Recognizing that the problems and challenges emanating from the region require a regional approach holds the key for regional cooperation. Creative re-imagining of the geographical advantages, historical and cultural linkages may unlock the potential for regional collaboration as much as in dismantling the artificially constructed boundaries.

Improving political relationships among the governments of Bangladesh, India and Myanmar and the settlement of long-standing maritime territorial disputes provide an opportune time to explore trilateral cooperation in resources sharing, inter-linking connectivity and joint efforts to enhance security.

* This paper is based on deliberations at an international conference on “The Future of the Bay of Bengal” held in Kolkata on 3-4 March, 2014 organised by Friedrich-Ebert-Stiftung.
INTRODUCTION
Emerging geopolitical changes in the Bay of Bengal (BoB) region are unleashing its enormous economic potential. However, if political obstacles, among these littoral states, along with strategic competition between the major powers, are allowed to shape the evolving dynamics, they may not only constrict the region’s economic prospects, but also turn it into one more theatre of conflict. In such a scenario, the key littorals – Bangladesh, India and Myanmar – need to leverage emerging opportunities through various forms of cooperation to chart anew the economic geography of the region, and evolve regional mechanisms to manage conflict, a critical condition for regional peace and stability.

With the launch of its Look East Policy (LEP) in the nineties, New Delhi has strengthened its political, economic and strategic ties with Southeast Asian countries and beyond. India’s economic growth and the region’s interdependent and vibrant economies have brought more focus on the BoB region. This has necessitated stronger ties with the key littorals. The role of India’s immediate eastern and strategic neighbours in furthering, what has been termed as an “Enhanced Look East“ policy, has thus only reinforced the geopolitical significance of Bangladesh and Myanmar.

Historically, the BoB region has played the crucial role of a connector – where trade, commerce and cultures were intertwined for centuries. In fact, the entire BoB region was under one rule without geographical borders during the British Raj in India. This changed drastically as new nations emerged in the post-colonial period. Nation-building projects of the littorals forced them to look inward, at the cost of commercial and cultural interactions across the BoB, as political tension and mutual suspicion characterised relationships of the newly created nation-states. In the 1960s, Myanmar adopted an isolationist
policy and completely withdrew from the international community. The domestic political upheavals from the late 1980s led to further isolation of the country, as the regional and international community, including India, took a strong stand against the brutal military suppression of pro-democracy supporters. India reviewed its Myanmar policy in the mid-1990s.

Globalisation and the economic rise of Asia have provided new drivers to reconnect and revive old linkages and ties as the 21st century presents an opportunity to redefine the economic future of the region. It was realised that in a globalised world, some form of regional integration was required for market access and production beyond national borders to sustain high economic growth rates. This has also been accompanied by increasing rivalry among major powers. China’s continued southward orientation and the renewal of the United States (US) focus on Asia mean more intense strategic competition for natural resources, strategic transit routes, port facilities and access to markets in the region. This may adversely impact efforts to promote a BoB community.

How the key littorals chose to interact with one another will greatly determine the future shape of the BoB region. This paper attempts to examine the region’s political, economic, and strategic future by focusing on the key littorals – Bangladesh, India and Myanmar. It highlights the potential areas for cooperation among the three countries, provides specific policy recommendations to deal with common challenges, and explores shared prospects for the region.

CHANGING REGIONAL DYNAMICS

Political Transitions

India’s neighbourhood has seen drastic domestic political changes in recent years. This has opened up opportunities for New Delhi to play a constructive role in economic development and strengthening of democracy in the region. Myanmar has witnessed major democratic and economic reforms since the country’s transition from military to civilian rule in 2011. Bangladesh, under the Sheikh Hasina government, has been trying to fight terrorism and marginalise extremist elements in that country. The Hasina government has adopted a ‘zero tolerance’ policy towards terrorism and enacted necessary laws such as the Anti-Terrorism Act to combat terrorism and militancy. India’s relations with Bangladesh have witnessed a steady improvement
since the Hasina government took over. An important factor that contributed to improving relations was the Hasina government’s strong stance against India’s insurgent groups based in Bangladesh.

Despite notable achievements in both Bangladesh and Myanmar, there are inherent weaknesses that include weak democratic institutions, personality-based politics, rampant corruption, one-upmanship among political parties, and a high tendency for street violence. Above all, there is a lack of inclusiveness as radicalism and majoritarianism have grown in both countries in recent years. Despite these daunting challenges, both countries continue to move on the path of democracy and India’s role in strengthening this process is critical.

India has adopted a multiple-engagement strategy with the key political players in both Bangladesh and Myanmar. New Delhi has successfully engaged important players in Myanmar, including Aung San Suu Kyi’s National League for Democracy (NLD) and the ruling military-backed Union Solidarity for Development Party (USDP), among others. With general elections slated for 2015, India seems prepared to work with any player that comes to power.

With Bangladesh, New Delhi has been less successful. While India has succeeded in building a strong relationship with the ruling Awami League (AL) of Sheikh Hasina, New Delhi’s relations with the main opposition party, Bangladesh Nationalist Party (BNP) have been marked by ups and downs.

New Delhi enjoys good relations with the current regimes in Nay Pyi Taw and Dhaka, but the challenge is to sustain the hard earned cordial relationships. India’s new Prime Minister, Narendra Modi, has indicated that his government’s priority will be the neighbourhood. By inviting South Asian leaders to attend his swearing-in ceremony and making Thimphu, Bhutan his first foreign trip, Modi has struck a positive note with the neighbours. The Modi government is likely to continue the policy of the Congress-led government and build on what Manmohan Singh’s government had achieved. It was unfortunate that no leader from Myanmar was invited for the function and Prime Minister Sheikh Hasina had to be represented by Bangladesh Parliament Speaker, Dr. Shirin Shamin Chaudhury, as she was on a state visit in Japan. Be that as it may, the positive start by Prime Minister Modi augers well for India’s relations with all its neighbours including Bangladesh.
and Myanmar. Considering that there were reports about widespread apprehensions in Bangladesh on the prospects of the Bharatiya Janata Party (BJP) – a right-wing party with close links to Hindu religious groups – coming to power in New Delhi in the recent general elections, the early move to build confidence on the part of the Modi government was a good sign.

That the new regime in New Delhi will focus on its immediate strategic neighbourhood has also been indicated by the new Indian External Affairs, Minister Sushma Swaraj, making Dhaka her first foreign trip in June 2014. This atmosphere of cordiality and friendship provides a great opportunity for New Delhi to redefine its relations with both Bangladesh and Myanmar beyond bilateralism and move towards trilateral cooperation.

**Economic Interactions**

India’s economic interactions with both Bangladesh and Myanmar have grown gradually in recent years. Bangladesh has replaced Sri Lanka as India’s largest trading partner in South Asia, with bilateral trade touching US$ 5.7 billion in 2012-13. The duty free access given by India to Bangladesh for all items except 25 has been an important factor for this dramatic growth. Since the signing of the Bilateral Investment Promotion and Protection agreement, Indian investment in Bangladesh has been growing. On the other hand, India’s bilateral trade with Myanmar has been a modest US$ 1.9 billion in 2012-13. Indian investment in both Bangladesh and Myanmar however remains small with most of it going towards infrastructure development, and natural resource extraction, particularly oil and gas in Myanmar. One of the major obstacles to increasing trade is the poor transportation infrastructure linking the three countries.

For historical reasons and because of the porous nature of regional borders, informal trade among these countries is much higher than formal trade. In the recent past, India has established the ‘Border Haats’ concept, a local market across borders, with Bangladesh and Myanmar, hoping to encourage cross-border trade and minimise illegal transactions. The challenge, however, is to make legal trade across borders more attractive than smuggling. Even as India has been unilaterally opening its market to South Asian nations and trying to strengthen physical connectivity with its neighbours, China’s growing economic footprint in the
region also presents another dimension of the challenge for India. China is today the largest trading partner of both Bangladesh and Myanmar.

The BoB region is endowed with rich natural resources including oil and gas reserves and marine products. So far the level of cooperation required for joint development of natural resources is low. Furthermore, the level of resource sharing, particularly water and energy, among Bangladesh, India and Myanmar remains difficult owing to political obstacles. In the mid-2000s, Bangladesh, India and Myanmar missed an opportunity to develop a trilateral gas pipeline. However, in recent years there are signs that cross-border sharing of resources has been gaining ground. Bangladesh and India have established inter-grid connectivity for export of electricity to Bangladesh. India’s new external affairs minister, Sushma Swaraj, has informed the Bangladeshi leadership that the new regime in New Delhi is trying to build a renewed consensus on the Teesta River treaty. Earlier, during his meeting with Bangladesh Parliament Speaker, Dr. Shirin Shamin Chaudhury, Prime Minister Modi has assured Bangladesh that his government will positively consider signing the Teesta water-sharing deal.

Given the centrality of the BoB in the Indo-Pacific region as the link between South Asia and Southeast Asia, and between the Indian and Pacific Ocean, it is but natural that infrastructure development for transportation and other facilities in and around the BoB region will have a huge impact on how countries in the region interact. India has been stepping up its role of building infrastructure in the region, but its involvement in Bangladesh and Myanmar needs to be hugely scaled up. China has been involved in the development of infrastructure, both in Bangladesh and Myanmar, which includes pipelines, ports, road and railways. The gas pipeline connecting China’s Yunnan Province with Myanmar’s Rakhine state is already in operation and a parallel oil pipeline will soon begin operating. China has also been involved in building deep-sea ports in Bangladesh and Myanmar. While these are much needed facilities in the BoB region from a geo-economic perspective, geo-strategically it adds pressure on India as China strengthens its reach into the Indian Ocean.
Cross-Border Security Cooperation

The under-developed borderlands of Bangladesh, India and Myanmar have long been characterised by ethnic conflicts, gun-running, smuggling, narcotics and human trafficking. They are far away from the political and economic centres of all the three countries and the absence of effective administrative controls have led to these areas becoming breeding grounds for all sorts of illegal activities. Cross-border security cooperation has been a major concern of India’s bilateral cooperation with Bangladesh and Myanmar. In fact, the progress made in dealing with Indian insurgent groups taking shelter in Bangladesh and Myanmar has deepened mutual trust and enabled India to develop closer political and security interactions with its two eastern neighbours.

One of the challenges in cross-border cooperation has been the issue of unsettled land and maritime territorial boundaries. India and Myanmar have settled most of their land and maritime disputes, except for an 80 kilometre stretch in the Indian state of Manipur and Myanmar’s Sagaing area. This issue has re-emerged as a result of India’s fencing activities in this area. India and Myanmar have recently begun a final demarcation process and it will be in the interest of both sides to find an early resolution to the issue before it becomes contentious in their bilateral relationship.

Land and maritime boundaries disputes between India and Bangladesh have long been a bone of contention in bilateral relations. The Manmohan Singh government was close to settling the land boundary issue in 2012, but failed to ratify it in parliament owing to strong opposition from a few regional parties. On 7 June, 2014, the International Tribunal for the Law of the Sea (ITLOS), an independent body under the United Nations Convention on the Law of the Sea (UNCLOS), one of the judicial organs of the United Nation, announced the verdict of the Permanent Court of Arbitration on the delimitation of the maritime border between India and Bangladesh, awarding Bangladesh 19,467 sq km of the disputed 25,602 sq km sea area in the BoB region. The positive reactions of both governments ended the long-standing differences. Bangladesh officials described the verdict as a “win-win situation”, while India stated: “We respect the verdict...”. The settlement of the maritime boundary has not only removed a controversial issue in bilateral relations
but also allows both Bangladesh and India to jointly as well as individually develop resources in these waters. The settlement of the Bangladesh-India and Bangladesh-Myanmar maritime boundary disputes through arbitration demonstrates the deep respect for international law in these three countries.

A dimension that cannot be overlooked in the maritime domain is China’s growing military interaction with Bangladesh and Myanmar. The growing ties of the US with Bangladesh and Myanmar also cannot be understated at a time when China-US rivalry has been growing in other Asian waters particularly in the East and South China Seas. India has been wary of growing naval cooperation and activities in the BoB. While the Indian Navy remains the most powerful in the region, it needs to ensure that its position is not weakened as a result of evolving power politics by external forces.

Social and Ecological Dimension

One of the key indicators of the social dimension of regional integration is the increasing level of intra-migration among littoral nations. Today, legal migration in the BoB region is negligible. The majority of migrants are illegal, and some are involved in maritime criminal activities – piracy, arms smuggling and human trafficking. A recent phenomenon has been crossing the Bay of Bengal by small boats – carrying mostly Rohingyas, a Muslim minority in Myanmar, who have been fleeing the country in the face of communal violence. According to a June 2014 briefing of the United Nations High Commissioner for Refugees (UNHCR), more than 86,000 people in the region have tried to cross over to India since 2012. Hundreds lost their lives and those who survived the ordeal faced unwelcoming coast guards.

Social, cultural and commercial interactions among the littoral states of the BoB region flourished for centuries. The BoB was known as the Chola Sea named after the South Indian Chola dynasty who built an empire in the 11th century. Maritime linkages have had a great impact on the social attributes of the entire region – whether religion, food or customs. During the colonial period, intra-region migration reached its peak. This equalled, according to an estimate, the same number of people who travelled across the Atlantic during the 19th and early 20th centuries. Waves of migration have produced multicultural and cosmopolitan cities such as Chennai,
Kolkata, Pondicherry, Sittwe and Yangon. Throughout history, social connections have greatly shaped the common culture and social milieu of the region.

About one-quarter of the world’s population and over 30 per cent of the world’s coastal fishermen live and work in the BoB region. Unfortunately, this region is prone to natural disasters like tropical cyclones. This has huge implications for coastal lives as demonstrated by the devastating 2004 Tsunami. Cyclones – Mala in 2006, Sidr in 2007, Nargis in 2008, Giri in 2010 and Phailin in 2013 – are other graphic examples. Rising sea levels, marine pollution, coastal erosion and overfishing, among other issues are serious challenges for the region. As port-building, shipping and development activities grow, the ecological balance will come under greater pressure. These issues have a huge impact on the quality of life and livelihood of millions of people. Since these issues are transnational in nature, any effort to manage these challenges also requires a regional approach.

**POLICY RECOMMENDATIONS**

**Creating a Shared Vision**

Building a BoB community needs a shared vision. Given the shared past, the task is to create a shared prosperous future strengthened by inter-twining cultures, economic linkages and ecological conservation. The common space enjoyed by the region in the past could be revisited with commercial linkages to find ways of restoring civilisational bonds. There is a need to extend existing bilateral tracks into trilateral dialogues. There are ongoing infrastructural projects, bilateral economic and security mechanisms in place. These mechanisms could be taken forward towards trilateral cooperation and India could perhaps lead this process.

**Trans-Border Cooperation**

The key to strengthen trilateral relations is to focus on cross-border land and maritime cooperation. A priority for regional governments is to develop transport and communication infrastructure linking Bangladesh, India and Myanmar who have the advantage of being connected both by land and sea. International financial institutions such as the Asian Development Bank (ADB) could enhance investments in infrastructure to strengthen connectivity among the three countries.

Exploring new ways and approaches to address migration is of upmost importance
as it is a major bone of contention in the region’s external relations. Creating fences and barriers will not solve the issue. More creative approaches including more legal economic and employment opportunities in the borderlands such as trade, strategic investment and facilitating temporary work permits are needed.

An area where the three countries can jointly cooperate is in development of the borderlands. India has initiated a border area development programme with Myanmar. A similar programme could be planned with Bangladesh and also trilaterally. A border development programme can be envisioned at the tri-junction of the three countries involving the Chin state in Myanmar, Chittagong division in Bangladesh and the Mizoram state of India. Joint development of borderlands will not only address the much needed socio-economic development of local populations, but will also address the long-standing issue of illegal immigration.

Another promising area is tourism, including eco-tourism and pilgrimage, among the three countries. India attracts huge numbers of people from neighbouring countries for religious pilgrimage. The Bodh Gaya in Bihar and the Ajmer Dargah in Rajasthan are significant shrines for Buddhists and Muslims, respectively. Visa regimes need to be eased to promote tourism. Promoting eco-tourism, particularly in the borderlands, will not only help in conserving the rich biodiversity of the area but also generate incomes and above all increase people-to-people contacts among the three countries. India’s decision to ease tourist visa norms for Bangladesh announced by Sushma Swaraj during her visit to Dhaka is a step forward. Bangladeshi nationals under the age of 13 and above 65 years can now avail multiple entry visas for five years instead of one. That the new government has taken this step towards easing tourist visa norms is a positive beginning. However, there is need for more such measures.

Visas could also be relaxed for nationals from Bangladesh and Myanmar for education and medical reasons. For instance, health visas may be issued to Bangladeshi nationals at the border to visit India for medical reasons. This could also be extended to Myanmar nationals visiting Indian border states for medical reasons.

Cross-border cooperation can be further facilitated by structural changes in economic
interactions. The three countries need to work on a free trade agreement and explore the synergy of existing structures and emerging ones. Sharing of the rich natural resources will open up new approaches to strengthening relations. For instance, cross-border electricity connectivity among the three countries could be explored. An important area where all three countries can benefit is transit facilities for each other. Located in the centre between India and Myanmar, Bangladesh is a natural land bridge that can provide seamless connectivity among the three countries. Myanmar is a land bridge for Bangladesh and India to access Southeast Asia and its thriving markets, and both countries are gateways for Myanmar to reach South Asia. On the other hand, Bangladesh and India could provide transit to each other in terms of connecting India’s landlocked northeast with the rest of the country and, in turn, Bangladesh could access Bhutan, China and Nepal through India. These initiatives will greatly inject new dynamism in to border trade and other economic activities among the three countries.

A Sea of Enormous Potential

Even though bilateral security cooperation has increased over the years, new forms of collaborative efforts on security issues can be explored among the three countries. India can initiate trilateral naval security cooperation with Bangladesh and Myanmar similar to the trilateral maritime security cooperation between India, Maldives and Sri Lanka. India already conducts joint military exercises with both Bangladesh and Myanmar, which may be expanded into trilateral exercises to address transnational security threats with joint patrol and surveillance in the BoB.

The region’s rich natural resources can be optimally utilised through collaboration among the three countries. The settlement of maritime boundary disputes in the BoB between Bangladesh and India and between Bangladesh and Myanmar is opportune for the three countries to initiate joint development of natural resources particularly energy. The three countries need to revisit the trilateral gas pipeline. Also, starting a coastal shipping service between Bangladesh, India and Myanmar connecting the major ports in the BoB will form a key area of revival of their economic linkages.
Human Security and Environment Conservation

More often than not, the social dimension has only been seen as a source of bilateral tension in the BoB region. There is a need to relook at the rich historical and vibrant exchange of people and cultures to revitalise the social dimension for regional integration. No cooperation is sustainable without the active involvement of people and without the due importance to ecology. Hence, human security and environment conservation need to form the base of community building. Involving civil society in the efforts to build a community could help governments in reaching the grassroots and creating awareness about opportunities in health, education and migration. Creative use of technology in networking non-governmental organisations with coastal people to share conservation and disaster management experiences may be one way of strengthening social integration in the BoB area.

Several fishermen are often arrested for trespassing maritime boundaries in the BoB. The three countries can explore possibilities of allowing fishing rights. Working on shared disaster management in terms of cyclone forecasting and relief operations will greatly enhance capability and resources in dealing with disasters. It may be noted that Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIM STEC) has agreed to set up a weather and climate centre in New Delhi and more such initiatives need to be explored. The three countries could also jointly establish institutes of oceanic studies.

Regional cooperation can have immense positive impact on migration and the environment. There is an urgent need to frame a more humane policy for migration; a regional policy that provides basic protection to migrants. Similarly, a regional approach could be explored to deal with natural disasters (prevention, mitigation and rehabilitation), fishing, coastal erosion, and marine pollution. As Sunil Amrith, the author of Crossing the Bay of Bengal: The Furies of Nature and the Fortunes of Migrants argues: “Hope for a new regionalism lies in recognising that the bay’s history, as much as its ecology, transcends national frontiers”. These issues know no national boundaries and cannot be addressed by a single country alone. The only hope to deal with trans-boundary issues is through regional cooperation.
Outlook

The value of the BoB region is likely to grow for several years to come. Unlike in the 20th century, when the drivers of economic and strategic dynamics in the region were distant players, today’s dynamics are driven by players within the Asian region. The region provides an opportunity to develop one of the most populous and poorest regions in the world. At the same time, rapid economic growth also put pressures on the resources of the area. In the era of globalisation, the region has been moving towards regional integration, though at a painfully slow pace. Even as the three countries share land and maritime borders, the level of economic integration is still very low. While most of their eastern neighbours have developed a strong regional supply-chain, the three countries are yet to take full advantage of their regional geography.

As External Affairs Minister, Sushma Swaraj, ended her visit to Bangladesh on 27 June, 2014, India’s Vice President, Hamid Ansari, was meeting Myanmar’s President, Thein Sein, in Beijing on 29, June, on the sidelines of the summit meeting held to commemorate the 60th anniversary of the “Five Principles of Peaceful Coexistence”. These growing and frequent high-level exchanges are an indication of India’s resolve to continue its focus on its immediate neighbours. There is a strong recognition that India’s destiny is inextricably linked to its neighbourhood. The challenge before New Delhi is to act upon this vision and the new Modi regime has the opportunity to start the process in the BoB region.

BIBLIOGRAPHY


# GLOSSARY

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<td>ADB</td>
<td>Asian Development Bank</td>
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<td>BIMSTEC</td>
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<td>BJP</td>
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