nature of politics, particularly the mood to persecute critics and silence members of civil society, will open space for forces that will have disproportionate influence. Among these forces, Islamists, particularly the conservative Islamists, will be formidable. The increased religious sensibilities in the society, Islamization from below, the ruling party's warm relationship with the conservative Islamists and the ability of the conservative Islamists to mobilize have allowed them to gain significant influence. They will be able to dictate both domestic and foreign policies, especially when it comes to the

country's relationship with India and China. Increasingly, Islamists are demonstrating their preference for China, with anti-Indian sentiment on the rise. The non-inclusive nature of politics, the ruling party's reliance on clientelist networks and endemic corruption will be matters of serious concern in the distribution and availability of the pandemic-ending vaccines.

The business sector, which is the engine of Bangladesh's economic growth, is another crucial actor. A significantly large representation of businessmen in the parliament—about 61 per cent of the total number of members—provides them considerable leverage in policymaking. The business-politician nexus, especially the influence on political parties, has provided them tools to steer economic policies. Economic recovery remains their priority and, as such, any further slowdown will hurt the business community. The demand for easy access to bank loans, at a time when public borrowing by the government has reached a new height, will have repercussions on the economy. The share of non-performing loans is likely to increase, putting a strain on resources and compelling the government to either tap into the foreign exchange reserve or borrow from multilateral organizations, such as the Asian Development Bank, the World Bank and the International Monetary Fund. The government has already borrowed an unprecedented amount of money from these multilateral institutions—a total of \$7.27 billion in the fiscal year ending in June 2020. Of that amount, \$3.76 billion was received in the last four months of the fiscal year. In 2018/19 FY, the country received \$6.21 billion, and in 2017/18, the amount was \$6.09 billion. While the borrowing pattern shows no change, it reflects that it is relying on multilateral institutions for development financing, particularly its large-scale infrastructure development projects.

The main opposition, the Bangladesh Nationalist Party, has remained moribund and rudderless due to the crisis of leadership. The party chairperson, Khaleda Zia, who was convicted in two cases of corruption and sentenced to prison for 17 years, is on a conditional bail and reportedly unwell. Her son, Tareq Rahman, also convicted in several cases of corruption, leads the party from exile. There is no clear direction as to where the party intends to go in

the coming years. The severe persecution and the lack of a vision have put the party in a vegetative state. But its support base has remained intact, and it will benefit from the anti-Awami League sentiment if and when an opportunity arises. While the Bangladesh Nationalist Party might not appear to have the wherewithal to influence the course in the short term, any expected turn of events will make it an important actor.

Of the regional actors, India is and will continue to be the most influential actor in shaping the Hasina government's policy preferences and interactions with global politics. Geography aside, India's prominence can be attributed to two factors. First, in the past decade, the ruling Awami League has become politically dependent on the support of the Indian establishment. The relationship has become unequal because Bangladesh's efforts have not been reciprocated equally, although they helped the ruling party keep its grip on the situation. While Bangladesh assiduously met India's demands of providing free transit to Indian goods, allowing the use of Bangladesh's ports, setting up a coastal surveillance system radar and permitting the withdrawal of water from the Feni River, legitimate claims against India by Bangladesh have been brushed aside. Some Indian politicians have portrayed Bangladeshis with disdain. Second, with further push from China to increase its sphere of influence in South Asia, India's posture towards Bangladesh will be brusquer, for it has always considered Bangladesh its backyard.

China's primary objective is to challenge and replace the global liberal order. Its South Asian policy is strategic and intends to minimize the role of India and, by extension, the United States. Although none of the South Asian countries have joined the RCEP, all will be affected by this mega trade deal in terms of entering the Chinese market. The RCEP will offer tariff liberalization to its signatories in the coming years. Thus, Bangladesh will face intense competition when entering the Chinese market. Although China recently accorded zero-tariff facility to 97 per cent of Bangladeshi products, the RCEP is likely to make it less significant because other countries will enjoy a similar facility. Bangladesh has a high trade deficit with China; it exports a total of \$800 million, while its import bill is around \$12 billion. The deficit increased by 19 per

cent in FY2018/19.<sup>15</sup> In economic and strategic senses, China will be a major actor with significant influence on Bangladesh. And as noted, the ruling party may feel political affinity with China as much as it needs its financial support to pursue the “development” agenda, particularly its infrastructural development.

Among the international actors, the United States remains a major power. As the Biden administration works to rebuild the global standing of the United States, it is bound to focus on the Asia–Pacific region. Economic and geostrategic considerations have made this an imperative. Bangladesh did not receive much attention

under the two previous administrations. The United States previously relied exclusively on the Indian government in dealing with smaller South Asian countries. India will remain the linchpin of United States engagement with South Asia, for countering Chinese influence, but there will be issues. For example, human rights in India will provoke some shift in this relationship. It may encourage the new United States administration to maintain contact with other nations and bypass New Delhi. Adherence to democracy, upholding human rights and the extent of the relationship with China are likely to be the criteria in forging a better relationship.

## Policies

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The pandemic has engendered public discourse on two issues: foreign policy and the economy. They interject at some levels, especially in economic outlook and planning. As of now, the economic policies of the Bangladeshi government have not made a clear break from past practices and have remained focused on GDP growth, while the pandemic has engendered a new poor class. The South Asia Network for Economic Modelling estimates that the poverty rate will double to 40 per cent.<sup>16</sup> Vulnerability of the lower-middle class has exponentially increased. Unfortunately, the policy discourse so far has not demonstrated any sign of a long-term strategy to mitigate the impacts. Pervasive corruption, rent-seeking behaviour of the political class and maintenance of the patronage network remain roadblocks to any kind of reforms.

The government’s economic recovery plan has considerable reliance on the loans of multilateral organizations, such as the International Monetary Fund, the World Bank and the Asian Development Bank. Bangladesh has reportedly borrowed about \$5 billion and is seeking more funds from multilateral organizations. It has sought \$2.5 billion from various multilateral organizations, including the World Bank, the Asian Development Bank and the Japan International Cooperation Agency, as well as France and

Germany for procuring and distributing the COVID-19 vaccine. The World Bank provided an additional \$500 million in February 2021 for vaccine distribution. The foreign exchange reserve has reached an unprecedented high. While remittances have grown, industrial machinery and raw material imports have dropped, which indicates a slow recovery trajectory. Other indicators, such as revenue collection, private sector credit growth, exports and foreign direct investments do not portray optimism.

The foreign policy issue has come to the fore in public discourse because of the reported strain in relations with India. Press reports in September and October 2021 suggested that Bangladesh–India relations, although apparently remaining warm, were facing strains. The National Registry of Citizens in Assam and India’s adoption of the Citizenship Amendment Act have irked Bangladesh. The ruling party is also sensing the growth of anti-Indian sentiment and would like to steer away from it. The Indian government’s discomfort became evident when it sent Foreign Secretary Harsh V. Shringla on a whirlwind tour to Dhaka in August, when Bangladesh was engaged in negotiations with China for \$1 billion for the Teesta River project and the proposed trial of a Chinese vaccine in Bangladesh. The trial was later cancelled, citing disagreement between the Chinese

<sup>15</sup> See <https://www.tbsnews.net/economy/trade/new-export-potential-unlocked-chinese-market-95629>.

<sup>16</sup> See <https://www.tbsnews.net/economy/covid-19-impacts-may-double-poverty-bangladesh-says-think-tank-76027>.

company and Bangladesh on cost sharing. Bangladesh's policy in dealing with these two countries is often viewed as binary—a choice between India and China. The government's current policy can be described as hedging. Bangladesh's recent leaning towards China is due in part

to the latter's aggressive move to court smaller countries in the region. However, it is India's strained relationship with its neighbour that has facilitated China's aggressive moves to extend its sphere of influence in the region.

## Trajectories

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Bangladesh's geostrategic importance has increased in the past decade, thanks to the Sino–American competition in the Indian Ocean region and the Sino–Indian rivalry in South Asia. Both have put Bangladesh in a precarious position. But both also offer enormous opportunities. The ongoing pandemic has expedited these contestations and is likely to intensify in the post-COVID-19 era. A judicious and balanced policy with national interests as the guiding principle will bring enormous benefit to the nation. Bangladesh has four alternatives in moving ahead: status quo, muddling through, revising the course or a radical realignment.

The status quo option will require minimum efforts with maintaining its current policies of taking a limited role in the region and a close relationship with India, politically and economically. It will presuppose some walk-back from a closer relationship with China. This option will also mean limited openness in domestic politics, further restriction on freedom of speech and doubling down of the authoritarian actions of the ruling party. Vested interests would prefer this option. However, this option is increasingly becoming untenable for several reasons, especially due to the growing anti-Indian sentiment among Bangladeshis and the potential for the emergence of new dynamics in domestic politics. As well, the contestations of various regional and international actors and changes in the global geopolitics will have implications for the country, whether the Bangladeshi government wants it or not.

The second option, muddling through, implies focusing on the newly emerging pattern of a precarious balancing act between India and China. While this will provide maximum flexibility, it will be devoid of a long-term strategy. The ad hoc nature will deter it from becoming more institutionalized and will run the risk of becoming

the battleground of two regional powers, with the shadow of the United States looming large.

Revising the course option requires looking beyond the region and utilizing Bangladesh's geostrategic and geopolitical advantages to pursue national interests. This option calls for a closer relationship with the West, particularly the United States, without being mediated through New Delhi. The binary mindset, that it must be a choice between India and China, needs to be shunned, and long-term national interests should serve as the sextant in navigating the rough sea of global politics. This is not to promote distance from either of these influential countries but to adopt an equidistance policy and institutionalize the relationship through various cooperative arrangements on trade and security. This option will require changes in the domestic political and economic arenas, with inclusivity and protection of rights.

The radical realignment will be a complete departure from any previous situation. The realignment could be either with the Western world, particularly the United States, or alternatively, with China. Exclusive alignment with the West will not bring any economic benefits. Cooperation in other sectors, such as security, is already in place and has been strengthened in recent years. A dramatic shift towards China will create waves and will have implications for the country in global forums. It will have potential economic costs because foreign direct investment may badly suffer. An alignment with China will have domestic political implications and is likely to cause immediate instability, resulting in a pathway to the further curtailment of rights. The geographical location of Bangladesh, being horseshoed by India, is a serious deterrent to such an alignment.

These alternatives will not remain forever. The time window is small, and procrastination will only result in a choice being imposed by global dynamics. While Bangladesh explores various alternatives, which should be done without much delay, the international community should not remain a silent spectator. Considering the current domestic political environment, it has an important role, and it will be imperative for European countries to take a more visible and effective position.

The role of the multilateral organizations has also become important. Leveraging their presence and influence will

be necessary to restore civil rights and accountability. European countries must take a lead in conjunction with the United States. Accountability, transparency and anti-corruption measures are the first steps. It is imperative that the multilateral organizations and donor communities be cognizant of the danger of their assistance becoming something akin to “corrosive capital”, which would enable an unaccountable system of governance and bolster an authoritarian system. The new United States government will be better served if it reaches out to the Bangladeshi government to help make the transition to a new geopolitical reality.

### About the author:

**Ali Riaz** is a Distinguished Professor of Political Science at Illinois State University, and a Nonresident Senior Fellow of the Atlantic Council. He previously taught at Universities in Bangladesh, England and South Carolina and worked as a Broadcast journalist at the BBC in London. His research interests include democratization, violent extremism, South Asian politics, and Bangladeshi politics. His recent publications include *Voting in a Hybrid Regime: Explaining the 2018 Bangladesh Election* (2019), and an edited volume *Religion and Politics in South Asia* (2021).

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Banani P.O. Box: 9051  
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